

**Estimates of
National Expenditure
2015**

Abridged version

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The Estimates of National Expenditure 2015 is compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

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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 the main and adjusted appropriation, with revised spending estimates for the current financial year, on skills training, 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.

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Abridged version

**National Treasury
Republic of South Africa**

25 February 2015



Foreword

Some of the tough economic conditions occasioned by the 2008 to 2009 global financial crisis continue to plague most parts of the world: Economic growth remains sluggish, unemployment and inequality levels are elevated, while financial markets tend to reposition themselves substantially at the slightest sign of unsettling news. As an open economy, South Africa is highly susceptible to global economic developments, often disproportionately so. In the face of all of this, the 2015 MTEF response provides for positive real growth in expenditure averaging 2.1 per cent per year. The annual budget reaches R1.6 trillion by 2017/18.

True to the commitment government made in the Medium Term Budget Policy Statement in October 2014, the budget framework sets out departmental programmes and plans that fit within the broad expenditure envelope published last year. To keep our fiscal accounts firmly on a sustainable path, the MTBPS proposed a fiscal policy package that has trimmed overall spending by R25 billion, which is the combined amount for 2015/16 and 2016/17. Government spending does continue to surpass inflation after these adjustments in both years, but growth is marginally slower. In addition, for 2017/18, R45 billion is placed in an unallocated reserve to cushion our plans against unforeseeable eventualities. Further, to achieve our fiscal objectives, government has had to institute carefully selected tax measures too. These are implemented within the framework of a progressive tax system and have been informed by the work of the Davies Tax Committee. The tax proposals are set out in detail in chapter 4 of the Budget Review.

The process of realigning expenditure in response to the closing of the fiscal space is being actively managed, in the context of government's 2014-2019 medium term strategic framework. Some of our aspirations might take longer to realise. Within government's institutions, more urgent and essential existing programmes are being prioritised above other programmes that are reduced. The implementation of some newly proposed programmes will either be phased in over a longer period or, in some cases, possibly even delayed. Social sector spending and key infrastructure spending, as well as other key areas of spending, continue to grow in real terms.

In addition to the reprioritisation of government programmes, the policy frameworks and implementation methodology of programmes are being re-evaluated, with a focus on service delivery of programmes. In line with the 2013/14 National Treasury instruction on cost containment measures, financing programmes must entail a greater share of goods and services budgets being devoted towards core areas of service delivery. The focus of government programmes is being sharpened, both in terms of spatial distribution, and in terms of their nature and emphasis. Effectiveness and efficiency of expenditure is our guiding mantra.

The spending plans contained in the 2015 Budget do respond to our short term needs for economic growth. However, to achieve our ambition of faster growth, which we unquestionably need for pushing back the frontiers of unemployment, poverty and inequality, we must continue to strive towards shifting the composition of expenditure more towards investment, away from consumption. Institutional spending, as always, is being closely monitored, and the ongoing process of realignment continues. The details of the spending of national government departments and its entities are encompassed in the chapters of this publication.

All the expenditure and service delivery information contained in the chapters of this publication result from a wide ranging intergovernmental consultative process, leading to executive approval of reprioritised and realigned spending allocations. Many people have contributed to making this publication possible, particularly my colleagues in national departments and agencies. Their collaboration and understanding during the budget allocation and document drafting processes has been invaluable. Appreciation is also due to the dedicated team at National Treasury for the publication of this highly valuable resource.



Lungisa Fuzile
Director-General: National Treasury

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Introduction

This section provides an overview of the approach to the allocation of government resources; the institutional, macroeconomic and budget framework policy context in which the 2015 Budget has been prepared; and the details of the actual allocations.

The discussion on the approach to the budget describes how the allocation of resources in the 2015 Budget process continues to be determined based on functions of government, while noting that allocations are also detailed at the level of the individual institution.

This is followed by an explanation of the 2014 national macro organisation of the state, which involved the reorganisation of some government institutions, as well as the creation of new ones. It describes the importance of the objectives of functions, and of government departments and agencies, being aligned with broad government policy frameworks – notably the national development plan and the 2014-2019 medium term strategic framework (MTSF). It sets out the broad outcomes that all functions and departments should be striving towards.

The level of government spending is then explained in the context of the constrained global and domestic environment, as well as how resources are optimally allocated within the lowered expenditure ceiling. This is followed by details of the budget framework, which shows expenditure over the medium term according to both function and vote.

A brief overview of 2013/14 expenditure is provided, which includes a breakdown of areas of underspending.

The section ends with the 2015 Budget summary tables.

The process of allocation of resources in the Budget

In the 2015 Budget process, the decisions on the allocation of resources to government institutions were made based on the specific function of government. For this purpose, function budgeting clusters vote programmes of government institutions together if they perform tasks required for a specific function.

Different programmes within an institution may fall under different functions of government. Various institutions, possibly even from different spheres of government, are grouped according to the function that they perform and the associated outcomes they are responsible for achieving. The Social Protection function, for example, includes the national Department of Social Development, the provincial departments of social development, as well as public entities such as the South African Social Security Agency and the National Development Agency. There are eight function groups: Basic Education; Health; Defence, Public Order and Safety; Post School Education and Training; Economic Affairs; Local Economic Development and Social Infrastructure; General Public Services and Social Protection.

Discussions were held for participating institutions in each function to deliberate on how to improve the way resources are utilised in order to achieve the function's outcomes. In a period of fiscal constraint, these discussions necessarily entail an examination of more difficult trade-offs between the financing of different policy objectives. Attention thus focused on efficiency and effectiveness as being the guiding principle of resource usage. Together, the participating institutions examined their individual policies, the manner in which the institutions are arranged for meeting their objectives, and the procedures by which services are delivered.

For each function, recommendations were formulated on how institutional policies and practices could be modified to best achieve their stated outcomes. Key performance indicators are used to target and monitor an institution's progress towards the achievement of outcomes. For example, in the Social

Protection function, the national Department of Social Development measures the ‘total number of child support grant beneficiaries’. Considering future population demographics, the department expects this number to be 11.2 million in 2014/15, increasing to 12.3 million by 2017/18.

In line with institutional performance and outcomes targeted, the budget announces government spending for the next three financial years - that is, the years of the medium term expenditure framework (MTEF). In contrast to the function based process, the Appropriation Bill, tabled by the Minister of Finance as part of the Budget, is set out in terms of each budget vote. Generally, a vote specifies the total amount of money appropriated to a national government department. In some cases a vote may contain more than one national government department. Through the Appropriation Bill, the executive seeks Parliament’s approval and adoption of its national government spending plans for the first year of the MTEF period.

The abridged Estimates of National Expenditure (ENE) publication is the explanatory memorandum to the Appropriation Bill, and therefore contains detailed information regarding the allocations to each national government vote.

The Budget Review publication includes information not only relating to national government vote expenditure; it describes government consolidated expenditure and so also contains information on spending in provinces, local government, social security funds and public entities. Unlike the government’s Main budget expenditure allocations contained in the Appropriation Bill, some of the expenditure undertaken by provinces, social security funds and entities is financed by revenue that these institutions raise from their own activities.

The 2015 ENE publications

ENE publications continue to provide comprehensive information on how budget resources are generated, how institutions have spent their budgets in previous years, and how institutions plan to spend the resources allocated to them over the MTEF period. Key performance indicators are included for each national government vote and entity showing what the institutions aim to achieve by spending their budget allocations in a particular manner. This information provides Parliament and the public with the necessary tools to hold government accountable against the 14 outcomes set out in the MTSF.

The 2015 ENE publications all largely retain the scope of information presented in previous years’ publications. For ease of comprehension, however, in the 2015 publications information is presented in a more succinct and concise manner in data tables and their accompanying explanatory narratives. The reader can thus more readily understand what each institution is planning to spend its budget on and what it aims to achieve. Each chapter in the abridged 2015 ENE publication relates to a specific budget vote. A separate, more detailed, e-publication is also available for each vote.

Compared to the abridged version of the 2015 ENE, the 2015 ENE e-publications provide more detailed information, including on goods and services, transfers and subsidies, as well as on programme specific personnel expenditure. The abridged version of the ENE contains one additional table at the end of a chapter that shows expenditure on infrastructure, whereas the vote ENE e-publications’ additional tables also contain summaries of expenditure on conditional allocations to provinces and municipalities; departmental public private partnerships; and donor funding. Budget information is also provided for the public entities that are not shown in detail in the abridged publication. In some e-publications more detailed information at the level of site service delivery is included.

The 2014 national macro organisation of the state

Following the appointment of the fifth democratically elected government since 1994, in May 2014 the president appointed ministers and deputy ministers. In line with the new ministerial portfolios, some national government departments have been reorganised. This includes establishing new departments. New votes have accordingly been created, and appropriate tasks and functions have been transferred to these new votes from votes that existed at the time of the 2014 Budget. The table below provides a list of the new votes, and alongside each, the department/s from which the function has been shifted in order to form the basis of the new vote.

Newly created vote	Vote from which all or some functions have been shifted
Planning, Monitoring and Evaluation	The Presidency Performance Monitoring and Evaluation
Water and Sanitation	Human Settlements Water Affairs
Women	Women, Children and People with Disabilities
Small Business Development	Trade and Industry
Telecommunications and Postal Services	Public Enterprises Communications
Communications	Government Communication and Information System The Presidency Home Affairs
Office of the Chief Justice and Judicial Administration ¹	Justice and Constitutional Development

¹ This Office was established in 2009. The Office has been included in the Justice and Constitutional Development vote for the 2015 Budget.

Attaining government's outcomes

The 2014 MTSF gives expression to the aims of the new government administration. It is premised on 14 priority outcomes that are linked to the focus areas identified in the national development plan's Vision 2030. Realising these outcomes is necessary to unlock the constraints to South Africa's development and economic growth. A list of the 14 priority outcomes set out in the 2014 MTSF alongside the respective coordinating department, is provided below.

Outcome number	Medium Term Strategic Framework outcomes	Coordinating department/s
1	Quality basic education	Basic Education
2	A long and healthy life for all South Africans	Health
3	All people in South Africa are and feel safe	Defence
4	Decent employment through inclusive economic growth	Trade and Industry
5	A skilled and capable workforce to support an inclusive growth path	Higher Education and Training
6	An efficient, competitive and responsive economic infrastructure network	Transport, and Public Enterprises
7	Comprehensive rural development and land reform	Rural Development and Land Reform
8	Sustainable human settlements and improved quality of household life	Human Settlements
9	A responsive, accountable, effective and efficient developmental local government	Cooperative Governance and Traditional Affairs
10	Protect and enhance our environmental assets and natural resources	Environmental Affairs
11	Create a better South Africa, a better Africa and a better world	International Relations and Cooperation, and Trade and Industry
12	An efficient, effective and development oriented public service	Public Service and Administration
13	An inclusive and responsive social protection system	Social Development
14	Nation building and social cohesion	Arts and Culture

For 2015/16, the budget allocations for all votes, including the above newly created votes, are reflected in the 2015 Appropriation Bill. They will be explained in greater detail in these 2015 ENE publications, together with their related outcomes.

The level of government spending

The robust economic growth experienced from 2002 until the 2008 worldwide economic crisis resulted in substantially increased government revenue inflows. These were used to fund higher expenditure levels, as well as to pay off government debt that had accumulated. Spending increased while total net loan debt decreased from 35.3 per cent of South Africa's annual level of economic output in 2002/03 to 19.4 per cent of the country's GDP in 2008/09. Government spending increased strongly in real terms, that is, after taking inflation into account, at an average annual rate of 9.8 per cent from 2002/03 to 2009/10. Rapidly expanding budgets were used to broaden access to key public services, particularly for the poor. Investments in key spending areas, including social services, and social and economic infrastructure, laid a good foundation for transforming South Africa. When government revenue inflows decreased, the relatively low debt levels in 2008/09 were then increased to stimulate the economy in the face of the global economic downturn.

The world economic recovery from the 2008 recession remains positive, but subdued. This, together with structural challenges in the South African economy, has resulted in muted economic growth in recent years. Sustaining expenditure levels in this economic environment has meant that the annual budget shortfall has exceeded 4 per cent of GDP since 2009/10. By 2013/14, net loan debt levels had increased to approximately 40 per cent of GDP.

To reduce the annual budget deficit and maintain the sustainability of public finance expenditure, budget growth rates have been restrained in recent years. In the 2012 Budget, government committed to an expenditure ceiling that would reinforce sustainable expenditure levels. Expenditure growth would still be above the rate of inflation, but grow slower than in the previous decade. Measures were put in place to allow for the achievement of government outcomes at the same time as tempering spending growth. Government institutions targeted reducing consumption expenditure and wastage. In line with this, National Treasury's Instruction 1 of 2013/14 prescribes cost containment measures that accounting officers of government institutions need to follow, such as the maximum rates at which consultants can be remunerated.

In the face of the muted economic growth, a fiscal package was announced in the 2014 Medium Term Budget Policy Statement. The reforms instituted in the 2015 Budget build on this and previous initiatives introduced, thereby strengthening the focus on improved economic growth and development levels. The economic growth forecast is lower than projected at the time of the 2014 Budget. Fiscal consolidation is thus required to ensure that the annual budget deficit is effectively narrowed and that debt levels are simultaneously managed.

Fiscal reforms being introduced in the 2015 Budget include both spending and tax proposals for the medium term. Spending proposals include reducing the overall growth in spending. The Main budget¹ non-interest² expenditure ceiling for the 2014 Budget limited expenditure to R1.1 trillion in 2015/16 and R1.2 trillion in 2016/17. This has been reduced in order to constrain the growth in spending by an amount of R25 billion – R10 billion in 2015/16 and R15 billion in 2016/17. The reduction in the expenditure ceiling applies proportionately to all spheres of government. It includes reductions made to the equitable share allocations to provinces, as well as to conditional allocations to provinces and municipalities.

To protect spending on core social obligations, the proposed reductions in the expenditure ceiling are focused on specific items. Funding for posts that have been vacant for prolonged periods has been

¹ 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.

² Non-interest expenditure excludes expenditure incurred to pay debt service costs.

targeted; capital project allocations that are projected to underspend have been reduced; and the budgets of the selected non-essential goods and services items are frozen at 2014/15 budget levels. The latter includes budgets for catering, entertainment, and particular categories of consultants.

Reductions of transfer payments to public entities are calculated either by aligning their planned growth rate to inflation, allowing for limited growth above inflation, or by decreasing transfers in order to reduce cash surpluses held by government entities. Surpluses held for specific projects are not impacted, to protect the level of services rendered to the public.

2015 Budget spending levels continue to grow in real terms. This protects the level of services for South Africans, as it provides the funding required for the attainment of the outcomes set out in the MTSF. However, the achievement of some of the outcomes may be slower than originally anticipated.

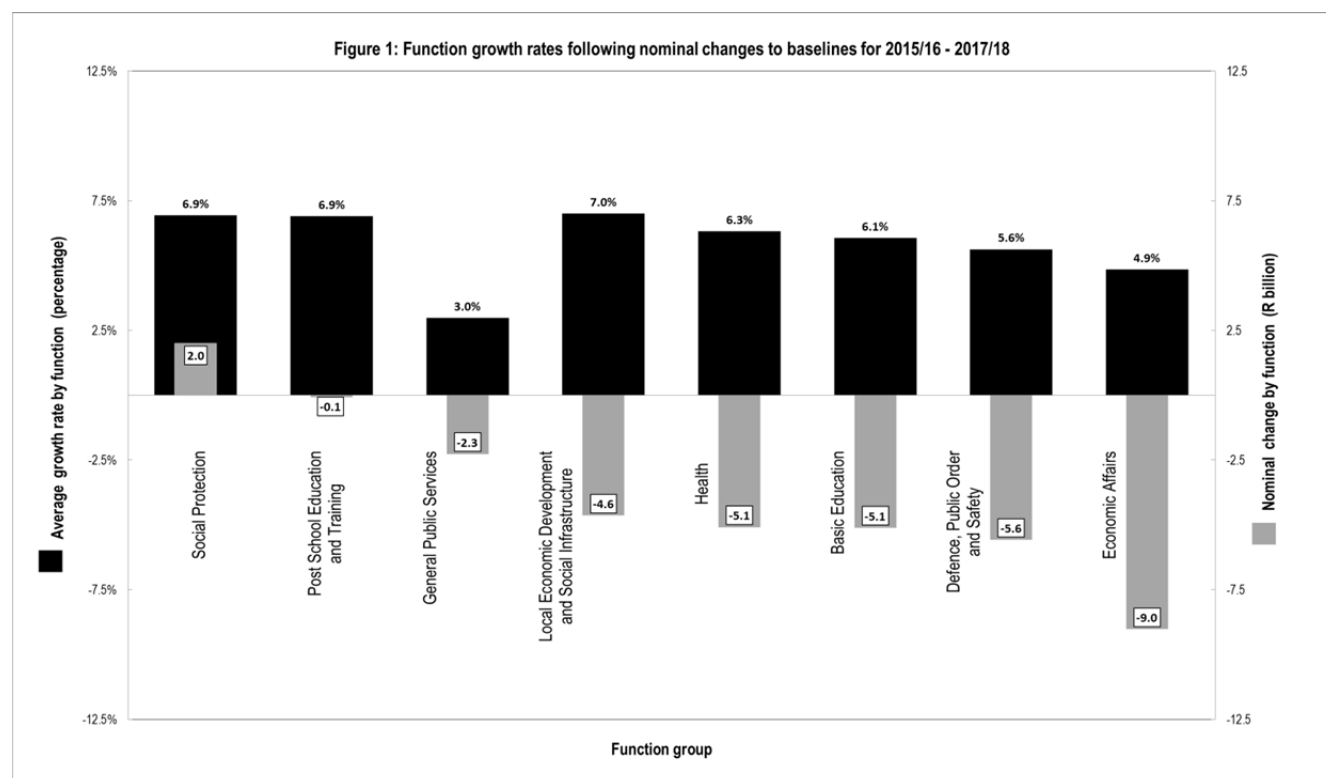
The allocation of resources within the lowered aggregate expenditure ceiling

The outer year for the 2015 MTEF period is 2017/18. The indicative budget baselines for 2017/18 for each vote and for each function were largely determined at the beginning of the 2015 Budget process. This was done by removing any once-off allocations from the existing budget baselines and then applying growth rates to budgetary line items in line with general inflationary projections. On average, the 2017/18 baseline shows a growth of 5 per cent when compared to the 2016/17 baseline. This is required as budget process discussions and decisions cover three financial years, the years of the MTEF period. The initially determined indicative third-year baseline allocations are, however, only used to provide a basis for discussions. They are modified by fiscal framework considerations as decisions are taken throughout the process.

The expenditure ceiling was reduced by R25 billion in the first two years of the 2015 MTEF period, R10 billion in 2015/16 and R15 billion in 2016/17. Resources within the lowered expenditure ceiling of the 2015 Budget amount to R3.95 trillion, exceeding R1 trillion in each year of the 2015 MTEF period. Non-interest expenditure is set to grow at an average annual rate of 7.4 per cent over the 2015 MTEF period. While expenditure growth rates have effectively been moderated, expenditure budgets continue to grow in real terms and adequately fund government's targeted outcomes.

The realisation of a particular priority may result in fewer resources being available for other priorities. Resources have been shifted from less urgent priorities or non-performing programmes. Through careful planning and consultation, some programmes have been rescheduled or their inception deferred in favour of more urgent deliverables. For instance, the Department of Police will extend the timeline of the replacement cycle of its vehicles in order to redirect funds for the prevention of and reaction to crime.

The following graph depicts the growth rates for each function, as well as the Main budget net aggregate reduction in function budget allocation for the period 2015/16 to 2017/18. Main budget allocations include direct charges, such as the provincial equitable share.



The reduced non-interest expenditure ceiling in the Main budget means that all functions, with the exception of Social Protection, have lower levels of planned future expenditure than those announced in the preceding Budget. The decreases to the 2015 MTEF baselines by function are: Post-School Education and Training (R74.3 million); Basic Education (R5.1 billion); Health (R5.1 billion); Local Economic Development and Social Infrastructure (R4.6 billion); Defence, Public Order and Safety (R5.6 billion); Economic Affairs (R9 billion); and General Public Services (R2.3 billion). Given the growth rates already built into the function budget baselines from previous MTEF periods, the function baselines still grow at average rates of between 3 per cent and 7 per cent over the 2015 MTEF. The baseline of the Social Protection function is increased by R2 billion, and grows at an average rate of 6.9 per cent over the 2015 MTEF period. This ensures that social grant payments are adequately provided for.

Allocation details according to 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 vote, in line with the Appropriation Bill. These additions and reductions include the shifting of funds required for the reorganisation of departments in accordance with the 2014 national macro organisation of the state. All changes are shown relative to the initial indicative baseline allocations for all three years of the MTEF period.

Reductions shown for 2017/18 reflect a carry-through of the decisions taken throughout the 2015 Budget process to determine the 2017/18 budget baseline. To determine the projected 2017/18 budget baseline level, the considerations are those which inform the fiscal framework stance. The fiscal framework shown in the Budget Review publication thus presents the budget baseline at the level at the end of the process. The modifications made to the 2017/18 baseline throughout the budget process are, however, shown in the tables below to account comprehensively for the budget allocation decisions taken in the 2015 Budget process.

The estimated³ split of the reduction to the provincial equitable share by function is also shown in the tables that follow. It should be noted that provinces have key service delivery mandates in relation to concurrent functions.

Social Protection

The baseline of the Social Protection function increases by R2 billion over the MTEF period, from R493.9 billion to R496 billion. The function aims to reduce poverty by providing income support to the poor, and comprises 14.3 per cent of non-interest expenditure.

Table 1.1 Social Protection

Function ¹ / Vote	2015/16	2016/17	2017/18 ³	MTEF total
R million				
2014 MTEF function baseline²	154 114	163 572	176 258	493 944
2015 MTEF function baseline²	154 493	165 343	176 121	495 957
Annual growth rate (percentage)	7.3%	7.0%	6.5%	6.9%
Net change from the 2014 Baseline (percentage)	0.2%	1.1%	-0.1%	0.4%
Social Development	470	1 907	-47	2 329
South African Social Security Agency: Alignment of its planned growth to institutional capacity	-173	-126	-79	-377
Goods and services: Cost containment measures	-10	-19	-21	-50
Reduction in number of vacant posts	-3	-2	-3	-8
Machinery and equipment: Cost containment measures	-	-1	-1	-2
Employment of personnel: For increasing capacity within the monitoring and evaluation unit; for establishing the early childhood development office to monitor and coordinate the effective delivery of services; and for capturing data and screenings conducted against the child protection register	13	12	12	37
2014 national macro organisation of the state: New deputy minister	5	5	6	16
Food relief: Employment of personnel to oversee the household food and nutrition programme	6	6	6	17
Victim empowerment programmes: Support to domestic non-governmental organisations, setting up safe houses and emergency response teams for crisis intervention and trauma counselling, and the implementation of empowerment programmes and awareness campaigns	7	7	7	21
Project Mikondzo: Monitoring service delivery at the community level	25	25	25	75
Social grants: Anticipated increase in the number of grant beneficiaries	600	2 000	-	2 600
National Treasury	-91	-136	-89	-316
Provincial equitable share: Baseline reduction	-91	-136	-89	-316
Net change to function baseline	378	1 771	-136	2 013

1. The estimated portion of the provincial equitable share allocated to this function is included. This amount is however 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 presented in the Budget Review, which includes revenue generated from other sources.

3. The modifications made to the 2017/18 function baseline throughout the course of the 2015 MTEF budget process are shown. 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 baseline of the Post-School Education and Training function is reduced by R74 million for the 2015 MTEF period. The objective of the function is that all South Africans have equitable access to relevant and quality post-school education and training. The function comprises 5.4 per cent of non-interest expenditure.

Table 1.2 Post-School Education and Training

Function ¹ / Vote	2015/16	2016/17	2017/18 ³	MTEF total
R million				
2014 MTEF function baseline²	58 319	62 401	66 009	186 729
2015 MTEF function baseline²	58 298	62 370	65 987	186 655
Annual growth rate (percentage)	7.9%	7.0%	5.8%	6.9%
Net change from the 2014 Baseline (percentage)	-	-0.1%	-	-
Higher Education and Training	-21	-32	-21	-74
Goods and services: Cost containment measures	-11	-18	-20	-48
South African Qualifications Authority: Adequacy of accumulated surplus	-4	-6	-1	-11
Council on Higher Education: Adequacy of accumulated surplus	-3	-5	-	-8
Quality Council for Trades and Occupations: Adequacy of accumulated surplus	-3	-3	-	-5
Machinery and equipment: Cost containment measures	-1	-1	-1	-2
Net change to function baseline	-21	-32	-21	-74

1. The estimated portion of the provincial equitable share allocated to this function is included. This amount is however 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 presented in the Budget Review, which includes revenue generated from other sources.

3. The modifications made to the 2017/18 function baseline throughout the course of the 2015 MTEF budget process are shown. The fiscal framework shown in the Budget Review publication depicts the budget baseline as it stands at the end of the process.

³ 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. The details of these function allocations by each of the provinces are not known with certainty at present.

Basic Education

The baseline of the Basic Education function is reduced by R5.1 billion over the MTEF period, from R633.6 billion to R628.5 billion in the 2015 MTEF. The objective of the function is to improve the quality of basic education for children, as well as to increase access to basic education. The function comprises 18.1 per cent of non-interest expenditure.

Table 1.3 Basic Education

Function ¹ / Vote	2015/16	2016/17	2017/18 ³	MTEF total
R million				
2014 MTEF function baseline²	199 063	211 484	223 091	633 638
2015 MTEF function baseline²	197 608	209 296	221 624	628 528
Annual growth rate (percentage)	6.4%	5.9%	5.9%	6.1%
Net change from the 2014 Baseline (percentage)	-0.7%	-1.0%	-0.7%	-0.8%
Basic Education	-379	-569	-398	-1 346
Technical secondary schools recapitalisation grant: Funding transferred to the maths, science and technology grant	-244	-257	-270	-771
Education infrastructure grant: Cost containment measures	-214	-319	-209	-742
School infrastructure backlogs allocation-in-kind: Alignment of its planned growth to institutional capacity	-121	-177	-117	-415
Dinaledi schools grant: Funding transferred to the maths, science and technology grant	-116	-122	-129	-367
Kha Ri Gude: Initial targets of reducing illiteracy in 4.7 million adults to be reached by 2015/16	-20	-30	-150	-200
Goods and services: Cost containment measures	-31	-53	-59	-143
Technical secondary schools recapitalisation grant: Cost containment measures	-6	-8	-5	-19
HIV and AIDS (life skills education) grant: Cost containment measures	-5	-8	-5	-18
Dinaledi schools grant: Cost containment measures	-3	-4	-3	-9
Oversight of the Maths, science and technology grant	5	5	6	16
National Education Collaboration Trust: Piloting of interventions to improve the quality of basic education	20	30	150	200
Creation of the Maths, science and technology grant	356	374	393	1 123
National Treasury	-1 075	-1 619	-1 069	-3 764
Provincial equitable share: Baseline reduction	-1 075	-1 619	-1 069	-3 764
Net change to function baseline	-1 454	-2 188	-1 468	-5 110

1. The estimated portion of the provincial equitable share allocated to this function is included. This amount is however 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 presented in the Budget Review, which includes revenue generated from other sources.

3. The modifications made to the 2017/18 function baseline throughout the course of the 2015 MTEF budget process are shown. The fiscal framework shown in the Budget Review publication depicts the budget baseline as it stands at the end of the process.

Health

The baseline of the Health function is reduced by R5.1 billion over the MTEF period, from R488.6 billion to R483.5 billion. The function seeks to improve access to affordable quality health care by ensuring an appropriate balance between preventative care and curative services. The function comprises 13.9 per cent of non-interest expenditure.

Table 1.4 Health

Function ¹ / Vote	2015/16	2016/17	2017/18 ³	MTEF total
R million				
2014 MTEF function baseline²	153 157	162 794	172 618	488 570
2015 MTEF function baseline²	151 725	160 618	171 137	483 480
Annual growth rate (percentage)	6.5%	5.9%	6.5%	6.3%
Net change from the 2014 Baseline (percentage)	-0.9%	-1.3%	-0.9%	-1.0%
Health	-610	-928	-652	-2 190
National tertiary services grant: Alignment of its planned growth to institutional capacity	-238	-353	-234	-824
Goods and services: Cost containment measures	-97	-200	-173	-471
Health facility revitalisation grant: Alignment of its planned growth to institutional capacity	-123	-180	-118	-420
Payments for capital assets: Cost containment measures	-69	-109	-72	-250
National health grant: Health facility revitalisation and national health insurance components:				
Alignment of its planned growth to institutional capacity	-65	-54	-71	-190
Health professions training and development grant: Cost containment measures	-54	-81	-53	-188
Council for Medical Schemes: Adequacy of accumulated surplus	-2	-4	-	-6
National health insurance grant: Cost containment measures	-2	-2	-2	-6
Sector wide procurement programme: Research on alternative medicine supply models and data systems	3	3	3	8
Repair of health infrastructure damaged by disasters	10	-	-	10

Table 1.4 Health

Function ¹ / Vote				
R million	2015/16	2016/17	2017/18 ³	MTEF total
Health				
Forensic chemistry laboratories: Improving capacity through the use of reagents and other consumables to reduce case backlogs	4	4	4	12
International health and development: Establishment of health attaché office in Cuba, and increased World Health Organisation membership fees	4	11	10	24
Port health services unit: Shift from provincial to national government	8	9	9	26
Office of Health Standards Compliance: Establishment of the entity to inspect health care facilities	12	29	45	85
National Treasury	-822	-1 248	-829	-2 899
Provincial equitable share: Baseline reduction	-822	-1 248	-829	-2 899
Net change to function baseline	-1 432	-2 176	-1 481	-5 089

1. The estimated portion of the provincial equitable share allocated to this function is included. This amount is however 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 presented in the Budget Review, which includes revenue generated from other sources.

3. The modifications made to the 2017/18 function baseline throughout the course of the 2015 MTEF budget process are shown. The fiscal framework shown in the Budget Review publication depicts the budget baseline as it stands at the end of the process.

Local Economic Development and Social Infrastructure

The baseline of the Local Economic Development and Social Infrastructure function is reduced by R4.6 billion over the MTEF period, from R602.5 billion to R597.8 billion. The 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 function comprises 17.2 per cent of non-interest expenditure.

Table 1.5 Local Economic Development and Social Infrastructure

Function ¹ / Vote				
R million	2015/16	2016/17	2017/18 ³	MTEF total
2014 MTEF function baseline²	190 586	200 881	211 010	602 477
2015 MTEF function baseline²	189 294	198 306	210 235	597 834
Annual growth rate (percentage)	10.3%	4.8%	6.0%	7.0%
Net change from the 2014 Baseline (percentage)	-0.7%	-1.3%	-0.4%	-0.8%
Agriculture, Forestry and Fisheries	-88	-135	-104	-327
Comprehensive agricultural support programme grant: Cost containment measures and completion of projects	-75	-122	-90	-286
Goods and services: Cost containment measures	-10	-11	-12	-32
Reduction in number of vacant posts	-3	-3	-3	-8
Cooperative Governance and Traditional Affairs	-158	-275	-178	-611
Municipal infrastructure grant: Cost containment measures	-142	-219	-120	-481
Provincial disaster grant: Cost containment measures	-101	-104	-103	-307
Municipal disaster grant: Cost containment measures	-115	-126	-116	-358
Municipal systems improvement grant: Cost containment measures	-10	-16	-10	-36
Community work programme: Housing development and social infrastructure	4	-	120	124
Municipal demarcation transition grant: Gauteng and KwaZulu-Natal municipal restructuring costs	39	50	50	139
Repair to municipal infrastructure damaged by disasters	167	140	-	307
Arts and Culture	-55	-85	-54	-194
Goods and services: Cost containment measures	-4	-19	-21	-44
Freedom Park Pretoria: Adequacy of accumulated surplus and cost containment measures	-8	-12	-	-20
Playhouse Company: Adequacy of accumulated surplus	-6	-6	-	-12
Performing arts projects: Cost containment measures	-5	-	-	-5
Reduction in number of vacant posts	-1	-1	-1	-4
Mzansi golden economy: Public art: Cost containment measures	-1	-1	-1	-4
Machinery and equipment for filming and archiving	-	-1	-1	-2
Community library services grant: Cost containment measures	-30	-44	-29	-103
Energy	-117	-173	-124	-413
Integrated national electrification programme grant: Cost containment measures	-76	-129	-76	-281
Eskom: Integrated national electrification programme allocation-in-kind: Cost containment measures	-37	-39	-43	-118
Reduction in number of vacant posts	-3	-3	-3	-9
Goods and services: Cost containment measures	-1	-2	-2	-6

Table 1.5 Local Economic Development and Social Infrastructure

Function ¹ / Vote	2015/16	2016/17	2017/18 ³	MTEF total
R million				
Human Settlements	-714	-1 039	-716	-2 468
Human settlements development grant: Cost containment measures	-561	-721	-504	-1 786
Social Housing Regulatory Authority: Restructuring of capital grant	-200	-200	-200	-600
Municipal human settlements capacity grant: Cost containment measures	-200	-200	-200	-600
Urban settlements development grant: Cost containment measures	-100	-156	-85	-342
Reduction in number of vacant posts	-55	-58	-64	-177
National upgrading support programme: Alignment of its planned growth to institutional capacity	-20	-20	-20	-60
Goods and services: Cost containment measures	-6	-22	-24	-52
Social Housing Regulatory Authority: Adequacy of accumulated surplus	-22	-10	-2	-34
Community Schemes Ombud Services: Adequacy of accumulated surplus	-13	-4	-	-18
Nelson Mandela Bay Metropolitan University: Project completed	-4	-4	-5	-13
Scholarship programme: Students in the built environment sectors	4	4	5	13
Rural Housing Loan Fund: Loans to low income rural households	-	-	50	50
National Urban Reconstruction and Housing Agency: Repayment of the loan facility	61	-	-	61
Housing Development Agency: Project management and informal settlement upgrading support	72	57	100	229
National Housing Finance Corporation: Affordable housing finance for low income households	100	100	100	300
Repair of housing infrastructure damaged by disasters	232	195	134	561
National Treasury	-314	-484	-320	-1 118
Neighbourhood development partnership grant: Alignment of its planned growth to inflationary projections	-22	-38	-22	-82
Local government financial management grant: Providing for growth that is marginally above inflation	-17	-29	-17	-64
Integrated cities development grant: Alignment of its planned growth to institutional capacity	-15	-26	-15	-56
Infrastructure skills development grant: Providing for growth that is marginally above inflation	-5	-8	-5	-18
Goods and services: Cost containment measures	-4	-4	-9	-17
Provincial equitable share: Baseline reduction	-251	-379	-251	-881
Rural Development and Land Reform	-188	-261	-289	-737
Reduction in number of vacant posts	-195	-360	-226	-782
Agricultural land holding account: Restructuring of the account	-278	-311	-140	-728
Goods and services: Cost containment measures	-245	-260	-157	-663
Machinery and equipment: Cost containment measures	-1	-2	-2	-5
Registration of deeds trading account: Cost containment measures	-1	-1	-1	-3
Implementation of an electronic cadastral system	11	10	-	21
Establishment of the Office of the Valuer-General	33	35	76	144
Implementation of the Spatial Planning Land Use Management Act (2013)	27	139	-	165
Settlement of land restitution claims: Administration, research, and payment of claims	461	489	163	1 113
Sport and Recreation South Africa	-27	-38	-34	-99
Mass participation and sport development grant: Cost containment measures	-13	-18	-12	-43
Goods and services: Cost containment measures	-11	-15	-16	-42
Reduction in number of vacant posts	-6	-7	-7	-20
Boxing South Africa: Establishment of an inspectorate unit	2	2	2	7
Transport	-191	-603	-363	-1 158
Public transport infrastructure grant: Cost containment measures	-188	-304	-180	-671
Taxi recapitalisation: Alignment of its planned growth to institutional capacity	-1	-284	-274	-559
Public transport operations grant: Cost containment measures	-113	-168	-111	-392
Passenger Rail Agency of South Africa: Alignment of its planned growth to the agreement for providing new rolling stock	-45	-48	-53	-146
Goods and services: Cost containment measures	-4	-11	-12	-27
Reduction in number of vacant posts	-3	-3	-3	-9
Railway Safety Regulator: Adequacy of accumulated surplus	-	-1	-	-1
Repair to transport infrastructure damaged by disasters	163	215	270	648
Water and Sanitation	561	518	1 406	2 484
Goods and services: Cost containment measures	-24	-42	-46	-113
Reduction in number of vacant posts	-22	-22	-24	-68
Water services operating subsidy grant: Alignment of its planned growth to inflationary projections	-17	-29	-17	-64
Machinery and equipment: Cost containment measures	-3	-6	-6	-15
Repair to water infrastructure damaged by disasters	7	-	-	7
Acid mine drainage: Short term interventions	-	44	50	94
Regional water programme: Housing development, and social infrastructure	-	-	550	550
Rural households infrastructure grant: Cost containment measures	-3	-11	-7	-21
Municipal water infrastructure grant: Alignment of its planned growth to inflationary projections	-76	-116	906	714
Regional bulk infrastructure grant: Shift from the Water Trading Entity	700	700	-	1 400
Net change to function baseline	-1 292	-2 575	-775	-4 643

1. The estimated portion of the provincial equitable share allocated to this function is included. This amount is however 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 presented in the Budget Review, which includes revenue generated from other sources.

3. The modifications made to the 2017/18 function baseline throughout the course of the 2015 MTEF budget process are shown. 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 baseline of the Defence, Public Order and Safety function is reduced by R5.6 billion over the MTEF period, from R543.3 billion to R537.7 billion. The function aims to support enhanced domestic and international public protection measures, and comprises 15.5 per cent of non-interest expenditure.

Table 1.6 Defence, Public Order and Safety

Function ¹ / Vote	2015/16	2016/17	2017/18 ³	MTEF total
R million				
2014 MTEF function baseline²	170 170	181 295	191 808	543 272
2015 MTEF function baseline²	168 793	178 694	190 209	537 696
Annual growth rate (percentage)	4.6%	5.9%	6.4%	5.6%
Net change from the 2014 Baseline (percentage)	-0.8%	-1.4%	-0.8%	-1.0%
National Treasury	-14	-27	-9	-50
Financial Intelligence Centre: Retention of personnel, and procurement of information and communication technology	18	20	22	60
Provincial equitable share: Baseline reduction	-32	-47	-31	-110
Correctional Services	-178	-223	-245	-646
Goods and services: Cost containment measures, mainly on audit costs, computer services and contractors	-114	-95	-105	-315
Reduction in number of vacant posts	-43	-38	-40	-121
Payments for capital assets: Information technology equipment	-20	-89	-100	-210
Defence and Military Veterans	-722	-1 062	-985	-2 769
Goods and services: Cost containment measures	-1 377	-1 678	-1 652	-4 708
Special Defence Account: Alignment of its planned growth to inflationary projections	-256	-243	-268	-768
Armaments Corporation of South Africa: Adequacy of accumulated surplus	-129	-199	-35	-362
Military Veterans: Goods and services: Cost containment measures	-25	-43	-48	-116
Spares for military machinery and equipment, and acquisition of transport aircraft to transport troops and equipment to deployment areas	84	262	457	803
Compensation of employees funding requirements	981	840	561	2 382
Independent Police Investigative Directorate	-12	-16	-18	-46
Goods and services: Cost containment measures	-7	-11	-12	-30
Reduction in number of vacant posts	-5	-5	-5	-15
Justice and Constitutional Development	-287	-406	-330	-1 022
Goods and services: Cost containment measures	-129	-255	-279	-664
Capital works projects, mainly due to delays in the execution of capital works projects, and justice modernisation projects: Alignment of its planned growth to institutional capacity	-167	-182	-197	-547
Legal Aid South Africa: Adequacy of accumulated surplus	-62	-93	-	-155
Direct charges: Employment of additional magistrates	-43	-47	-51	-141
Reduction in number of vacant posts	-74	-20	-22	-116
Machinery and equipment: Cost containment measures	-29	-41	-45	-115
Special Investigating Unit: Adequacy of accumulated surplus	-9	-13	-	-22
South African Human Rights Commission: Employment of an additional commissioner and legal staff	7	8	9	25
Office of the Family Advocate: Capacitation of the office	16	16	17	49
Public Protector of South Africa: Employment of additional investigators and permanent retention of 70 investigators previously appointed on contract	15	20	25	60
National Prosecuting Authority: Employment of additional prosecutors	25	27	29	81
Transformation of state legal services: Appointment of the solicitor-general and state attorneys	34	36	38	108
Legal Aid South Africa: Employment of public defenders to complement the increase in magistrates' capacity to reduce case backlogs	39	42	45	127
Capacitation of courts in rural areas: Employment of 67 court administrators	74	79	83	236
Establishment of the Office of the Chief Justice: Compensation of employees and accommodation leases	16	17	18	51
Police	-164	-867	-11	-1 043
Goods and services: Cost containment measures	-366	-586	-635	-1 588
Buildings and other fixed structures: Alignment of its planned growth to institutional capacity	-151	-159	-167	-477
Transport equipment: Extending the replacement cycle of vehicles	-	-494	400	-94
Compensation of employees funding requirements	353	372	391	1 116
Net change to function baseline	-1 377	-2 600	-1 599	-5 576

1. The estimated portion of the provincial equitable share allocated to this function is included. This amount is however 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 presented in the Budget Review, which includes revenue generated from other sources.

3. The modifications made to the 2017/18 function baseline throughout the course of the 2015 MTEF budget process are shown. 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 baseline of the Economic Affairs function is reduced by R9 billion over the MTEF period, from R362.6 billion to R353.6 billion. The objective of the function is to stimulate socioeconomic development through a range of interventions in various sectors of the economy. The function comprises 10.2 per cent of non-interest expenditure.

Table 1.7 Economic Affairs

Function ¹ / Vote	2015/16	2016/17	2017/18 ³	MTEF total
R million				
2014 MTEF function baseline²	114 097	122 578	125 890	362 564
2015 MTEF function baseline²	111 311	118 823	123 419	353 553
Annual growth rate (percentage)	4.0%	6.7%	3.9%	4.9%
Net change from the 2014 Baseline (percentage)	-2.4%	-3.1%	-2.0%	-2.5%
Agriculture, Forestry and Fisheries	-150	-197	-98	-444
Goods and services: Cost containment measures	-45	-76	-84	-205
Agricultural Research Council: Adequacy of accumulated surplus	-77	-117	-1	-195
Reduction in number of vacant posts	-47	-42	-48	-137
Ilima/Letsema projects grant: Alignment of its planned growth to institutional capacity	-11	-16	-11	-38
Machinery and equipment: Cost containment measures	-3	-4	-4	-10
National Agricultural Marketing Council: Adequacy of accumulated surplus	-3	-5	-	-8
LandCare programme grant: Poverty relief and infrastructure development component: Alignment of its planned growth to institutional capacity	-2	-2	-1	-6
National Research Foundation: Adequacy of accumulated surplus	-1	-1	-1	-3
Comprehensive agricultural support programme grant: Repair of agricultural infrastructure damaged by disasters	38	66	53	157
Telecommunications and Postal Services	176	156	233	565
Universal Service and Access Fund: Adequacy of accumulated surplus	-50	-70	-	-120
Goods and services: Cost containment measures	-7	-17	-19	-44
Reduction in number of vacant posts	-11	-12	-13	-36
Universal Service and Access Fund: Broadcasting digital migration: Adequacy of accumulated surplus	-15	-5	-5	-25
National Electronic Media Institute of South Africa: Adequacy of accumulated surplus	-3	-5	-	-8
Universal Service and Access Agency of South Africa: Adequacy of accumulated surplus	-2	-3	-	-5
Machinery and equipment: Cost containment measures	-	-1	-1	-1
South African Post Office: New delivery model	65	-	-	65
Funding of pilot for SA Connect: Broadband policy	200	268	272	740
Cooperative Governance and Traditional Affairs	-129	-457	-	-586
Community work programme: Alignment of its planned growth to institutional capacity	-129	-457	-	-586
Economic Development	-	-32	-27	-58
Reduction in number of vacant posts	-16	-12	-13	-41
Goods and services: Cost containment measures	-4	-12	-13	-29
International Trade Administration Commission: Adequacy of accumulated surplus	-5	-7	-	-12
Inquiry into private health care in South Africa	25	-	-	25
Energy	-390	-517	-350	-1 257
Eskom: Solar water heater project: Alignment of its planned growth to institutional capacity	-302	-365	-296	-962
South African Nuclear Energy Corporation Limited: Adequacy of accumulated surplus	-27	-40	-	-67
Goods and services: Cost containment measures	-14	-39	-43	-97
Reduction in number of vacant posts	-19	-21	-23	-63
South African National Energy Development Institute: Adequacy of accumulated surplus	-24	-36	-	-61
Energy efficiency and demand side management grant: Cost containment measures	-10	-18	-11	-39
National Nuclear Regulator: Adequacy of accumulated surplus	-13	-20	-	-34
Machinery and equipment: Cost containment measures	-	-1	-1	-1
Skills development grants: Learnership programmes, and special training and development projects	4	5	6	15
Nuclear Energy Corporation of South Africa: Decommissioning and decontamination of old strategic nuclear facilities	16	17	18	51
Environmental Affairs	-32	-92	-101	-226
Goods and services: Cost containment measures	-16	-35	-39	-90
Development Bank of Southern Africa: The Green Fund: Adequacy of accumulated surplus	-	-36	-40	-75
Reduction in number of vacant posts	-15	-16	-18	-49
Machinery and equipment: Cost containment measures	-2	-4	-5	-11
Health	-1	-8	-9	-17
Goods and services: Cost containment measures	-1	-8	-8	-17
Labour	8	-50	-55	-96
Goods and services: Cost containment measures	-15	-22	-25	-62
Filling of posts in the current year and reduction in number of vacant posts in the outer years	9	-25	-28	-44
Commission for Conciliation, Mediation and Arbitration: Adequacy of accumulated surplus and cost containment measures	-2	-2	-3	-7
Vehicles required to conduct inspections	17	-	-	16
Mineral Resources	19	21	36	76
Goods and services: Cost containment measures	-13	-22	-25	-60
Mine Health and Safety Council: Adequacy of accumulated surplus	-6	-6	-	-11
Office furniture: Cost containment measures	-	-1	-1	-2
Enforcement of the Minerals and Petroleum Resources Development Act (2002)	10	14	18	42
Shale gas exploration: Consultations, advocacy and research	28	36	44	108

Table 1.7 Economic Affairs

Function ¹ / Vote	2015/16	2016/17	2017/18 ³	MTEF total
R million				
National Treasury	-248	-364	-246	-858
Civilian and military pensions: Lower costs from the shift of retired civil servants from the Medihelp medical scheme to the Government Employees Medical Scheme	-276	-283	-286	-845
Employment Creation Facilitation Fund: Cost containment measures	-	-1	-4	-4
Military pensions and other benefits: Inclusion of non-statutory forces	266	271	273	810
Provincial equitable share: Baseline reduction	-237	-351	-229	-817
Public Works	-18	-76	-52	-146
Expanded public works programme: Integrated grant for provinces, municipalities and the non-state sector: Alignment of its planned growth to institutional capacity	-14	-67	-41	-122
Goods and services: Cost containment measures	-2	-7	-8	-17
Reduction in number of vacant posts	-2	-2	-2	-6
Rural Development and Land Reform	-7	-21	-23	-50
Reduction in number of vacant posts	-7	-20	-23	-50
Science and Technology	-72	-73	-83	-228
Economic competitiveness and support package: Technology research and development; and internship programme projects completed	-15	-20	-25	-60
Goods and services: Cost containment measures	-9	-12	-14	-35
Local manufacturing capacity: Providing for growth that is marginally above inflation	-11	-11	-12	-35
National Research Foundation: Adequacy of accumulated surplus	-9	-9	-10	-28
Research and development infrastructure: Providing for growth that is marginally above inflation	-8	-8	-9	-24
Square Kilometre Array: Adequacy of accumulated surplus	-7	-7	-8	-22
Reduction in number of vacant posts	-11	-3	-4	-18
Strategic science platforms: Providing for growth that is marginally above inflation	-2	-2	-2	-5
Tourism	-63	-23	-25	-112
Goods and services: Cost containment measures	-12	-16	-18	-47
Social responsibility implementation subprogramme: Moderation of growth in the programme	-44	-	-	-44
Reduction in number of vacant posts	-6	-5	-6	-17
Machinery and equipment and transport equipment	-	-2	-2	-3
Trade and Industry	-226	-326	-226	-777
Special economic zones: Alignment of planned growth to institutional capacity	-60	-104	-115	-280
Manufacturing development incentives: Alignment of planned growth to institutional capacity	-68	-70	-72	-210
South African Bureau of Standards: Adequacy of accumulated surplus	-45	-68	-	-113
Reduction in number of vacant posts	-34	-31	-35	-100
Goods and services: Cost containment measures	-19	-33	-36	-88
National Regulator for Compulsory Specifications: Adequacy of accumulated surplus	-24	-36	-	-61
Council for Scientific and Industrial Research: Alignment of its planned growth to institutional capacity	-14	-15	-16	-45
Industrial Development Corporation: Customised sector programme: Alignment of its planned growth to institutional capacity	-10	-10	-11	-31
South African National Accreditation System: Adequacy of accumulated surplus	-12	-17	-	-29
Increasing the international footprint of investment promotion offices on the African continent and in BRICS countries	10	10	10	30
Export Credit Insurance Corporation interest make-up scheme: Support to South African exporters to access new export markets, as well as to diversify South African exports	50	50	50	150
Small Business Development	-5	-27	49	16
2014 national macro organisation of the state: Establishment of department, and interventions to assist SMME businesses and cooperatives	44	46	49	139
Small Enterprise Development Agency: Adequacy of accumulated surplus	-49	-74	-	-123
Water and Sanitation	-1 384	-1 564	-1 497	-4 444
Water Trading Entity: Portion of the accumulated surplus shifted to the regional bulk infrastructure grant and the municipal water infrastructure grant	-1 289	-1 340	-1 249	-3 878
Goods and services: Cost containment measures	-69	-197	-218	-484
Reduction in number of vacant posts	-24	-24	-26	-75
Machinery and equipment: Cost containment measures	-2	-3	-3	-8
Transport	-265	-107	1	-371
Provincial roads maintenance grant: Roads maintenance component: Reprioritisation and cost containment measures	-265	-369	-269	-902
Reduction in number of vacant posts	-25	-26	-29	-81
Goods and services: Cost containment measures	-10	-26	-29	-66
South African Maritime Safety Authority: Adequacy of accumulated surplus	-5	-7	-	-12
Road Traffic Infringement Agency: Adequacy of accumulated surplus	-5	-7	-	-11
Rural roads asset management systems grant: Cost containment measures	-1	-1	-1	-3
South African National Roads Agency: Moloto road upgrade	45	331	329	705
Net change to function baseline	-2 786	-3 755	-2 471	-9 011

1. The estimated portion of the provincial equitable share allocated to this function is included. This amount is however 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 presented in the Budget Review, which includes revenue generated from other sources.

3. The modifications made to the 2017/18 function baseline throughout the course of the 2015 MTEF budget process are shown. 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 baseline of the General Public Services function is reduced by R2.3 billion over the MTEF period, from R185.9 billion to R183.7 billion. The function aims to deliver an efficient public service through the improvement of general government administrative services. It comprises 5.3 per cent of non-interest expenditure.

Table 1.8 General Public Services

Function ¹ / Vote	2015/16	2016/17	2017/18 ³	MTEF total
R million				
2014 MTEF function baseline²	60 437	61 418	64 080	185 935
2015 MTEF function baseline²	59 383	60 523	63 754	183 659
Annual growth rate (percentage)	1.7%	1.9%	5.3%	3.0%
Net change from the 2014 Baseline (percentage)	-1.7%	-1.5%	-0.5%	-1.2%
The Presidency	-15	-33	-37	-85
Goods and services: Cost containment measures	-11	-28	-31	-69
Reduction in number of vacant posts	-6	-3	-5	-13
Machinery and equipment: Cost containment measures	-2	-4	-5	-11
Direct charge: Deputy President's salary	3	3	3	8
Parliament	-27	-33	-36	-96
Reduction in number of vacant posts	-22	-16	-18	-56
Goods and services: Cost containment measures	-5	-16	-18	-39
Home Affairs	-27	-123	-90	-240
Goods and services: Cost containment measures	-48	-132	-144	-324
Electoral Commission: Adequacy of accumulated surplus	-24	-37	-	-61
Transport equipment: Cost containment measures	-1	-1	-1	-3
Electronic document management system: Computer equipment	10	10	10	30
Implementation of new immigration regulations: Employment of 111 immigration inspectors	36	37	45	118
International Relations and Cooperation	-335	-467	-168	-971
African Renaissance and International Cooperation Fund: Adequacy of accumulated surplus	-213	-316	-2	-530
Goods and services: Cost containment measures	-54	-89	-98	-242
Reduction in number of vacant posts	-68	-62	-68	-198
Communications	-63	-73	-72	-208
Goods and services: Cost containment measures	2	-4	-5	-8
Brand South Africa: Adequacy of accumulated surplus	-3	-4	-	-6
Film and Publication Board: Adequacy of accumulated surplus	-1	-1	-	-1
South African Broadcasting Corporation: Digitisation project completed	-65	-68	-72	-205
2014 national macro organisation of the state: Ministry and Deputy Ministry	4	4	5	13
Public Works	-117	-128	-101	-345
Property Management Trading Entity: Immovable asset management programme: Alignment of its planned growth to institutional capacity	-71	-51	-46	-168
Goods and services: Cost containment measures	-9	-29	-32	-70
Reduction in number of vacant posts	-18	-19	-21	-57
Construction Industry Development Board: Adequacy of accumulated surplus	-16	-24	-	-39
Council for the Built Environment: Adequacy of accumulated surplus	-2	-3	-	-6
Machinery and equipment: Cost containment measures	-1	-2	-2	-5
Planning, Monitoring and Evaluation	-27	-56	-49	-132
National Youth Development Agency: Cost containment measures	-13	-39	-30	-82
Reduction in number of vacant posts	-11	-12	-13	-36
Goods and services: Cost containment measures	-3	-5	-5	-13
Machinery and equipment: Cost containment measures	-	-1	-1	-1
National Treasury	-508	-308	225	-591
Provincial equitable share: Baseline reduction	-121	-180	-119	-421
South African Revenue Service: Adequacy of accumulated surplus	-464	-75	381	-158
Reduction in number of vacant posts	-38	-39	-43	-119
Goods and services: Cost containment measures	-7	-10	-4	-20
Independent Regulatory Board for Auditors: Adequacy of accumulated surplus	-6	-9	-	-15
Information technology and other equipment: Cost containment measures	-1	-3	-3	-7
Cooperative Banks Development Agency: Adequacy of accumulated surplus	-1	-2	-	-3
Accounting Standards Board: Adequacy of accumulated surplus	-	-1	-	-1
Government Pensions Administration Agency: To clear claim backlogs, and capacity for the special pensions oversight function	11	12	13	35
Direct charge: National revenue fund payments	121	-	-	121
Public Enterprises	-8	-7	-8	-24
Goods and services: Cost containment measures	-8	-7	-8	-23

Table 1.8 General Public Services

Function ¹ / Vote	2015/16	2016/17	2017/18 ³	MTEF total
R million				
Public Service and Administration	54	49	45	148
Goods and services: Cost containment measures	-25	-26	-29	-79
Reduction in number of vacant posts	-6	-6	-7	-18
National School of Government: Alignment of its planned growth to institutional capacity	-4	-5	-6	-16
Machinery and equipment: Cost containment measures	-	-	-1	-1
Presidential Public Service Remuneration Review Commission: Extension of commission's term to May 2015	6	-	-	6
Centre for Public Service Innovation: Establishment of a corporate services unit	4	6	6	15
Public Service Commission: Lease costs	11	10	6	27
Public Service Sector Education and Training Authority: Skills development project plans	68	72	75	215
Statistics South Africa	61	349	3	414
Goods and services: Cost containment measures	-10	-17	-19	-46
Reduction in number of vacant posts	-17	-12	-13	-43
Information technology equipment: Cost containment measures	-1	-3	-3	-7
Large sample community survey	89	381	39	509
Cooperative Governance and Traditional Affairs	-39	-60	-35	-134
Goods and services: Cost containment measures	-23	-33	-37	-93
South African Local Government Association: Adequacy of accumulated surplus	-19	-28	-	-47
Machinery and equipment: Cost containment measures	-2	-2	-2	-6
2014 national macro organisation of the state: Department of Traditional Affairs: Deputy Ministry	4	3	3	11
Women	-4	-6	-2	-13
Commission for Gender Equality: Adequacy of accumulated surplus	-3	-5	-	-8
Goods and services: Cost containment measures	-1	-2	-2	-5
Net change to function baseline	-1 055	-895	-326	-2 276

1. The estimated portion of the provincial equitable share allocated to this function is included. This amount is however 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 presented in the Budget Review, which includes revenue generated from other sources.

3. The modifications made to the 2017/18 function baseline throughout the course of the 2015 MTEF budget process are shown. The fiscal framework shown in the Budget Review publication depicts the budget baseline as it stands at the end of the process.

2013/14 expenditure outcome

National government expenditure for 2013/14 amounted to R582.6 billion of a total adjusted appropriation of R589 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, such as debt service costs.

The underspending for 2013/14, calculated as the difference between the appropriated and actual expenditure, thus amounted to R6.3 billion or 1.1 per cent:

- The Cooperative Governance and Traditional Affairs vote underspent its appropriated budget by R2.1 billion. This was mainly due to local government equitable share funds being withheld to provide for the municipal infrastructure conditional allocation, which was not spent or was returned to the National Revenue Fund in previous financial years.
- Delays in the rollout of the school infrastructure backlogs project resulted in underspending amounting to R608.2 million by the Basic Education vote.
- The Health vote underspent on the national health grant allocations in-kind to provinces by R536.4 million in 2013/14, mainly due to difficulties in contracting general practitioners to work at national health insurance pilot sites, and delays in implementing infrastructure projects under the health facility revitalisation component of this grant.
- The Social Development vote's appropriation was reduced by R2 billion during the 2013/14 adjustments budget. A further amount of R1.4 billion was unspent at year-end by the department. This was largely due to the removal of beneficiaries from the system following an initiative that took place between March 2012 and July 2013 to re-register recipients. The aim was beneficiary biometric identification and to root out fraud and corruption in the administration of social assistance transfers.

Overview of 2015 MTEF expenditure

Consolidated expenditure, excluding debt-service costs, amounts to R3.95 trillion over the 2015 MTEF period. It is distributed as follows: R1.22 trillion in 2015/16, R1.31 trillion in 2016/17, and R1.42 trillion in 2017/18. Of this amount, R3.47 trillion provides for the Main budget non-interest allocation that is allocated between the three spheres of government as follows: R1.66 trillion for national departments, R1.49 trillion for provincial government and R313.7 billion for local government. On average, 89.4 per cent of total Main budget expenditure is non-interest expenditure. It grows at an average annual rate of 7.4 per cent over the 2015 MTEF period. An unallocated reserve is included in the Main budget allocations. It amounts to R5 billion in 2015/16, R15 billion in 2016/17 and R45 billion in 2017/18, to allow for unforeseen expenditure, as well as emerging government policy priorities.

The details of the Main budget are discussed in the pages of this publication, with a summary provided in the tables below.

Summary tables

Table 1: Main budget framework 2011/12 to 2017/18

Table 2: Departmental receipts per vote 2011/12 to 2017/18

Table 3: Expenditure by national vote 2011/12 to 2017/18

Table 4: Expenditure by economic classification 2011/12 to 2017/18

Table 5: Amounts to be appropriated from the National Revenue Fund for 2015/16

Table 6a: Conditional allocations to provinces 2011/12 to 2017/18

Table 6b: Conditional allocations to municipalities 2011/12 to 2017/18

Table 7: Training expenditure per vote 2011/12 to 2017/18

Table 8a: Infrastructure expenditure per vote 2011/12 to 2017/18

Table 8b: Nature of infrastructure investment 2011/12 to 2017/18

Table 9: Personnel expenditure per vote 2011/12 to 2017/18

Table 10: Personnel numbers and cost per vote 2013/14 to 2017/18

Table 1 Main budget framework: 2011/12 to 2017/18

R million	Audited outcome			Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Revenue (National Revenue Fund)							
Tax revenue (gross)	742 649.7	813 825.8	900 013.5	979 000.0	1 081 275.0	1 179 199.4	1 289 711.0
Departmental and other receipts, and repayments	24 401.5	28 467.7	30 626.1	27 006.5	19 037.5	23 301.7	21 142.7
Less: Southern African Customs Union (SACU) payments	-21 760.0	-42 151.3	-43 374.4	-51 737.7	-51 021.9	-36 513.3	-45 444.3
Total revenue	745 291.2	800 142.2	887 265.1	954 268.8	1 049 290.6	1 165 987.9	1 265 409.4
Percentage of GDP	24.2%	24.0%	24.6%	24.6%	25.0%	25.7%	25.7%
Expenditure							
Debt-service costs	76 460.0	88 121.1	101 184.7	115 016.2	126 440.4	140 970.9	153 376.0
Percentage of GDP	2.5%	2.6%	2.8%	3.0%	3.0%	3.1%	3.1%
Current payments ²	150 242.9	162 063.8	179 211.2	190 683.9	197 738.6	210 587.3	222 654.2
Transfers and subsidies	648 449.0	696 837.2	749 459.2	810 255.5	872 977.9	925 645.3	980 145.4
Payments for capital assets ²	11 957.1	13 848.9	14 008.5	15 466.0	16 696.1	17 395.4	19 321.7
Payments for financial assets	2 802.5	4 624.5	3 900.2	3 700.0	3 491.7	345.5	365.1
Unallocated reserves	–	–	–	–	5 000.0	15 000.0	45 000.0
Total expenditure	889 911.5	965 495.6	1 047 763.8	1 135 121.6	1 222 344.7	1 309 944.4	1 420 862.4
Percentage of GDP	28.9%	29.0%	29.0%	29.3%	29.2%	28.9%	28.8%
Main budget balance³	-144 620.2	-165 353.3	-160 498.7	-180 852.8	-173 054.1	-143 956.5	-155 453.0
Percentage of GDP	-4.7%	-5.0%	-4.4%	-4.7%	-4.1%	-3.2%	-3.2%
GDP	3 080 887.0	3 327 630.0	3 609 844.0	3 879 920.1	4 191 752.4	4 538 780.0	4 926 133.5

1. Payment to SACU partners in respect of a previous error in calculation of the 1969 agreement.

2. Excludes conditional allocations to provinces and local government; these are included in transfers and subsidies.

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

Table 2 Departmental receipts per vote: 2011/12 to 2017/18¹

R million	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimates		
	2011/12	2012/13	2013/14	2014/15		2015/16	2016/17	2017/18
1 The Presidency	2.4	9.0	0.9	1.2	1.2	0.9	0.9	1.0
2 Parliament	34.2	38.0	52.4	39.0	39.0	34.1	36.1	38.2
3 Communications	909.6	943.6	1 205.2	976.5	976.5	1 025.1	1 025.4	1 025.9
4 Cooperative Governance and Traditional Affairs	1.1	1.0	1.2	1.0	1.0	1.0	1.1	1.2
5 Home Affairs	911.0	712.1	741.6	365.5	652.5	790.8	814.6	855.3
6 International Relations and Cooperation	82.9	46.7	36.6	46.2	47.9	48.2	48.6	49.2
7 National Treasury	8 610.0	15 735.3	15 351.1	12 418.6	14 511.5	6 057.9	9 608.2	6 683.9
8 Planning, Monitoring and Evaluation	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
9 Public Enterprises	0.1	0.5	0.4	0.2	0.1	0.1	0.1	0.1
10 Public Service and Administration	0.5	0.5	1.3	1.2	1.2	0.9	0.9	1.0
11 Public Works	75.2	53.8	55.5	13.2	13.2	1.9	1.5	1.4
12 Statistics South Africa	3.0	2.7	1.4	4.9	4.9	2.2	2.2	2.3
13 Women	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14 Basic Education	12.7	8.0	27.2	70.0	70.0	6.1	6.3	6.8
15 Higher Education and Training	10.3	10.9	11.9	10.3	11.3	10.9	11.5	12.2
16 Health	55.3	33.8	71.6	69.8	69.8	32.8	34.8	50.6
17 Social Development	103.2	44.4	89.0	18.0	51.5	57.8	65.0	73.2
18 Correctional Services	146.9	127.0	117.1	126.3	126.3	124.4	130.7	137.2
19 Defence and Military Veterans	4 269.0	1 044.5	853.5	814.9	814.9	818.2	859.1	875.4
20 Independent Police Investigative Directorate	0.1	0.2	0.3	0.2	0.3	0.3	0.3	0.3
21 Justice and Constitutional Development	387.3	457.3	416.1	300.9	300.9	368.7	410.9	423.6
23 Police	288.8	342.0	386.3	313.9	318.3	287.9	297.7	306.3
24 Agriculture, Forestry and Fisheries	177.4	198.0	809.6	186.1	186.1	198.4	211.5	225.4
25 Economic Development	592.9	668.7	1 097.5	900.2	900.2	867.3	908.2	951.1
26 Energy	3.4	390.1	43.5	3.3	3.7	2.9	3.0	3.2
27 Environmental Affairs	18.0	18.5	29.6	29.8	29.8	30.1	31.9	33.7
28 Labour	7.6	15.7	22.6	10.1	10.7	10.9	11.5	12.2
29 Mineral Resources	93.2	93.4	109.0	45.1	53.4	118.4	124.9	131.5
30 Science and Technology	1.4	1.2	1.7	0.1	1.3	0.1	0.1	0.1
32 Telecommunications and Postal Services	1 419.7	2 050.2	1 710.0	1 745.2	1 669.9	1 669.9	1 670.0	1 669.9
33 Tourism	1.9	1.5	4.2	3.5	3.5	1.8	1.8	1.8
34 Trade and Industry	78.7	135.3	71.7	85.0	79.7	83.1	85.4	93.9
35 Transport	312.5	178.3	747.0	233.5	314.7	80.8	80.9	80.9
36 Water and Sanitation	85.6	26.0	66.0	57.0	57.0	26.6	28.3	31.7
37 Arts and Culture	1.0	1.9	0.5	0.7	0.7	0.8	0.8	0.8
38 Human Settlements	0.6	1.0	0.8	1.1	1.1	0.8	0.8	0.8
39 Rural Development and Land Reform	46.2	79.6	104.6	85.1	85.1	88.7	93.2	97.8
40 Sport and Recreation South Africa	0.3	8.7	0.2	0.3	0.1	0.1	0.1	0.1
Total departmental receipts as per Estimates of National Expenditure	18 744.1	23 479.5	24 239.2	18 978.1	21 409.5	12 850.9	16 608.3	13 880.1
Less: Parliament (retained departmental receipts)	34.2	38.0	52.4	39.0	39.0	34.1	36.1	38.2
Plus: South African Revenue Service departmental receipts collection	5 691.6	5 026.1	6 439.3	6 791.6	5 636.0	6 220.7	6 729.5	7 300.8
Total departmental receipts as per Budget Review	24 401.5	28 467.7	30 626.1	25 730.7	27 006.5	19 037.5	23 301.7	21 142.7

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

Table 3 Expenditure by national vote: 2011/12 to 2017/18

R million	Audited outcome			Adjusted appropriation
	2011/12	2012/13	2013/14	2014/15
1 The Presidency	387.3	365.3	415.2	484.5
2 Parliament	1 214.8	1 297.9	1 535.5	1 508.2
3 Communications	1 018.1	1 257.9	1 348.4	1 295.3
4 Cooperative Governance and Traditional Affairs	46 221.6	53 434.4	56 401.6	63 453.9
5 Home Affairs	5 687.0	5 443.6	6 909.9	7 144.8
6 International Relations and Cooperation	5 021.8	5 185.1	5 871.3	6 104.3
7 National Treasury	20 272.4	21 019.0	25 107.1	26 703.9
8 Planning, Monitoring and Evaluation	547.3	622.2	646.6	733.8
9 Public Enterprises	343.7	1 364.3	269.4	319.5
10 Public Service and Administration	645.5	703.7	809.1	875.1
11 Public Works	7 061.4	7 203.9	6 022.7	6 121.3
12 Statistics South Africa	3 674.4	1 761.7	1 728.4	2 242.5
13 Women	138.2	150.7	161.6	180.8
14 Basic Education	13 346.2	14 885.9	17 011.1	19 689.9
15 Higher Education and Training	30 024.9	33 473.9	36 370.0	38 988.5
16 Health	26 212.7	28 282.5	30 228.5	34 325.1
17 Social Development	103 166.8	111 144.8	117 110.8	128 597.7
18 Correctional Services	16 276.8	17 313.6	18 700.0	19 721.8
19 Defence and Military Veterans	34 331.4	37 702.2	40 447.5	42 856.9
20 Independent Police Investigative Directorate	153.5	171.4	193.1	234.7
21 Justice and Constitutional Development	10 963.2	12 320.5	13 058.4	14 584.8
22 Office of the Chief Justice and Judicial Administration	507.2	587.9	669.3	574.0
23 Police	57 933.1	63 156.6	68 791.4	72 507.2
24 Agriculture, Forestry and Fisheries	4 920.2	5 813.2	6 111.3	6 692.4
25 Economic Development	577.6	673.5	771.4	696.9
26 Energy	6 174.3	6 659.0	6 477.1	7 437.8
27 Environmental Affairs	4 131.5	4 942.7	5 200.3	5 680.4
28 Labour	2 007.1	2 034.6	2 371.4	2 546.3
29 Mineral Resources	1 029.4	1 173.6	1 387.2	1 475.5
30 Science and Technology	4 403.5	4 973.3	6 169.5	6 479.9
31 Small Business Development	735.5	841.6	1 039.5	1 084.6
32 Telecommunications and Postal Services	1 325.4	1 017.9	1 701.5	1 616.4
33 Tourism	1 250.2	1 372.0	1 512.7	1 583.3
34 Trade and Industry	6 065.5	7 444.8	8 340.7	8 834.2
35 Transport	41 690.9	39 328.2	43 036.8	48 770.7
36 Water and Sanitation	8 450.9	8 907.9	10 505.9	13 647.4
37 Arts and Culture	2 405.8	2 659.3	2 758.2	3 527.7
38 Human Settlements	22 312.9	24 196.9	27 443.3	29 417.6
39 Rural Development and Land Reform	7 997.7	8 919.6	9 454.1	9 455.3
40 Sport and Recreation South Africa	810.6	1 054.1	1 073.0	970.4
Total appropriation by vote	501 438.5	540 861.0	585 160.9	639 165.2
Plus:				
Direct charges against the National Revenue Fund				
President and Deputy President salaries (The Presidency)	4.0	2.6	2.6	5.5
Members' remuneration (Parliament)	357.6	389.1	401.9	481.0
Debt-service costs (National Treasury)	76 460.0	88 121.1	101 184.7	114 485.0
Provincial equitable share (National Treasury)	289 627.6	310 740.7	336 495.3	359 921.8
General fuel levy sharing with metropolitan municipalities (National Treasury)	8 573.1	9 039.7	9 613.4	10 190.2
National Revenue Fund payments (National Treasury) ¹	1 388.3	2 587.2	516.3	310.9
Skills levy and sector education and training authorities (Higher Education and Training)	10 025.3	11 694.5	12 090.2	13 200.0
Magistrates' salaries (Justice and Constitutional Development)	1 326.2	1 314.8	1 510.0	1 874.3
Judges' salaries (Office of the Chief Justice and Judicial Administration)	710.9	744.8	788.7	856.0
Total direct charges against the National Revenue Fund	388 472.9	424 634.5	462 603.0	501 324.6
Unallocated reserves	–	–	–	–
National government projected underspending	–	–	–	-3 650.0
Local government repayment to the National Revenue Fund	–	–	–	-500.0
Total	889 911.5	965 495.6	1 047 763.8	1 136 339.8

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

Table 3 Expenditure by national vote: 2011/12 to 2017/18

Revised estimate	Medium-term expenditure estimates				
2014/15	2015/16	2016/17	2017/18		R million
456.5	510.3	524.7	552.4	1	The Presidency
1 508.2	1 566.9	1 655.4	1 746.5	2	Parliament
1 295.3	1 280.9	1 344.7	1 418.9	3	Communications
61 418.9	69 314.2	73 460.7	77 758.7	4	Cooperative Governance and Traditional Affairs
7 144.8	6 450.8	7 196.2	7 049.6	5	Home Affairs
6 104.3	5 698.6	5 943.6	6 543.3	6	International Relations and Cooperation
25 997.8	26 957.3	25 713.8	27 378.2	7	National Treasury
733.8	717.7	738.6	784.6	8	Planning, Monitoring and Evaluation
319.5	267.5	274.3	289.8	9	Public Enterprises
853.1	930.9	978.4	1 040.2	10	Public Service and Administration
6 031.3	6 411.1	6 935.2	7 367.7	11	Public Works
2 085.2	2 245.2	2 498.9	2 278.0	12	Statistics South Africa
180.8	187.0	196.3	211.9	13	Women
19 580.5	21 511.1	22 528.6	23 860.4	14	Basic Education
38 987.3	41 844.0	44 094.2	46 317.0	15	Higher Education and Training
33 624.3	36 468.0	38 923.5	42 337.2	16	Health
128 397.7	138 168.6	148 106.3	157 917.4	17	Social Development
19 721.8	20 617.6	21 858.3	23 135.3	18	Correctional Services
42 856.9	44 579.4	47 118.7	50 113.5	19	Defence and Military Veterans
234.7	234.8	246.1	259.9	20	Independent Police Investigative Directorate
14 584.8	14 984.0	15 997.8	16 997.0	21	Justice and Constitutional Development
574.0	742.4	804.3	849.9	22	Office of the Chief Justice and Judicial Administration
72 507.2	76 377.1	80 815.6	86 372.7	23	Police
6 692.4	6 383.0	6 342.5	6 777.5	24	Agriculture, Forestry and Fisheries
696.9	885.8	685.7	727.9	25	Economic Development
7 393.0	7 482.1	7 695.0	8 334.3	26	Energy
5 680.4	5 948.0	6 467.5	6 537.9	27	Environmental Affairs
2 509.3	2 686.9	2 998.2	3 162.7	28	Labour
1 475.5	1 618.5	1 684.9	1 732.6	29	Mineral Resources
6 479.9	7 482.1	7 562.2	7 608.6	30	Science and Technology
1 084.6	1 103.2	1 125.2	1 257.4	31	Small Business Development
1 535.4	1 413.3	1 545.7	1 275.3	32	Telecommunications and Postal Services
1 583.3	1 800.2	2 053.3	2 127.6	33	Tourism
8 616.3	9 593.7	10 505.3	9 509.2	34	Trade and Industry
48 770.7	53 357.3	56 132.2	59 327.8	35	Transport
12 939.7	16 446.5	16 361.5	18 204.8	36	Water and Sanitation
3 425.6	3 919.9	4 103.4	4 347.0	37	Arts and Culture
29 117.6	30 943.4	33 206.0	35 246.6	38	Human Settlements
9 355.3	9 379.7	10 392.0	10 888.7	39	Rural Development and Land Reform
961.4	988.5	1 034.4	1 093.6	40	Sport and Recreation South Africa
633 515.9	679 497.5	717 849.0	760 739.6	Total appropriation by vote	
				Plus:	
				Direct charges against the National Revenue Fund	
5.5	5.7	6.0	6.4	President and Deputy President salaries (The Presidency)	
481.0	503.1	529.8	556.3	Members' remuneration (Parliament)	
115 016.2	126 440.4	140 970.9	153 376.0	Debt-service costs (National Treasury)	
359 921.8	382 673.5	405 264.6	428 892.5	Provincial equitable share (National Treasury)	
10 190.2	10 658.9	11 223.8	11 785.0	General fuel levy sharing with metropolitan municipalities (National Treasury)	
310.9	121.0	–	–	National Revenue Fund payments (National Treasury) ¹	
13 200.0	14 690.0	16 140.0	17 400.0	Skills levy and sector education and training authorities (Higher Education and Training)	
1 624.3	1 880.8	2 040.2	2 140.5	Magistrates' salaries (Justice and Constitutional Development)	
856.0	873.7	920.1	966.1	Judges' salaries (Office of the Chief Justice and Judicial Administration)	
501 605.7	537 847.2	577 095.4	615 122.8	Total direct charges against the National Revenue Fund	
–	5 000.0	15 000.0	45 000.0	Unallocated reserves	
–	–	–	–	National government projected underspending	
–	–	–	–	Local government repayment to the National Revenue Fund	
1 135 121.6	1 222 344.7	1 309 944.4	1 420 862.4	Total	

Table 4 Expenditure by economic classification: 2011/12 to 2017/18

R million	Audited outcome			Adjusted appropriation
	2011/12	2012/13	2013/14	2014/15
Current payments				
Compensation of employees	100 643.5	110 677.5	120 628.3	130 564.8
Salaries and wages	84 534.2	93 017.8	100 551.3	109 757.0
Social contributions	16 109.3	17 659.7	20 077.0	20 807.8
Goods and services	49 506.5	51 293.5	58 525.5	61 423.0
Interest and rent on land	76 552.8	88 214.0	101 242.1	114 535.5
Interest (including interest on unitary payments (PPP))	76 550.7	88 211.2	101 240.8	114 534.1
Rent on land	2.1	2.8	1.4	1.4
Total current payments	226 702.9	250 185.0	280 395.9	306 523.3
Transfers and subsidies to:				
Provinces and municipalities	424 135.2	457 397.4	493 460.6	530 867.5
Provinces	355 824.4	380 928.6	410 572.2	439 705.6
Provincial revenue funds	355 824.4	380 928.6	410 572.2	439 705.6
Provincial agencies and funds	–	–	0.0	–
Municipalities	68 310.9	76 468.8	82 888.4	91 161.8
Municipal bank accounts	68 310.8	76 468.7	82 888.3	91 161.8
Municipal agencies and funds	0.0	0.1	0.0	0.1
Departmental agencies and accounts	73 980.7	74 954.3	80 397.2	87 906.3
Social security funds	38.9	17.0	18.7	35.5
Departmental agencies (non-business entities)	73 941.8	74 937.3	80 378.5	87 870.8
Higher education institutions	19 539.8	21 128.5	22 594.2	24 344.4
Foreign governments and international organisations	1 309.9	1 396.2	1 930.2	1 726.3
Public corporations and private enterprises	22 352.5	25 231.7	28 214.5	33 125.5
Public corporations	19 497.8	21 479.3	23 141.0	27 682.0
Subsidies on products or production	8 189.4	9 290.7	9 366.9	10 429.1
Other transfers to public corporations	11 308.4	12 188.7	13 774.1	17 252.9
Private enterprises	2 854.7	3 752.4	5 073.5	5 443.5
Subsidies on products or production	2 298.8	3 177.8	4 076.3	4 627.3
Other transfers to private enterprises	555.9	574.6	997.2	816.3
Non-profit institutions	2 013.4	2 413.0	2 877.3	3 176.2
Households	105 117.5	114 316.1	119 985.2	132 351.3
Social benefits	99 891.5	107 861.6	113 820.3	125 160.9
Other transfers to households	5 226.1	6 454.4	6 164.9	7 190.5
Total transfers and subsidies	648 449.0	696 837.2	749 459.2	813 497.5
Payments for capital assets				
Buildings and other fixed structures	7 033.5	8 566.1	8 731.6	12 558.5
Buildings	4 482.5	4 893.1	4 932.4	6 545.1
Other fixed structures	2 551.0	3 673.0	3 799.2	6 013.4
Machinery and equipment	4 320.7	5 100.2	4 996.4	3 853.5
Transport equipment	2 016.0	2 275.8	2 291.3	1 504.9
Other machinery and equipment	2 304.7	2 824.3	2 705.1	2 348.6
Heritage assets	0.2	0.0	0.1	–
Specialised military assets	–	22.6	22.0	45.3
Biological assets	3.4	6.2	4.8	7.1
Land and subsoil assets	132.0	91.8	58.2	0.9
Software and other intangible assets	467.2	61.9	195.5	50.8
Total payments for capital assets	11 957.1	13 848.9	14 008.5	16 516.2
Payments for financial assets	2 802.5	4 624.5	3 900.2	3 952.8
Total	889 911.5	965 495.6	1 047 763.8	1 140 489.8
Unallocated reserves	–	–	–	–
National government projected underspending	–	–	–	-3 650.0
Local government repayment to the National Revenue Fund	–	–	–	-500.0
Total	889 911.5	965 495.6	1 047 763.8	1 136 339.8

Table 4 Expenditure by economic classification: 2011/12 to 2017/18

Revised estimate	Medium-term expenditure estimates			
2014/15	2015/16	2016/17	2017/18	R million
130 259.7	137 620.2	146 566.9	155 125.4	Current payments
109 462.3	115 254.0	122 934.3	130 348.9	Compensation of employees
20 797.4	22 366.2	23 632.6	24 776.5	Salaries and wages
60 373.7	60 069.3	63 972.4	67 478.4	Social contributions
115 066.7	126 489.5	141 018.9	153 426.4	Goods and services
115 065.2	126 488.0	141 017.2	153 424.6	Interest and rent on land
1.4	1.5	1.7	1.8	Interest (including interest on unitary payments (PPP))
				Rent on land
305 700.1	324 179.0	351 558.2	376 030.2	Total current payments
528 845.1	567 961.9	600 248.1	636 456.0	Transfers and subsidies to:
439 661.3	468 158.9	496 259.1	526 382.5	Provinces and municipalities
439 661.3	468 158.9	496 259.1	526 382.5	Provinces
–	–	–	–	Provincial revenue funds
89 183.9	99 803.0	103 989.0	110 073.5	Provincial agencies and funds
89 183.8	99 802.9	103 988.9	110 073.4	Municipalities
0.1	0.1	0.1	0.1	Municipal bank accounts
87 604.1	95 442.0	101 888.8	108 116.8	Municipal agencies and funds
35.5	21.4	22.6	23.7	Departmental agencies and accounts
87 568.6	95 420.5	101 866.3	108 093.1	Social security funds
24 344.4	26 405.6	27 799.8	29 174.2	Departmental agencies (non-business entities)
1 720.7	1 738.8	1 839.7	1 885.2	Higher education institutions
32 507.6	36 017.7	37 241.7	37 460.0	Foreign governments and international organisations
27 282.0	29 958.4	30 395.4	31 777.7	Public corporations and private enterprises
10 429.1	9 902.6	10 240.7	10 835.0	Public corporations
16 852.9	20 055.8	20 154.7	20 942.7	Subsidies on products or production
5 225.6	6 059.3	6 846.2	5 682.3	Other transfers to public corporations
4 409.4	5 260.0	6 033.4	4 828.8	Private enterprises
816.3	799.2	812.9	853.5	Subsidies on products or production
3 176.2	3 251.2	3 406.5	3 739.7	Other transfers to private enterprises
132 057.3	142 160.8	153 220.7	163 313.5	Non-profit institutions
124 966.9	134 725.5	144 448.4	154 059.9	Households
7 090.5	7 435.3	8 772.3	9 253.6	Social benefits
				Other transfers to households
810 255.5	872 977.9	925 645.3	980 145.4	Total transfers and subsidies
11 503.6	12 964.2	13 582.9	14 455.4	Payments for capital assets
6 131.5	5 783.4	6 441.6	6 940.3	Buildings and other fixed structures
5 372.1	7 180.8	7 141.3	7 515.2	Buildings
3 858.3	3 669.2	3 757.5	4 804.9	Other fixed structures
1 507.7	1 475.2	1 479.6	2 446.0	Machinery and equipment
2 350.6	2 194.0	2 278.0	2 358.9	Transport equipment
–	–	–	–	Other machinery and equipment
45.3	12.1	10.4	9.8	Heritage assets
7.1	8.0	8.5	3.2	Specialised military assets
0.9	–	–	28.7	Biological assets
50.8	42.6	36.1	19.8	Land and subsoil assets
				Software and other intangible assets
15 466.0	16 696.1	17 395.4	19 321.7	Total payments for capital assets
3 700.0	3 491.7	345.5	365.1	Payments for financial assets
1 135 121.6	1 217 344.7	1 294 944.4	1 375 862.4	Total
–	5 000.0	15 000.0	45 000.0	Unallocated reserves
–	–	–	–	National government projected underspending
–	–	–	–	Local government repayment to the National Revenue Fund
1 135 121.6	1 222 344.7	1 309 944.4	1 420 862.4	Total

Table 5 Amounts to be appropriated from the National Revenue Fund for 2015/16

	Appropriated (including direct charges)	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	To be appropriated	Increase/ Decrease ¹
R million	2014/15			2015/16			
1 The Presidency	487.5	503.5	0.1	12.5	–	516.1	28.6
2 Parliament	1 989.2	1 702.0	364.5	3.6	–	2 070.1	80.9
3 Communications	1 283.3	70.1	1 210.2	0.7	–	1 280.9	-2.4
4 Cooperative Governance and Traditional Affairs	63 212.7	2 808.6	66 497.8	7.8	–	69 314.2	6 101.4
5 Home Affairs	6 544.8	4 790.5	1 649.4	10.9	–	6 450.8	-94.0
6 International Relations and Cooperation	5 754.3	4 773.5	641.2	284.0	–	5 698.6	-55.7
7 National Treasury	512 277.5	128 388.5	414 954.5	16.4	3 491.7	546 851.1	34 573.6
8 Planning, Monitoring and Evaluation	208.2	305.0	409.8	2.9	–	717.7	509.5
9 Public Enterprises	256.4	263.8	0.1	3.6	–	267.5	11.1
10 Public Service and Administration	875.1	443.2	485.3	2.3	–	930.9	55.8
11 Public Works	6 121.3	882.8	5 500.2	28.1	–	6 411.1	289.8
12 Statistics South Africa	2 242.5	1 960.4	15.5	269.3	–	2 245.2	2.7
13 Women	218.5	115.8	67.7	3.5	–	187.0	-31.5
14 Basic Education	19 680.1	2 431.9	17 033.9	2 045.4	–	21 511.1	1 831.0
15 Higher Education and Training	52 428.5	7 801.2	48 720.5	12.3	–	56 534.0	4 105.5
16 Health	34 380.0	2 351.5	33 448.5	668.0	–	36 468.0	2 088.0
17 Social Development	128 799.4	764.6	137 394.4	9.6	–	138 168.6	9 369.3
18 Correctional Services	19 721.1	19 514.3	120.5	982.8	–	20 617.6	896.5
19 Defence and Military Veterans	42 831.2	36 162.0	7 830.5	586.9	–	44 579.4	1 748.2
20 Independent Police Investigative Directorate	234.7	234.4	0.4	–	–	234.8	0.1
21 Justice and Constitutional Development	16 495.1	13 304.0	2 335.3	1 225.4	–	16 864.7	369.7
22 Office of the Chief Justice and Judicial Administration	1 394.1	1 547.1	55.3	13.8	–	1 616.2	222.1
23 Police	72 507.2	72 604.4	911.9	2 860.8	–	76 377.1	3 869.8
24 Agriculture, Forestry and Fisheries	6 692.4	2 586.3	3 700.5	96.2	–	6 383.0	-309.4
25 Economic Development	696.9	150.3	733.2	2.2	–	885.8	188.9
26 Energy	7 415.6	492.6	6 985.5	4.0	–	7 482.1	66.5
27 Environmental Affairs	5 668.4	2 127.1	3 662.8	158.1	–	5 948.0	279.6
28 Labour	2 527.3	1 683.8	956.2	46.9	–	2 686.9	159.6
29 Mineral Resources	1 471.3	806.1	800.9	11.5	–	1 618.5	147.3
30 Science and Technology	6 470.2	496.4	6 983.4	2.3	–	7 482.1	1 011.9
31 Small Business Development	1 148.1	166.2	935.8	1.1	–	1 103.2	-45.0
32 Telecommunications and Postal Services	973.2	679.7	728.6	5.1	–	1 413.3	440.1
33 Tourism	1 662.1	403.0	1 391.1	6.1	–	1 800.2	138.1
34 Trade and Industry	8 686.9	1 475.7	8 083.9	34.2	–	9 593.7	906.8
35 Transport	48 726.5	1 061.4	52 291.7	4.1	–	53 357.3	4 630.8
36 Water and Sanitation	12 480.3	3 116.8	6 094.6	7 235.1	–	16 446.5	3 966.2
37 Arts and Culture	3 527.7	640.2	3 272.3	7.4	–	3 919.9	392.1
38 Human Settlements	30 521.4	687.0	30 252.4	4.0	–	30 943.4	422.0
39 Rural Development and Land Reform	9 455.3	3 617.7	5 736.8	25.1	–	9 379.7	-75.6
40 Sport and Recreation South Africa	970.4	265.7	720.7	2.2	–	988.5	18.1
Total	1 139 036.7	324 179.0	872 977.9	16 696.1	3 491.7	1 217 344.7	78 308.0

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

Table 6a Conditional allocations to provinces: 2011/12 to 2017/18¹

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates		
	2011/12	2012/13	2013/14	2014/15		2015/16	2016/17	2017/18
4 Cooperative Governance and Traditional Affairs	15.1	0.9	93.6	197.4	197.4	103.2	111.5	123.4
11 Public Works	2 229.0	2 308.4	610.2	606.9	606.9	591.2	761.7	809.4
14 Basic Education	10 803.0	11 205.9	12 326.3	13 577.0	13 532.6	15 856.5	16 373.0	17 267.3
16 Health	23 989.3	25 882.0	27 487.2	30 164.1	30 164.1	31 857.9	34 338.2	37 495.5
17 Social Development	–	–	–	29.0	29.0	47.5	47.5	–
24 Agriculture, Forestry and Fisheries	1 666.6	2 062.4	2 148.6	2 389.1	2 389.1	2 188.1	2 262.5	2 404.5
35 Transport	11 350.3	12 299.1	13 290.3	14 194.2	14 194.2	14 790.1	15 288.3	16 280.9
37 Arts and Culture	569.9	564.6	594.8	1 016.2	1 016.2	1 311.0	1 367.1	1 452.8
38 Human Settlements	15 121.5	15 395.0	17 028.3	17 084.4	17 084.4	18 202.7	19 884.0	21 060.3
40 Sport and Recreation South Africa	452.0	469.6	497.6	525.6	525.6	537.3	560.7	595.8
Total	66 196.8	70 187.9	74 076.9	79 783.8	79 739.5	85 485.4	90 994.5	97 490.0

1. Details provided in the Division of Revenue Act (2015).

Table 6b Conditional allocations to municipalities: 2011/12 to 2017/18¹

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates		
	2011/12	2012/13	2013/14	2014/15		2015/16	2016/17	2017/18
4 Cooperative Governance and Traditional Affairs	11 695.8	14 182.4	14 753.8	15 574.0	14 939.0	15 696.3	16 266.3	17 064.6
7 National Treasury	1 162.0	1 056.3	1 149.2	1 399.7	1 399.7	1 435.3	1 486.5	1 598.3
11 Public Works	363.9	661.5	611.3	594.6	594.6	587.7	664.0	716.4
26 Energy	1 376.6	1 351.4	1 815.5	1 241.6	1 241.6	2 158.2	2 221.9	2 400.3
35 Transport	4 647.1	4 921.7	5 602.2	5 946.1	5 946.1	6 049.9	6 264.2	6 717.2
36 Water and Sanitation	992.3	562.4	1 129.2	1 032.8	989.8	2 305.0	1 765.0	2 399.9
38 Human Settlements	6 267.0	7 392.2	9 076.9	10 584.7	10 484.7	10 654.3	11 175.9	11 823.1
40 Sport and Recreation South Africa	–	123.1	120.0	–	–	–	–	–
Total	26 504.8	30 251.2	34 258.1	36 373.5	35 595.5	38 886.7	39 843.8	42 719.8

1. Details provided in the Division of Revenue Act (2015).

Table 7 Training expenditure per vote: 2011/12 to 2017/18

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
1 The Presidency	1.1	2.3	1.8	3.7	3.3	3.5	3.7
2 Parliament	4.5	5.9	7.6	11.4	12.0	12.7	13.3
3 Communications	–	–	–	–	0.0	0.0	0.0
4 Cooperative Governance and Traditional Affairs	1.4	1.7	3.7	2.5	2.7	2.9	3.1
5 Home Affairs	62.2	8.6	18.5	26.7	28.7	30.6	32.6
6 International Relations and Cooperation	11.6	12.0	9.1	28.4	33.1	34.9	36.6
7 National Treasury	8.9	10.5	6.0	9.4	9.1	9.7	10.1
8 Planning, Monitoring and Evaluation	0.7	1.6	0.9	0.8	0.8	1.0	1.0
9 Public Enterprises	3.0	2.0	2.2	2.8	2.0	2.0	2.1
10 Public Service and Administration	3.7	4.9	3.4	4.8	4.2	4.4	4.6
11 Public Works	13.5	13.3	10.2	16.4	12.2	12.8	13.4
12 Statistics South Africa	7.9	17.6	4.3	10.1	12.1	12.1	12.2
13 Women	0.1	0.1	0.6	1.1	0.7	0.7	0.8
14 Basic Education	0.8	1.1	1.0	1.3	1.4	1.5	1.5
15 Higher Education and Training	1.6	1.8	1.0	2.5	2.6	2.7	3.2
16 Health	5.7	5.9	5.9	9.3	7.8	8.1	8.5
17 Social Development	4.0	3.4	2.0	8.4	6.7	7.8	9.2
18 Correctional Services	126.0	116.6	135.6	131.6	134.8	142.9	152.0
19 Defence and Military Veterans	154.8	107.5	159.3	175.4	194.6	190.2	175.9
20 Independent Police Investigative Directorate	1.6	0.8	1.2	2.3	1.2	1.3	1.3
21 Justice and Constitutional Development	6.6	16.8	10.6	71.7	75.2	78.7	83.7
22 Office of the Chief Justice and Judicial Administration	0.0	0.3	0.1	0.5	1.1	1.2	1.3
23 Police	1 507.9	1 623.7	1 668.5	1 785.0	1 838.5	1 893.7	1 914.2
24 Agriculture, Forestry and Fisheries	29.1	32.1	34.5	54.6	42.1	42.3	46.6
25 Economic Development	1.4	0.4	0.3	1.1	1.0	1.0	1.0
26 Energy	2.5	2.1	4.0	4.4	4.3	4.1	4.2
27 Environmental Affairs	16.0	7.4	12.5	8.2	8.7	9.2	9.8
28 Labour	7.6	11.9	20.8	14.8	14.3	14.4	15.1
29 Mineral Resources	3.1	2.3	3.0	6.2	6.7	7.0	7.4
30 Science and Technology	4.2	6.1	5.2	5.0	5.3	5.3	5.6
31 Small Business Development	0.2	0.8	1.3	4.8	2.7	3.0	3.2
32 Telecommunications and Postal Services	10.8	3.9	3.8	5.1	5.4	5.7	5.9
33 Tourism	2.1	3.0	4.3	4.2	2.4	2.6	2.7
34 Trade and Industry	16.1	15.6	10.4	16.0	12.9	12.2	12.9
35 Transport	4.4	5.2	5.4	4.4	3.8	4.0	4.3
36 Water and Sanitation	31.2	31.8	22.4	31.6	37.2	32.9	43.4
37 Arts and Culture	3.5	2.0	1.8	2.1	2.2	2.4	2.5
38 Human Settlements	3.2	2.6	1.9	5.4	5.8	5.5	5.8
39 Rural Development and Land Reform	25.4	21.0	21.9	20.3	131.0	137.1	144.4
40 Sport and Recreation South Africa	0.9	1.6	1.1	1.3	1.4	1.5	1.6
Total	2 089.2	2 108.5	2 208.4	2 495.2	2 672.0	2 745.4	2 800.6

Table 8a Infrastructure expenditure per vote: 2011/12 to 2017/18¹

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
4 Cooperative Governance and Traditional Affairs	11 443.5	13 879.2	14 224.4	14 764.0	14 955.8	15 328.9	16 435.4
5 Home Affairs	78.9	27.6	98.5	151.4	103.2	154.7	185.2
6 International Relations and Cooperation	205.2	113.0	202.9	213.5	211.8	223.7	223.7
7 National Treasury	738.4	578.1	598.0	591.2	607.0	624.0	663.4
11 Public Works	1 011.4	713.0	567.4	510.4	773.3	833.8	883.3
14 Basic Education	6 043.0	6 860.7	8 319.6	10 184.9	11 889.1	12 484.9	13 306.3
15 Higher Education and Training	1 625.3	1 799.9	2 150.0	2 700.0	3 301.2	3 503.0	3 675.7
16 Health	5 683.4	5 524.4	5 442.8	5 844.8	6 188.9	6 425.8	6 846.0
17 Social Development	–	–	–	50.0	50.0	50.0	–
18 Correctional Services	592.4	744.5	583.1	813.0	775.8	788.9	826.3
19 Defence and Military Veterans	530.7	1 381.7	603.4	395.3	940.5	996.7	1 047.7
21 Justice and Constitutional Development	683.6	621.2	387.6	566.8	661.5	920.1	966.1
23 Police	671.1	691.6	868.1	984.9	998.7	1 210.5	1 271.0
24 Agriculture, Forestry and Fisheries	262.2	555.2	461.5	706.9	675.5	416.9	442.6
26 Energy	4 462.3	4 589.1	3 566.1	4 158.2	5 724.7	5 979.0	6 334.9
27 Environmental Affairs	642.8	337.5	405.7	591.4	722.1	846.2	485.1
28 Labour	7.1	8.6	1.5	0.0	–	–	–
30 Science and Technology	417.7	483.7	579.1	992.4	1 043.1	1 047.8	1 099.8
32 Telecommunications and Postal Services	533.9	–	884.2	155.2	226.7	382.1	391.3
34 Trade and Industry	837.3	949.5	1 043.2	940.0	1 330.0	1 820.0	1 034.9
35 Transport	28 101.4	25 016.6	26 712.7	39 269.2	38 550.5	40 588.7	42 903.4
36 Water and Sanitation	3 569.3	5 685.8	5 400.6	6 471.3	8 511.8	9 700.0	9 488.4
37 Arts and Culture	364.3	229.8	350.3	540.1	559.6	594.9	624.6
38 Human Settlements	21 388.5	22 787.2	26 060.8	27 369.1	28 757.0	30 959.9	32 768.5
39 Rural Development and Land Reform	20.8	4.7	2.2	12.6	23.5	4.5	–
Total	89 914.6	93 582.7	99 513.8	118 976.6	127 581.4	135 884.8	141 903.4

Table 8b Nature of infrastructure investment: 2011/12 to 2017/18¹

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
New infrastructure assets	2 752.7	4 212.2	4 641.2	6 377.7	7 500.4	8 920.5	8 511.6
Existing infrastructure assets	3 698.3	5 102.6	4 364.5	4 836.3	6 316.8	7 008.8	6 855.4
Upgrading and additions	2 964.3	3 640.5	3 266.2	3 562.7	4 414.7	4 892.9	4 378.1
Rehabilitation, renovations and refurbishment	405.7	1 271.0	660.9	625.5	1 281.6	1 612.0	1 752.0
Maintenance and repair	328.3	191.0	437.4	648.1	620.5	504.0	725.2
Infrastructure transfers	83 463.6	84 268.0	90 508.1	107 762.6	113 764.2	119 955.5	126 536.4
Current	189.4	398.2	384.6	555.8	318.4	318.1	338.1
Capital	83 274.2	83 869.8	90 123.5	107 206.9	113 445.8	119 637.4	126 198.3
Total Infrastructure	89 914.6	93 582.7	99 513.8	118 976.6	127 581.4	135 884.8	141 903.4
<i>Current infrastructure²</i>	<i>517.6</i>	<i>589.2</i>	<i>822.0</i>	<i>1 203.8</i>	<i>938.9</i>	<i>822.1</i>	<i>1 063.4</i>
<i>Capital infrastructure³</i>	<i>89 397.0</i>	<i>92 993.5</i>	<i>98 691.9</i>	<i>117 772.8</i>	<i>126 642.5</i>	<i>135 062.7</i>	<i>140 840.0</i>

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: 2011/12 to 2017/18

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates			Average personnel expenditure growth rate (%)
	2011/12	2012/13	2013/14	2014/15		2015/16	2016/17	2017/18	2011/12 -2017/18
1 The Presidency	214.4	241.7	259.5	305.4	305.4	326.4	346.6	365.9	9.3%
2 Parliament	857.9	973.1	1 066.6	1 156.0	1 156.0	1 204.2	1 271.4	1 335.0	7.6%
3 Communications	17.2	17.7	24.7	39.8	39.8	56.0	59.2	62.5	24.1%
4 Cooperative Governance and Traditional Affairs	196.2	216.6	226.8	246.6	246.6	271.8	288.5	306.7	7.7%
5 Home Affairs	1 944.9	2 179.6	2 433.7	2 670.0	2 670.0	2 868.1	3 058.1	3 256.4	9.0%
6 International Relations and Cooperation	1 934.2	2 153.2	2 436.7	2 581.8	2 609.3	2 526.2	2 624.9	2 784.2	6.3%
7 National Treasury	512.3	561.5	602.1	689.0	676.5	725.5	774.8	825.0	8.3%
8 Planning, Monitoring and Evaluation	75.6	104.3	125.2	156.9	156.9	173.6	185.4	199.8	17.6%
9 Public Enterprises	93.9	102.7	124.9	147.1	147.1	152.3	166.2	176.7	11.1%
10 Public Service and Administration	173.9	194.2	230.7	246.5	246.5	277.8	294.0	312.2	10.2%
11 Public Works	1 269.6	1 374.6	1 471.5	1 667.8	1 667.8	475.0	499.6	516.1	-13.9%
12 Statistics South Africa	1 232.8	1 074.9	1 080.1	1 216.8	1 183.8	1 286.6	1 461.6	1 465.3	2.9%
13 Women	31.9	44.9	48.9	61.0	61.0	66.5	71.6	76.1	15.6%
14 Basic Education	295.4	325.2	371.7	414.4	414.4	440.9	470.2	500.0	9.2%
15 Higher Education and Training	5 303.8	5 927.8	6 605.4	7 009.0	7 008.4	7 308.2	7 732.5	8 137.7	7.4%
16 Health	484.6	554.3	628.0	656.5	656.5	772.1	813.8	854.7	9.9%
17 Social Development	289.5	307.4	339.3	380.1	371.3	403.6	428.3	454.3	7.8%
18 Correctional Services	10 851.8	11 337.8	12 190.1	13 315.6	13 315.6	14 034.1	14 964.5	15 901.5	6.6%
19 Defence and Military Veterans	17 569.0	19 688.4	21 332.7	22 476.2	22 476.2	24 595.0	26 239.7	27 725.6	7.9%
20 Independent Police Investigative Directorate	78.1	96.0	105.0	140.5	140.5	169.8	179.2	188.7	15.8%
21 Justice and Constitutional Development	6 646.3	7 188.3	7 923.0	8 996.5	8 746.5	9 307.3	9 812.2	10 403.0	7.8%
22 Office of the Chief Justice and Judicial Administration	912.9	1 005.1	1 090.0	1 133.8	1 133.8	1 279.5	1 353.9	1 426.4	7.7%
23 Police	42 407.5	46 796.3	51 241.8	54 449.0	54 449.0	57 884.9	61 549.1	65 238.3	7.4%
24 Agriculture, Forestry and Fisheries	1 320.7	1 419.1	1 525.0	1 698.4	1 698.4	1 737.8	1 837.2	1 959.5	6.8%
25 Economic Development	48.3	62.1	70.9	76.9	76.9	96.1	97.8	103.5	13.5%
26 Energy	184.8	201.5	228.5	286.0	261.4	289.5	309.8	328.6	10.1%
27 Environmental Affairs	469.1	560.8	659.2	798.8	798.8	915.4	979.0	1 041.9	14.2%
28 Labour	757.9	820.5	866.1	1 011.7	1 053.3	1 079.6	1 330.8	1 413.3	10.9%
29 Mineral Resources	364.6	395.9	435.3	492.0	492.0	528.4	566.6	605.3	8.8%
30 Science and Technology	207.2	221.8	241.6	284.9	284.9	291.3	302.4	321.3	7.6%
31 Small Business Development	40.3	47.1	55.3	84.0	84.0	109.7	114.8	122.2	20.3%
32 Telecommunications and Postal Services	144.8	148.2	158.5	191.5	176.5	191.8	204.7	217.1	7.0%
33 Tourism	135.3	171.2	202.4	229.3	229.3	246.1	259.4	275.7	12.6%
34 Trade and Industry	526.7	623.5	734.0	857.4	857.4	897.7	950.3	1 007.8	11.4%
35 Transport	274.5	287.8	304.4	382.9	382.9	378.6	403.9	428.3	7.7%
36 Water and Sanitation	949.4	1 055.5	1 139.7	1 388.0	1 366.3	1 492.1	1 634.6	1 666.2	9.8%
37 Arts and Culture	163.7	172.7	190.8	209.9	209.9	221.9	236.7	251.5	7.4%
38 Human Settlements	216.2	222.9	240.2	328.8	328.8	322.2	344.8	365.7	9.2%
39 Rural Development and Land Reform	1 373.3	1 727.8	1 541.3	1 999.8	1 999.8	2 115.9	2 241.3	2 391.8	9.7%
40 Sport and Recreation South Africa	73.1	73.7	76.6	88.2	80.4	100.7	107.4	113.5	7.6%
Total	100 643.5	110 677.5	120 628.3	130 564.8	130 259.7	137 620.2	146 566.9	155 125.4	7.5%

Table 10 Personnel numbers and unit cost per vote: 2013/14 to 2017/18

	Number of posts estimated for 31 March 2015		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								
			2013/14		2014/15		2015/16		2016/17		2017/18		2014/15 - 2017/18		
			Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost			
			1 The Presidency	701	81	699	371	701	436	690	473	697	497	701	522
2 Parliament	1 691	13	1 915	557	1 709	676	1 709	705	1 709	744	1 709	781	–	4.9%	
3 Communications	393	20	52	476	194	205	401	140	401	148	401	156	27.4%	-8.7%	
4 Cooperative Governance and Traditional Affairs	540	–	381	595	540	457	560	485	560	515	560	548	1.2%	6.3%	
5 Home Affairs	9 984	76	10 344	235	9 765	273	9 765	294	9 765	313	9 765	333	–	6.8%	
6 International Relations and Cooperation	4 588	23	4 724	516	4 552	573	4 552	555	4 571	574	4 592	606	0.3%	1.9%	
7 National Treasury	1 252	33	1 292	466	1 301	520	1 153	629	1 153	672	1 153	716	-3.9%	11.2%	
8 Planning, Monitoring and Evaluation	314	–	256	489	307	511	314	553	315	588	315	634	0.9%	7.5%	
9 Public Enterprises	284	–	247	506	259	568	258	590	258	644	260	679	0.1%	6.2%	
10 Public Service and Administration	504	43	564	409	509	484	507	548	507	580	510	612	0.1%	8.1%	
11 Public Works ¹	345	199	5 427	271	5 934	281	968	491	952	525	905	570	-46.6%	26.6%	
12 Statistics South Africa	3 550	–	3 723	290	3 555	333	4 119	312	11 786	124	3 775	388	2.0%	5.2%	
13 Women	115	–	114	429	115	531	117	569	117	612	117	650	0.6%	7.0%	
14 Basic Education	797	4	813	457	795	521	795	555	795	592	795	629	–	6.5%	
15 Higher Education and Training ²	959	99	38 001	174	38 002	184	38 025	192	38 025	203	38 025	214	0.0%	5.1%	
16 Health	1 504	–	1 929	326	1 880	349	1 898	407	1 898	429	1 897	451	0.3%	8.9%	
17 Social Development	737	78	866	392	775	479	794	508	798	537	799	569	1.0%	5.9%	
18 Correctional Services	42 006	1 526	42 009	290	42 006	317	42 006	334	42 006	356	42 006	379	–	6.1%	
19 Defence and Military Veterans	77 605	–	77 183	276	77 605	290	79 445	310	80 342	327	81 108	342	1.5%	5.7%	
20 Independent Police Investigative Directorate	393	–	349	301	393	357	414	410	418	429	423	446	2.5%	7.7%	
21 Justice and Constitutional Development	28 353	690	26 615	298	26 305	333	28 929	322	28 929	339	28 929	360	3.2%	2.6%	
22 Office of the Chief Justice and Judicial Administration	1 714	–	1 601	681	1 714	661	1 763	726	1 763	768	1 763	809	0.9%	6.9%	
23 Police	198 010	–	194 852	263	198 010	275	198 042	292	198 062	311	198 062	329	0.0%	6.2%	
24 Agriculture, Forestry and Fisheries	6 757	257	6 780	225	6 757	251	6 757	257	6 757	272	6 757	290	–	4.9%	
25 Economic Development	166	–	129	550	149	516	149	645	149	656	149	695	–	10.4%	
26 Energy	622	–	616	371	622	420	622	465	622	498	622	528	–	7.9%	
27 Environmental Affairs	1 998	300	1 734	380	1 842	434	2 124	431	2 124	461	2 124	491	4.9%	4.2%	
28 Labour	3 520	17	3 340	259	3 412	309	3 412	316	3 737	356	3 737	378	3.1%	7.0%	
29 Mineral Resources	1 182	65	1 173	371	1 180	417	1 197	441	1 203	471	1 209	501	0.8%	6.3%	
30 Science and Technology	481	–	465	520	484	589	470	620	470	643	470	684	-1.0%	5.1%	
31 Small Business Development	157	–	131	–	168	–	171	–	170	–	171	–	0.6%		
32 Telecommunications and Postal Services	376	52	490	323	337	524	337	569	337	607	337	644	–	7.1%	
33 Tourism	548	–	544	372	548	421	548	449	548	473	548	503	–	6.2%	
34 Trade and Industry	1 728	231	1 715	428	1 725	497	1 523	589	1 523	624	1 523	662	-4.1%	10.0%	
35 Transport	822	41	822	370	822	466	822	461	822	491	822	521	–	3.8%	
36 Water and Sanitation	4 992	209	4 074	280	4 233	323	4 404	339	4 422	370	4 447	375	1.7%	5.1%	
37 Arts and Culture	484	42	507	376	526	399	524	423	524	452	524	480	-0.1%	6.4%	
38 Human Settlements	850	–	807	298	685	480	645	500	645	535	645	567	-2.0%	5.7%	
39 Rural Development and Land Reform	5 376	398	3 958	389	5 045	396	5 152	411	5 168	434	5 168	463	0.8%	5.3%	
40 Sport and Recreation South Africa	208	36	216	355	204	394	204	494	204	526	204	556	–	12.2%	
Total	406 606	4 533	441 457	14 935	445 665	16 451	446 285	17 810	455 252	18 697	448 027	20 060	0.2%	6.8%	

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.

2. Department of Higher Education and Training: The administrative function of the Technical and vocational education and training colleges, and of Public Adult Learning Centres shifts from provincial education departments to a national competence.

Information contained in the chapters of the Estimates of National Expenditure

The Estimates of National Expenditure publications describe in detail the planned spending of all national government votes for three years going forward: that is, the years of the medium term expenditure framework (MTEF).

The abridged Estimates of National Expenditure publication is tabled in Parliament by the Minister of Finance on the day the main Budget is tabled. Through an accompanying Appropriation Bill, the executive seeks Parliament's approval and adoption of its spending plans for the new financial year. Amounts allocated for the first year of the new MTEF period are then appropriated from the National Revenue Fund in terms of the Appropriation Act, once approved by the President. The main Budget, determined by the fiscal framework, also includes direct charges against the National Revenue Fund and an unallocated reserve for expenditure related to unforeseen circumstances, as well as emerging government policy priorities.

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 Estimates of National Expenditure publication relates to a vote. A separate e-publication is also available for each vote.

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

In respect of each vote, the Estimates of National Expenditure publications follow the layout shown below:

Budget summary

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

R million	2015/16					2016/17	2017/18
	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, public entities, donor funding, public private partnerships, conditional allocations to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

The **2015/16 total** shows the expenditure allocation per programme and the aggregated vote amount for 2015/16, and corresponds with the information in the 2015 Appropriation Bill.

The totals to be appropriated by Parliament are 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 a department for its operational requirements.

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

Payments for capital assets are payments made by a department 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 departments as loans to public corporations or as equity investments in public corporations. The reason for expensing the payments, rather than treating them as financing, is that the purpose of the transaction is not profit oriented. This column is only shown in votes where such payments have been budgeted for. Payments for theft and losses are included in this category, however, these payments are not budgeted for and will thus only appear in the historical information.

For **2016/17** and **2017/18** the expenditure estimates are shown. These estimates are not included in the 2015 Appropriation Bill as they are still only indicative of actual expenditure levels in the two outer years of the MTEF period. Parliament appropriates or authorises expenditure for a single financial year at a time. These forward estimates or indicative allocations do, however, form the basis of the planning of the 2016 Budget.

MTEF allocation shows the expenditure estimates for three years per programme.

Direct charge against the National Revenue Fund is an amount spent in terms of a statute and therefore does not require parliamentary approval. An example is debt service costs. Such items are therefore not contained in the Appropriation Bill, nor are they budgeted for under any programme on a particular vote.

Total expenditure estimates are the sum of the expenditure on programmes and direct charges, classified into current payments, transfers and subsidies, payments for capital assets and payments for financial assets.

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

Selected performance indicators

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

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18

Managing, monitoring and measuring performance are integral to improving service delivery. 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 performance. It should, however, contain key performance indicators that form part of government's performance management system, departmental annual performance plans and ministerial delivery agreements.

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 government outcomes to which it contributes.

The **Past** column shows what level of performance the department actually achieved in the 2011/12, 2012/13 and 2013/14 financial years.

The **Current** column shows what the department projects it will achieve for the 2014/15 financial year.

The **Projections** column shows what the department expects to achieve in the 2015/16, 2016/17 and 2017/18 financial years.

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, which provides an outline of a department or agency's policy and spending focus over the medium term. A summary is provided of how the department'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.

Significant increases or decreases in expenditure are explained in terms of underlying performance information, service delivery methods, policies, personnel profiles, as well as any other applicable factors. A summary of the key Cabinet approved changes to the vote baseline budget is also provided.

The average annual growth rates in tables are reflected in nominal, not real, terms. In particular instances where inflationary growth has been excluded in order to calculate real growth estimates, the consumer price index has been used to deflate the growth rate.

Expenditure trends

This table shows expenditure outcomes for the last three financial years, together with the revised spending projection for the current financial year, by vote programme and by economic classification. For each year, the Budget appropriations are also provided for comparative purposes.

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	Audited outcome
	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)	
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	
Programme 1						
Programme 2						
Programme 3						
Subtotal						
Direct charge against the National Revenue Fund						
Total						
Change to 2014						
Budget estimate						
Economic classification						
Current payments						
Compensation of employees						
Goods and services						
of which:						
Catering						
Consultants and professional services:						
Business and advisory services						
Travel and subsistence						
Economic classification item						
Economic classification item						
Economic classification item						
Transfers and subsidies						
Payments for capital assets						
Payments for financial assets						
Total						

Expenditure is set out over a four-year period, 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 therefore does not require parliamentary approval, for example, debt service costs. Thus, such items are not contained in the Appropriation Bill, nor are they budgeted for under any programme on a particular vote.

For comparability, 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.

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. Changes are generally made mid-year at the time of the adjustments budget. These adjustments can only be made in terms of the circumstances listed in section 30 of the Public Finance Management Act (1999). Adjustments were included in an adjustments appropriation bill, which Parliament approved before expenditure could take place. Details were published in Adjusted Estimates of National Expenditure publications.

Audited outcomes are presented as they appear in the department or entity's annual financial statements, with amounts reallocated for any subsequent approved budget programme structure changes.

The **Revised estimate** for 2014/15 represents expenditure outcomes in terms of National Treasury's current estimate, arrived at in consultation with the department. This does not imply a change in the amounts voted to departments in the 2014/15 adjusted appropriation; it is merely a more recent estimate of what the department is likely to spend in this financial year.

The **Outcome/Annual budget Average (%)** shows on average, the expenditure audited outcomes as a percentage of the annual budget appropriations for the stated period.

The **Outcome/Adjusted appropriation budget Average (%)** shows on average, the expenditure audited outcomes as a percentage of the annual adjusted budget appropriations for the stated period.

Expenditure estimates

This table shows the revised expenditure estimate for 2014/15 and expenditure estimates over the three-year MTEF period, by vote 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 (%)
	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
R million								
Programme 1								
Programme 2								
Programme 3								
Subtotal								
Direct charge against the National Revenue Fund								
Total								
Change to 2014 Budget estimate								

Economic classification

Current payments

Compensation of employees

Goods and services

of which:

Catering

Consultants and professional services: Business and advisory services

Travel and subsistence

Economic classification item

Economic classification item

Economic classification item

Transfers and subsidies

Payments for capital assets

Payments for financial assets

Total

Expenditure is set out over a four-year period, first by **programme** then by **economic classification**, that is **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 therefore does not require parliamentary approval. An example is debt service costs. Such items are therefore not contained in the Appropriation Bill, nor are they budgeted for under any programme on a particular vote.

The **Revised estimate 2014/15** represents expenditure outcomes in terms of National Treasury's current estimate, arrived at in consultation with the department. This does not imply a change in the amounts voted to departments in the 2014/15 adjusted appropriation; it is merely a more recent estimate of what the department is likely to spend in this financial year.

The **Average growth rate (%)** is the growth rate on average over the stated period, shown as a percentage.

The **Expenditure/total: Average (%)** column shows what proportion of total vote expenditure an expenditure item comprises, on average over the stated period. It is expressed as a percentage.

The **Medium-term expenditure estimate** shows estimates for 2015/16, 2016/17 and 2017/18. The spending figures for 2015/16 constitute the proposed appropriation to be funded from the National Revenue Fund. The proposal is contained in the main Appropriation Bill, which has to be considered by Parliament after it has been tabled. The medium term expenditure estimates for 2016/17 and 2017/18 are indicative budget allocations, and will form the basis for the planning of the 2016 Budget.

Personnel information

Personnel information is set out over a five-year period. The number of posts and the costs to the institution are shown, as well as the average unit cost of a post.

Programmes

1. Administration
2. Programme name
3. Programme name

Number of posts estimated for 31 March 2015		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 (%)			
		2013/14		Unit	2014/15		Unit	2015/16		Unit	2016/17		Unit			2017/18		2014/15 - 2017/18
		Number	Cost	cost	Number	Cost	cost	Number	Cost	cost	Number	Cost	cost			Number	Cost	cost
Department																		
Salary level ¹																		
1 – 6																		
7 – 10																		
11 – 12																		
13 – 16																		
Other																		
Programme																		
Programme 1																		
Programme 2																		
Total																		

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

2. Rand million.

Details are provided of total departmental personnel numbers according to **salary level**. Summary information is also provided for each **programme**. Significant amounts and trends are elaborated on in the preceding section on expenditure analysis.

Number of funded posts refers to the number of departmental employment positions for which provision is made on the budget.

Number of posts additional to the establishment refers to additional employment positions that have been allocated on an ad hoc basis and that do not form part of the department's approved establishment.

Information is provided on the **number and cost of personnel posts filled/planned for on funded establishment** by salary level, as well as for each **programme**. The **Unit cost** is calculated by dividing the cost by the number of posts.

The **Average growth rate (%)** is shown for the number of posts for the stated period as a percentage.

The **Salary level/total: average (%)** column shows what proportion of the total vote personnel posts the posts within a salary level comprise on average for the stated period. It is shown as a percentage.

Departmental receipts

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

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/total: Average (%)
	2011/12	2012/13	2013/14	2014/15		2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
R thousand												
Departmental receipts												
Economic classification Item												
Lower level classification Item												
Economic classification Item												
Lower level classification Item												
Lower level classification Item												
Total												

Departmental receipts are set out by economic classification.

Audited outcome is presented as it appears in the department or entity's annual financial statements.

The **Adjusted estimate** for 2014/15 shows the departmental receipt estimate published in the 2014 Adjusted Estimates of National Expenditure publication.

The **Revised estimate** for 2014/15 represents departmental receipt outcomes in terms of National Treasury's current estimate, arrived at in consultation with the department.

The **Average growth rate (%)** show the growth rate for receipts for the stated period as a percentage.

The **Receipt item/total: Average (%)** column shows what proportion of total departmental receipts a revenue item comprises for the stated period on average as a percentage.

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 activities and functions of the particular programme as per the approved budget programme structure. Programme 1 is the *Administration* programme, which encompasses the administrative activities and functions required to keep the department operating.

Objectives

Objectives are indicated for each programme. Objectives should include an explanation of strategic intent as well as specific interventions and progress measures. These are broadly aligned to departmental strategic and annual performance plans, as informed by the national development plan, and articulated in the 2014-2019 medium term strategic framework, and delivery agreements.

Subprogrammes (per programme)

The key activities carried out by each subprogramme are described. Programme 1 is always *Administration*, and includes spending on the ministry, the director general's office and central corporate services. The *Ministry* subprogramme includes spending on the ministerial and deputy ministerial offices. Where applicable, explanatory notes on transfers to public entities or partner organisations, and on subsidies, incentives or financial assistance programmes, are also provided.

Expenditure trends and estimates (per programme)

Tables for each programme set out expenditure by subprogramme and economic classification over a seven-year period. Significant amounts and trends are elaborated on in the preceding section on Expenditure Analysis.

Subprogramme				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome			2011/12				2012/13	2013/14	2015/16		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Subprogramme name											
Subprogramme name											
Subprogramme name											
Total											
Change to 2014											
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 is set out over a seven-year period, first by **subprogramme** and then by **economic classification**, that is **current payments**, **transfers and subsidies**, **payments for capital assets** and **payments for financial assets**.

Audited outcome is presented as it appears in the department'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. Changes were made in terms of the circumstances listed in section 30 of the Public Finance Management Act (1999). Details were published in Adjusted Estimates of National Expenditure publications.

The **Average growth rate (%)** is the growth rate on average over the stated period, shown as a percentage.

The **Expenditure/total: Average (%)** column shows what proportion of total programme expenditure an expenditure item comprises on average for the stated period. It is expressed as a percentage.

The **Medium-term expenditure estimate** shows estimates for 2015/16, 2016/17 and 2017/18. The spending figures for 2015/16 constitute the proposed appropriation in the main Appropriation Bill. The medium term expenditure estimates for 2016/17 and 2017/18 are indicative allocations, and will form the basis for the planning of the 2016 Budget.

The Estimates of National Expenditure e-publications for individual votes also contain the following table by programme:

Personnel information (per programme)

Personnel information is set out over a five-year period. The number of posts and the costs to the programme are shown, as well as the average unit cost of a post.

Number of posts estimated for 31 March 2015			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 (%)			
			2013/14		Unit cost	2014/15		Unit cost	2015/16		Unit cost	2016/17		Unit cost			2017/18		Unit cost
			2013/14	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18											
Programme name			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level ¹																			
1 – 6																			
7 – 10																			
11 – 12																			
13 – 16																			
Other																			

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

2. Rand million.

Details are provided of the total programme personnel numbers according to **salary level**.

Number of funded posts refers to the number of employment positions for which provision is made on the programme budget.

Number of posts additional to the establishment refers to additional employment positions that have been allocated on an ad hoc basis and that do not form part of the programme's approved establishment.

Information is provided on the **Number and cost of personnel posts filled/planned for on funded establishment** by salary level, as well as for each **subprogramme**. The **Unit cost** is calculated by dividing the cost by the number of posts.

The **Average growth rate (%)** is shown for the number of posts for the stated period as a percentage.

The **Salary level/total: Average (%)** column shows on average what proportion the posts within a salary level comprise of the programme personnel posts for the stated period.

Public entities and other agencies

The scope of information contained in the write-up on public entities is similar to what is reported for the department.

However, it is important to note that the basis of accounting used by entities is different from that used by departments. As such, the statements of financial performance and financial position of entities are shown in this section of the publications.

Public entity accounts are prepared using an 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 cash transactions occur. This basis of accounting also includes items that do not involve any flow of cash, 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 public entities generally consists of the following:

- the entity's key legal mandate
- selected performance indicators relating to the entity's mandate
- planned deliverables for the next MTEF period

- key achievements in the previous reporting periods
- reprioritisation and baseline reduction measures implemented
- financial data tables for the entity, focusing on the sources of funding for the entity, key spending areas and expenditure trends, and, if applicable, an analysis of some of the more important items on the entity's balance sheet that relate to the key activities being carried out
- personnel information 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 which 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 individual votes may also include the following tables:

Summary of conditional allocations to provinces and municipalities

The table provides details of allocations made by the national government to provinces, local government or municipalities, on condition that certain requirements or services are met.

Conditional allocation means an allocation from national government to a province, local government or municipality. The purpose and conditions accompanying the allocation are specified in the 2015 Division of Revenue Bill.

Summary of departmental public private partnerships projects

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

Public private partnerships refer to contractual arrangements in which a private party performs part of a government function and assumes the associated risks. In return, the private party receives a fee according to predefined performance criteria. A public private partnership may also be a project in which a private party uses state assets for its own commercial purposes, and government benefits from the profits generated by the enterprise.

A signed project is a public private partnership project which has reached financial close and is being implemented.

Projects in preparation are in some stage of inception, feasibility or procurement, but have not yet reached financial close.

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

Advisory fees are costs for the hiring of transaction advisors, 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 the South African 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 departmental **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	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	483.9	472.5	0.1	11.4	497.7	524.2
Executive Support	26.4	25.3	–	1.1	27.0	28.2
Subtotal	510.3	497.8	0.1	12.5	524.7	552.4
Direct charge against the National Revenue Fund						
Salary of the President	3.1	3.1	–	–	3.3	3.4
Salary of the Deputy President	2.6	2.6	–	–	2.8	2.9
Total expenditure estimates	516.1	503.5	0.1	12.5	530.7	558.8

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

Accounting officer Chief Operations Officer in the Presidency

Website address www.thepresidency.gov.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, public entities, donor funding, public private partnerships, conditional allocations 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, the deputy president and other political principals within the Presidency to execute 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 ¹	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of convened Cabinet committee meetings supported per year	Executive Support	Outcome 12: An efficient, effective and development oriented public service	– ¹	– ¹	– ¹	– ¹	100	100	100
Number of convened forum of South African directors general meetings supported per year	Executive Support		– ¹	– ¹	– ¹	– ¹	74	74	74
Development of cluster system improvement plan towards improved interdepartmental coordination	Executive Support		– ¹	– ¹	– ¹	– ¹	Cluster system improvement plan developed	Cluster system improvement plan implemented	Cluster system improvement plan reviewed

¹ All the indicators are new, and will be measured from 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 government's long term plan. Underpinning the Presidency's role over the medium term is a call to improve

government's accountability through performance monitoring and oversight and to facilitate nation building and social cohesion. In addition, 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. Further, the Presidency supports advancing South Africa's interests in the international arena.

Budget increases of R5.6 million in 2015/16, R7.5 million in 2016/17 and R7 million in 2017/18 have been approved by Cabinet for the salaries of the deputy president and support staff in the Office of the Deputy President. Cabinet approved budget reductions of R20.8 million in 2015/16, R40 million in 2016/17 and R44.1 million in 2017/18 will be effected on compensation of employees, goods and services, capital assets and transfers to Brand South Africa. These reductions are not expected to adversely affect the achievement of the department's outputs.

Serving as a centre of strategic leadership and coordination in implementing government's programmes

The Cabinet office in the Presidency is one of the key administrative centres of strategic leadership and coordination. The Presidency supports the Cabinet committees 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. Among its other ongoing activities, the Presidency will support 74 meetings of the forum of South African directors general and 100 Cabinet committee meetings in each year of the MTEF period. The costs of these activities are provided for in the *Executive Support* programme.

Improving government's accountability

Priority medium term interventions linked to improving government's accountability include the Siyahlola presidential monitoring programme and presidential imbizo programme. The programmes assess government's frontline service delivery in priority areas such as education, health, economic growth and job creation through prescheduled and unscheduled visits to municipalities and other service delivery centres. Between 2011/12 and 2014/15, the Presidency conducted 33 such visits. 10 visits per year are planned over the medium term at a projected total cost of R26.1 million in the *Special Projects of the President* sub-subprogramme in the *Administration* programme.

Nation building and social cohesion

Nation building and social cohesion priorities include promoting the Constitution and its values through the Moral Regeneration Movement and its Charter of Positive Values. 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. The Presidency is responsible for the annual review of the organisation and ensuring the implementation of its mandate. Spending on these and other programmes of the deputy president is in the *Support Services to Deputy President* subprogramme in the *Administration* programme, which is expected to increase from R52.5 million in 2014/15 to R63 million in 2017/18, mainly on compensation of employees, communication services, and travel and subsistence.

Other nation building and social cohesion initiatives include officiating at the proceedings of all national orders ceremonies. National orders recognise key achievers and inspire individuals and communities to excellence and national service. Expenditure on national orders ceremonies is projected at R8 million over the medium term in the *Management* subprogramme of the *Administration* programme.

Development of the Southern African region and Africa as a continent

The North-South Corridor project aims to improve the reliability of transport corridors in Africa. As the champion of the North-South Corridor, under the Presidential Infrastructure Championship Initiative, the Presidency, supported by lead stakeholder departments, assists the project with resource mobilisation and facilitates public private partnerships to promote industrialisation in the Southern African region.

Advancing South Africa's interests in the international arena

The Presidency will lead South African delegations of government and business leaders over the medium term, including to the Brazil-Russia-India-China-South Africa (BRICS) summit in 2017/18. Spending in the *Administration* programme is projected to increase from R432.1 million in 2014/15 to R524.2 million in 2017/18 for the political principals' international programme and the support services provided to their offices. The bulk of the spending is expected to be on compensation of employees, 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	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Programme 1	313.4	368.6	369.3	369.1	404.1	347.4	434.3	434.0	397.8	459.2	460.1	432.1	98.1%	92.8%
Programme 2	20.1	21.2	18.1	23.5	21.6	17.9	24.2	23.8	17.4	25.2	24.4	24.4	83.7%	85.5%
Subtotal	333.5	389.7	387.3	392.6	425.7	365.3	458.4	457.7	415.2	484.5	484.5	456.5	97.3%	92.4%
Direct charge against the National Revenue Fund	4.8	3.8	4.0	2.7	2.7	2.6	2.8	2.8	2.6	3.0	5.5	5.5	111.0%	99.7%
Salary of the President	2.5	2.5	2.9	2.7	2.7	2.6	2.8	2.8	2.6	3.0	3.0	3.0	101.2%	101.2%
Salary of the Deputy President	2.3	1.3	1.1	—	—	—	—	—	—	—	2.5	2.5	158.3%	95.3%
Total	338.3	393.6	391.3	395.3	428.4	368.0	461.2	460.5	417.8	487.5	489.9	461.9	97.4%	92.5%
Change to 2014										2.5				
Budget estimate														
Economic classification														
Current payments	321.9	384.7	385.5	380.1	418.0	359.1	453.9	443.1	402.7	474.0	473.8	450.3	98.0%	92.9%
Compensation of employees	197.8	227.8	214.4	233.4	240.9	241.7	273.4	273.4	259.5	303.5	305.4	305.4	101.3%	97.5%
Goods and services	124.1	157.0	171.1	146.7	177.1	117.4	180.6	169.7	143.2	170.5	168.4	144.9	92.7%	85.8%
of which:														
Communication	5.9	5.6	19.0	14.3	14.2	14.7	17.9	17.8	12.5	18.4	18.4	18.4	114.4%	115.3%
Computer services	11.8	10.8	8.0	11.8	17.0	8.7	8.2	8.0	7.5	10.6	10.6	10.6	82.2%	75.1%
Consultants and professional services: Business and advisory services	27.1	39.7	28.8	5.6	8.2	8.7	7.9	7.1	1.3	15.0	15.0	15.0	96.8%	76.9%
Contractors	3.8	3.5	2.9	4.1	4.1	3.0	5.6	5.6	4.8	7.7	7.7	4.7	72.6%	73.5%
Agency and support/outsourced services	7.2	11.3	15.1	12.1	12.1	6.0	11.4	10.6	7.0	8.5	8.5	8.5	93.7%	86.3%
Travel and subsistence	37.4	35.9	68.0	55.7	57.8	48.9	88.5	85.5	55.9	75.9	73.8	54.8	88.4%	90.0%
Transfers and subsidies	2.0	0.1	0.7	—	0.2	0.2	—	0.3	0.6	—	1.6	1.6	153.1%	146.7%
Departmental agencies and accounts	2.0	—	—	—	—	—	—	—	—	—	1.0	1.0	51.2%	97.5%
Households	—	0.1	0.6	—	0.2	0.2	—	0.3	0.6	—	0.5	0.5	—	195.5%
Payments for capital assets	14.5	8.8	4.5	15.2	10.1	6.6	7.3	17.2	14.3	13.4	14.6	10.1	70.7%	70.2%
Machinery and equipment	14.5	8.8	4.5	15.2	10.1	6.6	7.3	17.0	13.8	13.4	14.6	10.1	69.6%	69.4%
Software and other intangible assets	—	—	—	—	—	—	—	0.2	0.5	—	—	—	—	299.5%
Payments for financial assets	—	—	0.6	—	—	1.9	—	—	0.2	—	—	—	—	—
Total	338.3	393.6	391.3	395.3	428.4	368.0	461.2	460.5	417.8	487.5	489.9	461.9	97.4%	92.5%

Expenditure estimates

Table 1.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Executive Support								
Programme	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme 1	432.1	5.4%	94.4%	483.9	497.7	524.2	6.7%	93.7%
Programme 2	24.4	4.8%	4.7%	26.4	27.0	28.2	4.9%	5.1%
Subtotal	456.5	5.4%	99.1%	510.3	524.7	552.4	6.6%	98.9%
Direct charge against the National Revenue Fund	5.5	12.4%	0.9%	5.7	6.0	6.4	5.4%	1.1%
Salary of the President	3.0	5.5%	0.7%	3.1	3.3	3.4	5.0%	0.6%
Salary of the Deputy President	2.5	23.8%	0.2%	2.6	2.8	2.9	5.8%	0.5%
Total	461.9	5.5%	100.0%	516.1	530.7	558.8	6.5%	100.0%
Change to 2014				(15.2)	(32.5)	(37.0)		
Budget estimate								
Economic classification								
Current payments	450.3	5.4%	97.5%	503.5	520.2	547.9	6.8%	97.8%
Compensation of employees	305.4	10.3%	62.3%	326.4	346.6	365.9	6.2%	65.0%
Goods and services	144.9	-2.6%	35.2%	177.1	173.6	182.0	7.9%	32.8%
of which:								
Communication	18.4	48.9%	3.9%	17.8	17.7	18.9	0.8%	3.5%
Computer services	10.6	-0.6%	2.1%	9.0	9.5	10.0	-1.8%	1.9%
Consultants and professional services: Business and advisory services	15.0	-27.7%	3.3%	11.6	8.9	9.9	-12.8%	2.2%
Contractors	4.7	9.7%	0.9%	7.0	8.0	9.5	26.7%	1.4%
Agency and support/outourced services	8.5	-8.9%	2.2%	10.0	9.0	10.6	7.6%	1.8%
Travel and subsistence	54.8	15.2%	13.9%	81.5	77.4	77.7	12.4%	14.1%
Transfers and subsidies	1.6	194.7%	0.2%	0.1	0.1	0.1	-65.3%	0.1%
Departmental agencies and accounts	1.0	—	0.1%	0.1	0.1	0.1	-60.1%	0.1%
Households	0.5	106.2%	0.1%	—	—	—	-100.0%	—
Payments for capital assets	10.1	4.8%	2.2%	12.5	10.5	10.8	2.3%	2.1%
Machinery and equipment	10.1	4.8%	2.1%	12.4	10.4	10.7	2.1%	2.1%
Software and other intangible assets	—	—	—	0.1	0.1	0.1	—	—
Total	461.9	5.5%	100.0%	516.1	530.7	558.8	6.5%	100.0%

Personnel information

Table 1.4 Vote personnel numbers and cost by salary level and programme¹

Programmes																				
1. Administration																				
2. Executive Support																				
Number of posts estimated for 31 March 2015			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 (%)	
			2013/14			2014/15			2015/16			2016/17			2017/18					2014/15 - 2017/18
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
The Presidency			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	701	81	668	259.5	0.4	701	305.4	0.4	690	326.4	0.5	697	346.6	0.5	701	365.9	0.5	–	100.0%	
1 – 6	300	53	294	49.7	0.2	300	50.9	0.2	295	56.8	0.2	299	60.7	0.2	300	63.9	0.2	–	42.8%	
7 – 10	202	9	192	65.7	0.3	202	72.6	0.4	197	76.5	0.4	198	81.2	0.4	202	86.7	0.4	–	28.6%	
11 – 12	105	3	99	58.7	0.6	105	77.1	0.7	104	78.7	0.8	105	83.8	0.8	105	87.9	0.8	–	15.0%	
13 – 16	92	16	82	82.7	1.0	92	99.3	1.1	92	108.7	1.2	93	114.9	1.2	92	121.0	1.3	–	13.2%	
Other	2	–	1	2.6	2.6	2	5.5	2.7	2	5.7	2.9	2	6.0	3.0	2	6.4	3.2	–	0.3%	
Programme	701	81	668	259.5	0.4	701	305.4	0.4	690	326.4	0.5	697	346.6	0.5	701	365.9	0.5	–	100.0%	
Programme 1	671	79	642	243.5	0.4	671	284.1	0.4	660	302.4	0.5	667	321.3	0.5	671	339.2	0.5	–	95.7%	
Programme 2	28	2	25	13.3	0.5	28	15.9	0.6	28	18.3	0.7	28	19.3	0.7	28	20.3	0.7	–	4.0%	
Direct charges	2	–	1	2.6	2.6	2	5.5	2.7	2	5.7	2.9	2	6.0	3.0	2	6.4	3.2	–	0.3%	

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

2. Rand million.

Departmental receipts

Table 1.5 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 (%)
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
Departmental receipts	2 413	8 952	897	1 161	1 161	-21.6%	100.0%	925	944	964	-6.0%	100.0%
Sales of goods and services produced by department	192	247	289	366	366	24.0%	8.2%	368	376	385	1.7%	37.4%
Sales by market establishments	115	247	186	234	234	26.7%	5.8%	247	253	260	3.6%	24.9%
of which:												
Rental dwellings	115	247	141	154	154	10.2%	4.9%	162	165	170	3.3%	16.3%
Rental parking: Covered and open	–	–	45	80	80	–	0.9%	85	88	90	4.0%	8.6%
Administrative fees	1	–	–	1	1	–	–	–	–	–	-100.0%	–
of which:												
Rental dwellings	1	–	–	1	1	–	–	–	–	–	-100.0%	–
Other sales	76	–	103	131	131	19.9%	2.3%	121	123	125	-1.6%	12.5%
of which:												
Services rendered: Commission on insurance and garnishees	76	–	103	116	116	15.1%	2.2%	121	123	125	2.5%	12.1%
Services rendered: Transport fees	–	–	–	15	15	–	0.1%	–	–	–	-100.0%	0.4%
Transfers received	–	–	–	244	244	–	1.8%	–	–	–	-100.0%	6.1%
Interest, dividends and rent on land	3	12	10	11	11	54.2%	0.3%	12	13	14	8.4%	1.3%
Interest	3	12	10	11	11	54.2%	0.3%	12	13	14	8.4%	1.3%
Sales of capital assets	24	217	342	300	300	132.1%	6.6%	300	310	315	1.6%	30.7%
Transactions in financial assets and liabilities	2 194	8 476	256	240	240	-52.2%	83.2%	245	245	250	1.4%	24.5%
Total	2 413	8 952	897	1 161	1 161	-21.6%	100.0%	925	944	964	-6.0%	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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Ministry	28.3	22.7	23.7	31.5	3.6%	6.7%	33.3	33.2	34.9	3.5%	6.8%
Management	257.0	240.0	281.5	311.9	6.7%	69.3%	325.5	334.8	351.2	4.0%	67.3%
Support Services to President	50.1	49.9	56.5	64.3	8.7%	14.0%	67.4	69.7	75.1	5.3%	14.1%
Support Services to Deputy President	33.9	34.9	36.1	52.5	15.7%	10.0%	57.8	60.0	63.0	6.3%	11.9%
Total	369.3	347.4	397.8	460.1	7.6%	100.0%	483.9	497.7	524.2	4.4%	100.0%
Change to 2014				0.8			(17.6)	(34.3)	(39.1)		
Budget estimate											
Economic classification											
Current payments	363.5	338.7	383.4	445.5	7.0%	97.2%	472.5	488.0	514.3	4.9%	97.7%
Compensation of employees	197.1	225.5	243.5	284.1	13.0%	60.3%	302.4	321.3	339.2	6.1%	63.4%
Goods and services	166.3	113.2	139.9	161.5	-1.0%	36.9%	170.1	166.7	175.1	2.7%	34.3%
of which:											
Communication	18.7	14.5	12.4	17.7	-1.9%	4.0%	17.7	17.5	18.7	1.9%	3.6%
Computer services	7.9	8.6	7.0	10.5	9.9%	2.2%	8.9	9.5	10.0	-1.8%	2.0%
Consultants and professional services: Business and advisory services	28.8	8.7	1.3	14.9	-19.8%	3.4%	11.6	8.9	9.9	-12.6%	2.3%

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

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome							2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Contractors	2.9	3.0	4.7	7.6	37.7%	1.2%	6.9	8.0	9.4	7.4%	1.6%
Agency and support/outourced services	15.1	6.0	7.0	9.5	-14.3%	2.4%	10.0	9.0	10.6	3.7%	2.0%
Travel and subsistence	65.6	47.0	54.2	70.5	2.4%	15.1%	77.6	73.9	74.2	1.7%	15.1%
Transfers and subsidies	0.7	0.2	0.6	1.6	33.8%	0.2%	0.1	0.1	0.1	-65.3%	0.1%
Departmental agencies and accounts	–	–	–	1.0	–	0.1%	0.1	0.1	0.1	-60.1%	0.1%
Households	0.6	0.2	0.6	0.5	-5.8%	0.1%	–	–	–	-100.0%	–
Payments for capital assets	4.5	7.0	13.6	13.0	42.0%	2.4%	11.4	9.6	9.9	-8.8%	2.2%
Machinery and equipment	4.5	7.0	12.8	12.9	41.8%	2.4%	11.3	9.5	9.8	-8.8%	2.2%
Software and other intangible assets	–	–	0.8	0.1	–	0.1%	0.1	0.1	0.1	5.3%	–
Payments for financial assets	0.6	1.4	0.2	–	-100.0%	0.1%	–	–	–	–	–
Total	369.3	347.4	397.8	460.1	7.6%	100.0%	483.9	497.7	524.2	4.4%	100.0%
Proportion of total programme expenditure to vote expenditure	95.3%	95.1%	95.8%	95.0%	–	–	94.8%	94.8%	94.9%	–	–
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	0.6	0.2	0.6	0.5	-5.8%	0.1%	–	–	–	-100.0%	–
Employee social benefits	0.6	0.2	0.6	0.5	-5.8%	0.1%	–	–	–	-100.0%	–

Personnel information

Table 1.7 Administration personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015			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 (%)	
			2013/14			2014/15			2015/16			2016/17			2017/18					2014/15 - 2017/18
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Administration			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	671	79	642	243.5	0.4	671	284.1	0.4	660	302.4	0.5	667	321.3	0.5	671	339.2	0.5	–	100.0%	
1 – 6	291	53	285	47.7	0.2	291	48.4	0.2	286	54.1	0.2	290	57.9	0.2	291	61.0	0.2	–	43.4%	
7 – 10	197	9	188	64.4	0.3	197	70.8	0.4	192	74.6	0.4	193	79.1	0.4	197	84.6	0.4	–	29.2%	
11 – 12	99	3	93	55.2	0.6	99	73.1	0.7	98	74.3	0.8	99	79.2	0.8	99	83.0	0.8	–	14.8%	
13 – 16	84	14	76	76.2	1.0	84	91.7	1.1	84	99.3	1.2	85	105.0	1.2	84	110.6	1.3	–	12.6%	

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

2. Rand million.

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 the 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 the 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 Cabinet and forum of South African directors general systems of governance and compliance, 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 1.8 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million				2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Cabinet Services	18.1	17.9	17.4	24.4	10.5%	100.0%	26.4	27.0	28.2	4.9%	100.0%
Total	18.1	17.9	17.4	24.4	10.5%	100.0%	26.4	27.0	28.2	4.9%	100.0%
Change to 2014 Budget estimate				(0.8)			(0.2)	(1.0)	(0.9)		
Economic classification											
Current payments	18.1	17.4	16.9	22.8	8.1%	96.6%	25.3	26.1	27.2	6.1%	95.7%
Compensation of employees	13.3	13.7	13.3	15.9	6.2%	72.2%	18.3	19.3	20.3	8.5%	69.6%
Goods and services	4.8	3.8	3.5	6.9	13.0%	24.4%	7.0	6.8	6.9	0.2%	26.1%
of which:											
Catering: Departmental activities	0.8	0.7	1.0	1.3	20.3%	4.8%	1.4	1.4	1.5	4.2%	5.3%
Communication	0.3	0.2	0.1	0.2	-2.0%	1.0%	0.1	0.1	0.2	-13.2%	0.7%
Consumables: Stationery, printing and office supplies	0.1	0.1	0.1	0.2	37.1%	0.6%	0.2	0.2	0.2	7.1%	0.9%
Travel and subsistence	2.4	1.9	1.7	4.3	21.3%	13.4%	3.9	3.6	3.5	-7.1%	14.4%
Operating payments	0.1	0.1	0.2	0.1	9.4%	0.6%	0.6	0.6	0.7	79.7%	1.9%
Venues and facilities	0.1	0.4	0.2	0.4	62.8%	1.3%	0.4	0.5	0.5	5.4%	1.7%
Payments for capital assets	–	–	0.5	1.6	–	2.7%	1.1	0.9	0.9	-16.5%	4.3%
Machinery and equipment	–	–	0.5	1.6	–	2.7%	1.1	0.9	0.9	-16.5%	4.3%
Payments for financial assets	–	0.5	–	–	–	0.6%	–	–	–	–	–
Total	18.1	17.9	17.4	24.4	10.5%	100.0%	26.4	27.0	28.2	4.9%	100.0%
Proportion of total programme expenditure to vote expenditure	4.7%	4.9%	4.2%	5.0%	–	–	5.2%	5.2%	5.1%	–	–

Personnel information

Table 1.9 Executive Support personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015			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 (%)			
			2013/14			2014/15			2015/16		2016/17		2017/18						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			Number	Cost	Unit Cost
Executive Support			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	28	2	25	13.3	0.5	28	15.9	0.6	28	18.3	0.7	28	19.3	0.7	28	20.3	0.7	–	100.0%
1 – 6	9	–	9	2.1	0.2	9	2.5	0.3	9	2.7	0.3	9	2.8	0.3	9	3.0	0.3	–	32.1%
7 – 10	5	–	4	1.2	0.3	5	1.8	0.4	5	1.9	0.4	5	2.0	0.4	5	2.1	0.4	–	17.9%
11 – 12	6	–	6	3.5	0.6	6	4.0	0.7	6	4.3	0.7	6	4.6	0.8	6	4.8	0.8	–	21.4%
13 – 16	8	2	6	6.6	1.1	8	7.5	0.9	8	9.4	1.2	8	9.9	1.2	8	10.4	1.3	–	28.6%

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

2. Rand million.

Vote 2

Parliament

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	459.6	456.0	–	3.6	486.0	510.3
Legislation and Oversight	375.5	375.5	–	–	399.5	419.5
Public and International Participation	133.2	133.2	–	–	143.4	144.7
Members' Facilities	234.2	234.2	–	–	241.0	257.3
Associated Services	364.5	–	364.5	–	385.5	414.7
Subtotal	1 566.9	1 198.9	364.5	3.6	1 655.4	1 746.5
Direct charge against the National Revenue Fund						
Members' remuneration	503.1	503.1	–	–	529.8	556.3
Total expenditure estimates	2 070.1	1 702.0	364.5	3.6	2 185.2	2 302.8

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. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, public entities, donor funding, public private partnerships, conditional allocations to provinces and municipalities and expenditure information at the level of service delivery, where appropriate.

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 in the Constitution, which establishes Parliament and sets out the functions it performs. Parliament is elected to represent the people, 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 public consideration of issues, passing legislation, and scrutinising and overseeing executive action.

Selected performance indicators

Table 2.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of bills passed per year	Legislation and Oversight	Departmental mandate	18	14	23	20	22	22	22
Number of questions put to the executive per year	Legislation and Oversight		3 154	1 644	3 824	4 244	4 444	4 444	4 444
Number of annual reports tabled and scrutinised by committees per year	Legislation and Oversight		220	11	220	225	233	233	233
Number of oversight visits undertaken by committees per year	Legislation and Oversight		50	20	60	35	43	43	43
Number of debates held for public consideration of issues per year	Public and International Participation		110	81	125	130	150	150	150
Number of visitors to Parliament per year	Public and International Participation		27 245	8 581	47 521	52 321	25 650	25 650	25 650
Number of international agreements adopted per year	Public and International Participation		21	2	42	40	25	25	25

Expenditure analysis

Chapter 13 of the national development plan (building a capable state) states that in any democracy the link between the legislature and the executive is critical for ensuring that the executive is held to account, that policies are subject to debate, and that government faces questions about problematic policies, or actions that have led to negative outcomes. To realise the national development plan's vision for South Africa, Parliament needs to provide a forum for rigorous debate and champion citizens' concerns. It needs to scrutinise legislation, and the National Council of Provinces needs to pay particular attention to how legislation will impact on provinces. Parliament requires support in the form of specialist policy and research staff to support parliamentary committees and brief parliamentarians.

Parliament's focus over the medium term will be on strengthening its oversight function and improving public participation.

Cabinet approved budget reductions of R27.4 million in 2015/16, R32.8 million in 2016/17 and R36.1 million in 2017/18 will be effected mainly on compensation of employees. While Parliament has been struggling to fill positions between levels 10 and 15, which require scarce, special skills, the vacancies were expected to generate savings of R23.9 million in 2014/15 and R14.9 million in 2015/16. The reductions will have no effect on the normal operations of Parliament as it will use contract capacity in the short term while crafting a long term solution.

Oversight

Parliament has shifted its focus from drafting legislation to its mandate to conduct oversight of all organs of state, including at the provincial and local government levels. The number of oversight committees has increased from 40 in 2009/10-2013/14 (the fourth Parliament) to 55 in 2014/15-2018/19 (the fifth Parliament), and the number of oversight visits and ad hoc public hearings undertaken by the committees will increase over the medium term. Parliament will provide capacity for the committees' work by gradually filling vacant posts for content advisers. This will cost R80.1 million over the MTEF period, funded in the *Legislation and Oversight* programme under compensation of employees.

A key oversight activity is the annual Provincial Week, which requires members of the National Council of Provinces to travel to their provinces and work with the provincial legislature, local government leaders and community based forums on service delivery issues. This is funded in the *Public and International Participation* programme, for which expenditure is expected to grow at an average annual rate of 5.1 per cent, to reach R419.5 million in 2017/18. 71.2 per cent of this spending will be on compensation of employees.

Public participation

Over the medium term, Parliament will host its Taking Parliament to the People programme twice a year. Members of the National Council of Provinces travel to a chosen place, usually a remote rural area where people lack the resources to visit Parliament, and in partnership with the provincial legislature, invite members of the public to raise service delivery issues. Over the medium term, the average annual cost of these 2 visits is projected to be R38 million, funded in the *Public and International Participation* programme under goods and services.

Expenditure trends

Table 2.2 Vote expenditure trends by programme and economic classification

Programmes													
1. Administration													
2. Legislation and Oversight													
3. Public and International Participation													
4. Members' Facilities													
5. 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 (%)
													2011/12 - 2014/15
R million	2011/12			2012/13			2013/14			2014/15			
Programme 1	350.0	368.6	327.5	392.6	392.6	366.8	414.6	409.7	531.1	442.0	445.5	445.5	104.5%
Programme 2	296.4	298.0	298.4	310.9	315.9	330.6	339.7	347.5	347.9	361.2	365.8	365.8	102.6%
Programme 3	108.9	108.9	109.4	118.5	125.4	98.1	125.1	119.9	115.0	132.6	129.6	129.6	93.2%
Programme 4	222.0	199.8	181.8	200.0	193.0	191.1	211.2	211.2	208.4	223.9	213.9	213.9	92.8%
Programme 5	287.9	297.6	297.6	311.3	311.4	311.4	328.8	331.1	333.1	348.5	353.4	353.4	101.5%
Subtotal	1 265.3	1 272.9	1 214.8	1 333.3	1 338.3	1 297.9	1 419.4	1 419.4	1 535.5	1 508.2	1 508.2	1 508.2	100.5%
Direct charge against the National Revenue Fund	409.6	409.6	357.6	430.1	430.1	389.1	453.8	453.8	401.9	481.0	481.0	481.0	91.8%
Members' remuneration	409.6	409.6	357.6	430.1	430.1	389.1	453.8	453.8	401.9	481.0	481.0	481.0	91.8%
Total	1 674.9	1 682.5	1 572.4	1 763.4	1 768.4	1 687.0	1 873.1	1 873.1	1 937.3	1 989.2	1 989.2	1 989.2	98.4%
Economic classification													
Current payments	1 382.9	1 380.8	1 254.0	1 446.5	1 451.5	1 372.7	1 540.4	1 538.1	1 570.4	1 637.3	1 631.8	1 631.8	97.0%
Compensation of employees	937.4	946.5	857.9	1 028.2	1 032.4	973.1	1 109.7	1 107.0	1 066.6	1 156.1	1 156.0	1 156.0	95.8%
Goods and services	445.5	434.3	396.1	418.3	419.0	399.6	430.7	431.0	503.7	481.2	475.8	475.8	100.0%
of which:													
Communication	26.8	26.8	18.8	33.5	33.5	16.8	33.8	33.5	23.6	37.5	37.5	37.5	73.5%
Computer services	13.1	13.1	7.6	14.9	14.9	5.6	16.4	16.4	16.8	16.7	16.7	16.7	76.5%
Contractors	21.2	21.3	22.3	18.6	29.6	34.3	17.7	17.2	26.8	20.8	21.4	21.4	133.9%
Agency and support/outsource services	16.2	17.4	10.4	18.0	18.0	8.4	19.1	19.1	4.5	20.1	20.1	20.1	59.2%
Travel and subsistence	263.0	243.9	256.8	226.7	214.4	243.9	226.3	224.3	263.2	255.8	242.8	242.8	103.6%
Operating payments	35.1	40.3	23.2	34.3	34.3	9.5	36.4	36.4	33.9	48.5	49.5	49.5	75.2%
Transfers and subsidies	287.9	297.6	297.6	311.3	311.4	311.4	328.8	331.1	333.1	348.5	353.4	353.4	101.5%
Non-profit institutions	287.9	297.6	297.6	311.3	311.4	311.4	328.8	331.1	333.1	348.5	353.4	353.4	101.5%
Payments for capital assets	4.1	4.1	20.8	5.6	5.6	2.9	4.0	4.0	33.8	3.4	4.0	4.0	361.4%
Machinery and equipment	4.1	4.1	20.8	5.6	5.6	2.9	4.0	4.0	33.8	3.4	4.0	4.0	361.4%
Total	1 674.9	1 682.5	1 572.4	1 763.4	1 768.4	1 687.0	1 873.1	1 873.1	1 937.3	1 989.2	1 989.2	1 989.2	98.4%

Expenditure estimates

Table 2.3 Vote expenditure estimates by programme and economic classification

Programmes							
1. Administration							
2. Legislation and Oversight							
3. Public and International Participation							
4. Members' Facilities							
5. Associated Services							
Programme	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Expenditure/total: Average (%)
	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18
R million							
Programme 1	445.5	6.5%	23.3%	459.6	486.0	510.3	4.6%
Programme 2	365.8	7.1%	18.7%	375.5	399.5	419.5	4.7%
Programme 3	129.6	6.0%	6.3%	133.2	143.4	144.7	3.7%
Programme 4	213.9	2.3%	11.1%	234.2	241.0	257.3	6.4%
Programme 5	353.4	5.9%	18.0%	364.5	385.5	414.7	5.5%
Subtotal	1 508.2	5.8%	77.3%	1 566.9	1 655.4	1 746.5	5.0%
Direct charge against the National Revenue Fund	481.0	5.5%	22.7%	503.1	529.8	556.3	5.0%
Members' remuneration	481.0	5.5%	22.7%	503.1	529.8	556.3	5.0%
Total	1 989.2	5.7%	100.0%	2 070.1	2 185.2	2 302.8	5.0%
Change to 2014 Budget estimate				(27.4)	(32.8)	(36.1)	

Table 2.3 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	2014/15	2011/12 - 2014/15					2014/15 - 2017/18	
Current payments	1 631.8	5.7%	81.1%	1 702.0	1 796.0	1 884.1	4.9%	82.1%
Compensation of employees	1 156.0	6.9%	56.4%	1 204.2	1 271.4	1 335.0	4.9%	58.1%
Goods and services	475.8	3.1%	24.7%	497.7	524.6	549.1	4.9%	24.0%
of which:								
Communication	37.5	11.8%	1.3%	39.2	41.4	43.5	5.1%	1.9%
Computer services	16.7	8.2%	0.6%	17.4	18.4	19.4	5.1%	0.8%
Contractors	21.4	0.3%	1.5%	21.8	23.0	24.2	4.1%	1.1%
Agency and support/outsource services	20.1	5.0%	0.6%	21.1	22.3	23.4	5.1%	1.0%
Travel and subsistence	242.8	-0.1%	14.0%	262.0	275.3	287.5	5.8%	12.5%
Operating payments	49.5	7.1%	1.6%	50.7	53.6	56.3	4.4%	2.5%
Transfers and subsidies	353.4	5.9%	18.0%	364.5	385.5	414.7	5.5%	17.8%
Non-profit institutions	353.4	5.9%	18.0%	364.5	385.5	414.7	5.5%	17.8%
Payments for capital assets	4.0	-0.9%	0.9%	3.6	3.8	3.9	-0.5%	0.2%
Machinery and equipment	4.0	-0.9%	0.9%	3.6	3.8	3.9	-0.5%	0.2%
Total	1 989.2	5.7%	100.0%	2 070.1	2 185.2	2 302.8	5.0%	100.0%

Personnel information

Table 2.4 Vote personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. Legislation and Oversight																			
3. Public and International Participation																			
4. Members' Facilities																			
5. Associated Services																			
Number of posts estimated for 31 March 2015			Number and cost ² of personnel posts filled / planned for on funded establishment													Number			
Parliament	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 (%)			
			2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Salary level	1 691	13	1 750	1 066.6	0.6	1 709	1 156.0	0.7	1 709	1 204.2	0.7	1 709	1 271.4	0.7	1 709	1 335.0	0.8	–	100.0%
7 – 10	1 031	9	776	219.2	0.3	839	256.7	0.3	839	267.1	0.3	839	283.4	0.3	839	300.1	0.4	–	49.1%
11 – 12	354	–	352	196.0	0.6	298	185.3	0.6	298	193.1	0.6	298	201.6	0.7	298	210.9	0.7	–	17.4%
13 – 16	306	4	238	229.8	1.0	186	186.3	1.0	186	192.2	1.0	186	205.0	1.1	186	213.5	1.1	–	10.9%
Other	–	–	384	421.7	1.1	386	527.6	1.4	386	551.9	1.4	386	581.4	1.5	386	610.4	1.6	–	22.6%
Programme	1 691	13	1 750	1 066.6	0.6	1 709	1 156.0	0.7	1 709	1 204.2	0.7	1 709	1 271.4	0.7	1 709	1 335.0	0.8	–	100.0%
Programme 1	917	–	673	344.0	0.5	661	320.2	0.5	661	329.2	0.5	661	348.1	0.5	661	365.5	0.6	–	38.7%
Programme 2	640	–	589	254.5	0.4	558	255.7	0.5	558	268.2	0.5	558	283.7	0.5	558	297.9	0.5	–	32.7%
Programme 3	134	13	104	46.5	0.4	104	52.5	0.5	104	55.0	0.5	104	58.2	0.6	104	61.1	0.6	–	6.1%
Programme 4	–	–	–	19.8	–	–	46.6	–	–	48.8	–	–	51.6	–	–	54.1	–	–	–
Direct charges	–	–	384	401.9	1.0	386	481.0	1.2	386	503.1	1.3	386	529.8	1.4	386	556.3	1.4	–	22.6%

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

2. Rand million.

Departmental receipts

Table 2.5 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 (%)
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
Departmental receipts	34 165	37 991	52 371	39 013	39 013	4.5%	100.0%	34 093	36 066	38 182	-0.7%	100.0%
Sales of goods and services produced by department	9 228	10 163	24 300	9 025	9 025	-0.7%	32.2%	9 225	9 445	9 655	2.3%	25.3%
Sales by market establishments	8 948	—	—	—	—	-100.0%	5.5%	—	—	—	—	—
Other sales	280	10 163	24 300	9 025	9 025	218.2%	26.8%	9 225	9 445	9 655	2.3%	25.3%
of which:												
Catering sales	280	10 163	24 300	9 025	9 025	218.2%	26.8%	9 225	9 445	9 655	2.3%	25.3%
Interest, dividends and rent on land	24 782	27 708	27 963	29 988	29 988	6.6%	67.5%	24 868	26 621	28 527	-1.7%	74.7%
Interest	24 782	27 708	27 963	29 988	29 988	6.6%	67.5%	24 868	26 621	28 527	-1.7%	74.7%
Sales of capital assets	155	120	108	—	—	-100.0%	0.2%	—	—	—	—	—
Total	34 165	37 991	52 371	39 013	39 013	4.5%	100.0%	34 093	36 066	38 182	-0.7%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services for Parliament's executive, management and staff.

Expenditure trends and estimates

Table 2.6 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 (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
R million											
Office of the Speaker	39.6	36.9	31.6	43.5	3.2%	9.1%	45.5	48.1	50.5	5.1%	9.9%
Office of the Chairperson	20.2	25.1	19.7	23.9	5.7%	5.3%	25.0	26.4	27.7	5.1%	5.4%
Office of the Secretary	163.2	189.9	341.0	223.0	11.0%	54.9%	229.3	242.6	254.7	4.5%	49.9%
Corporate Services	40.3	39.8	51.0	59.0	13.6%	11.4%	61.1	64.6	67.9	4.8%	13.3%
Institutional Support	64.4	75.1	87.8	96.1	14.3%	19.4%	98.7	104.3	109.6	4.5%	21.5%
Total	327.5	366.8	531.1	445.5	10.8%	100.0%	459.6	486.0	510.3	4.6%	100.0%
Change to 2014 Budget estimate				3.5			(6.1)	(6.4)	(6.7)		
Economic classification											
Current payments	309.8	364.2	500.9	442.1	12.6%	96.8%	456.0	482.3	506.4	4.6%	99.2%
Compensation of employees	232.3	275.9	344.0	320.2	11.3%	70.2%	329.2	348.1	365.5	4.5%	71.7%
Goods and services	77.6	88.4	156.8	121.9	16.3%	26.6%	126.9	134.2	140.9	4.9%	27.5%
of which:											
Communication	6.8	5.3	5.0	13.4	25.4%	1.8%	14.0	14.9	15.6	5.1%	3.0%
Computer services	4.1	2.0	9.8	10.8	38.1%	1.6%	11.3	11.9	12.5	5.1%	2.4%
Contractors	4.8	11.8	14.6	10.0	27.8%	2.5%	9.9	10.4	10.9	2.9%	2.2%
Agency and support/outsourced services	4.4	6.8	2.6	12.0	39.7%	1.5%	12.6	13.3	14.0	5.1%	2.7%
Travel and subsistence	24.0	25.8	48.8	21.4	-3.8%	7.2%	22.4	23.7	24.8	5.1%	4.9%
Operating payments	9.5	1.8	8.6	19.4	26.8%	2.3%	20.3	21.4	22.5	5.1%	4.4%
Payments for capital assets	17.7	2.6	30.2	3.4	-42.3%	3.2%	3.6	3.8	3.9	5.1%	0.8%
Machinery and equipment	17.7	2.6	30.2	3.4	-42.3%	3.2%	3.6	3.8	3.9	5.1%	0.8%
Total	327.5	366.8	531.1	445.5	10.8%	100.0%	459.6	486.0	510.3	4.6%	100.0%
Proportion of total programme expenditure to vote expenditure	27.0%	28.3%	34.6%	29.5%	-	-	29.3%	29.4%	29.2%	-	-

Programme 2: Legislation and Oversight

Programme purpose

Provide procedural and administrative services for Parliament to carry out its core functions. Pass legislation and oversee executive action.

Objectives

- Strengthen Parliament's oversight function by:
 - developing a framework for assessing the performance of all state organs by 2015/16
 - developing guidelines for select and portfolio committees for joint planning and coordinating; and implementing rules, systems and capacity for this planning and coordination by the end of the fifth Parliament.
- Ensure the ongoing cultivation and preservation of institutional knowledge and access to information by developing an institutional knowledge management strategy, policy and the requisite systems by 2015/16.

Subprogrammes

- National Assembly* provides procedural advice and guidance for the proceedings of the National Assembly.
- National Council of Provinces* provides procedural advice and guidance for the proceedings of the National Council of Provinces.
- Legislation and Oversight* provides procedural advice, language services, research and administrative services to committee proceedings.

Expenditure trends and estimates

Table 2.7 Legislation and Oversight expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
R million											
National Assembly	22.8	22.6	25.3	34.4	14.7%	7.8%	26.0	27.5	28.9	-5.7%	7.5%
National Council of Provinces	29.5	54.2	34.4	36.6	7.5%	11.5%	35.0	37.0	38.9	2.0%	9.4%
Legislation and Oversight	246.1	253.8	288.2	294.8	6.2%	80.6%	314.5	335.0	351.7	6.1%	83.1%
Total	298.4	330.6	347.9	365.8	7.0%	100.0%	375.5	399.5	419.5	4.7%	100.0%
Change to 2014				4.6			(11.8)	(12.3)	(13.0)		
Budget estimate											
Economic classification											
Current payments	297.3	330.6	347.1	365.2	7.1%	99.8%	375.5	399.5	419.5	4.7%	100.0%
Compensation of employees	195.2	227.6	254.5	255.7	9.4%	69.5%	268.2	283.7	297.9	5.2%	70.9%
Goods and services	102.1	103.0	92.6	109.5	2.4%	30.3%	107.3	115.7	121.5	3.5%	29.1%
of which:											
Advertising	5.8	8.4	8.6	6.5	3.8%	2.2%	6.6	7.0	7.3	3.9%	1.8%
Catering: Departmental activities	5.3	3.5	11.1	7.9	14.5%	2.1%	8.3	8.8	9.2	5.1%	2.2%
Agency and support/outsourced services	5.0	1.3	1.4	6.0	6.0%	1.0%	6.3	6.6	7.0	5.1%	1.7%
Travel and subsistence	62.5	54.3	35.5	51.2	-6.5%	15.2%	53.5	58.9	61.9	6.6%	14.5%
Operating payments	5.3	6.9	15.1	13.1	35.2%	3.0%	12.6	13.4	14.0	2.3%	3.4%
Venues and facilities	3.5	-	0.3	5.8	17.8%	0.7%	6.1	6.4	6.7	5.1%	1.6%
Payments for capital assets	1.1	-	0.8	0.6	-18.8%	0.2%	-	-	-	-100.0%	-
Machinery and equipment	1.1	-	0.8	0.6	-18.8%	0.2%	-	-	-	-100.0%	-
Total	298.4	330.6	347.9	365.8	7.0%	100.0%	375.5	399.5	419.5	4.7%	100.0%
Proportion of total programme expenditure to vote expenditure	24.6%	25.5%	22.7%	24.3%	-	-	24.0%	24.1%	24.0%	-	-

Programme 3: Public and International Participation

Programme purpose

Carry out Parliament's role in public and international participation, and provide support for these activities.

Objectives

- Improve public participation and involvement in parliamentary processes over the medium term by:
 - developing a public participation model, including the revamping and reformatting of parliamentary radio programmes to include all official languages
 - assisting the Pan African Parliament to develop a strategic plan.
- Improve public education programmes by developing a module on Parliament for learning institutions from grade R to tertiary level by 2015/16.

Subprogrammes

- *Public Affairs* provides education and information to the public about Parliament and its processes, public media relations for Parliament, and parliamentary events management.
- *International Relations* provides protocol services, administration for bilateral and multilateral meetings, and services for official visits, including appropriate content, as well as procedural and logistical support for incoming and outgoing delegations.

Expenditure trends and estimates

Table 2.8 Public and International Participation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
R million											
Public Affairs	66.2	65.3	66.9	75.9	4.7%	60.7%	79.6	84.2	88.4	5.2%	59.6%
International Relations	43.2	32.8	48.1	53.7	7.5%	39.3%	53.6	59.2	56.2	1.6%	40.4%
Total	109.4	98.1	115.0	129.6	5.8%	100.0%	133.2	143.4	144.7	3.7%	100.0%
Change to 2014				(3.0)			(9.5)	(7.4)	(13.8)		
Budget estimate											

Table 2.8 Public and International Participation 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	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		
Economic classification											
Current payments	108.8	98.1	112.1	129.6	6.0%	99.2%	133.2	143.4	144.7	3.7%	100.0%
Compensation of employees	36.3	46.3	46.5	52.5	13.1%	40.2%	55.0	58.2	61.1	5.2%	41.2%
Goods and services	72.5	51.8	65.7	77.1	2.1%	59.1%	78.2	85.2	83.5	2.7%	58.8%
of which:											
Advertising	4.7	11.3	19.1	7.6	18.0%	9.4%	8.0	8.5	8.9	5.1%	6.0%
Communication	0.7	0.6	0.7	5.3	97.9%	1.6%	5.5	5.8	6.1	5.1%	4.1%
Consultants and professional services:	1.8	0.3	–	2.9	18.1%	1.1%	3.1	3.3	3.4	5.1%	2.3%
Business and advisory services											
Contractors	6.9	4.4	0.4	3.0	-24.5%	3.2%	3.1	3.3	3.4	5.1%	2.3%
Travel and subsistence	45.9	25.3	33.2	43.0	-2.1%	32.6%	42.6	47.6	44.0	0.7%	32.2%
Operating payments	5.9	0.4	2.2	8.2	11.7%	3.7%	8.6	9.1	9.5	5.1%	6.4%
Payments for capital assets	0.7	–	2.8	–	-100.0%	0.8%	–	–	–	–	–
Machinery and equipment	0.7	–	2.8	–	-100.0%	0.8%	–	–	–	–	–
Total	109.4	98.1	115.0	129.6	5.8%	100.0%	133.2	143.4	144.7	3.7%	100.0%
Proportion of total programme expenditure to vote expenditure	9.0%	7.6%	7.5%	8.6%	–	–	8.5%	8.7%	8.3%	–	–

Programme 4: Members' Facilities

Programme purpose

Provide telephone, travel and other facilities for members of Parliament in the National Assembly and the National Council of Provinces.

Objectives

- Support the operational activities of members of Parliament by continuously providing operational facilities, including housing and telephones, to the 336 members of the National Assembly and the 54 members of the National Council of Provinces, as required.

Subprogrammes

- National Assembly Members' Facilities* provides support and facilities to members to enable them to carry out their legislative mandate efficiently and effectively. Members are supported in terms of travel claims and training, and tools of trade are provided.
- National Council of Provinces Members' Facilities* provides support and facilities to members to enable them to carry out their legislative mandate efficiently and effectively. Members are supported in terms of travel claims and training, and tools of trade are provided.

Expenditure trends and estimates

Table 2.9 Members' Facilities 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	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		
National Assembly Members' Facilities	167.4	180.7	202.7	186.0	3.6%	92.7%	201.8	208.4	223.0	6.2%	86.6%
National Council of Provinces Members' Facilities	14.4	10.4	5.7	27.9	24.8%	7.3%	32.3	32.6	34.3	7.1%	13.4%
Total	181.8	191.1	208.4	213.9	5.6%	100.0%	234.2	241.0	257.3	6.4%	100.0%
Change to 2014 Budget estimate				(10.0)			–	(6.6)	(2.7)		

Table 2.9 Members' Facilities 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 (%)
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18		
R million											
Economic classification											
Current payments	180.5	190.7	208.4	213.9	5.8%	99.8%	234.2	241.0	257.3	6.4%	100.0%
Compensation of employees	36.5	34.3	19.8	46.6	8.5%	17.3%	48.8	51.6	54.1	5.1%	21.3%
Goods and services	144.0	156.5	188.6	167.2	5.1%	82.5%	185.4	189.4	203.2	6.7%	78.7%
of which:											
Communication	8.5	8.5	14.6	14.7	20.1%	5.8%	15.4	16.3	17.1	5.1%	6.7%
Computer services	3.5	3.6	7.0	5.6	17.1%	2.5%	5.8	6.2	6.5	5.1%	2.5%
Contractors	4.6	5.1	8.6	7.1	16.0%	3.2%	7.4	7.9	8.3	5.1%	3.2%
Travel and subsistence	124.4	138.4	145.7	127.3	0.8%	67.4%	143.6	145.2	156.7	7.2%	60.5%
Training and development	0.5	0.2	4.5	3.6	97.8%	1.1%	3.8	4.0	4.2	5.2%	1.7%
Operating payments	2.5	0.4	8.0	8.8	52.8%	2.5%	9.2	9.8	10.2	5.1%	4.0%
Payments for capital assets	1.3	0.4	–	–	-100.0%	0.2%	–	–	–	–	–
Machinery and equipment	1.3	0.4	–	–	-100.0%	0.2%	–	–	–	–	–
Total	181.8	191.1	208.4	213.9	5.6%	100.0%	234.2	241.0	257.3	6.4%	100.0%
Proportion of total programme expenditure to vote expenditure	15.0%	14.7%	13.6%	14.2%	–	–	14.9%	14.6%	14.7%	–	–

Programme 5: Associated Services

Programme purpose

Provide financial support to political parties represented in Parliament, and to their leaders and constituency offices.

Objective

- Enable political leadership structures to fulfil their legislative mandate effectively by ensuring the provision of financial support to eligible political parties and their constituency offices annually.

Subprogrammes

- *Political Party Support* provides financial support and facilities to political parties to allow them to carry out their legislative mandate efficiently and effectively.
- *Constituency Support* provides financial support to constituency offices to allow them to carry out their legislative mandate efficiently and effectively.
- *Party Leadership Support* provides financial support to political leadership structures to allow them to carry out their legislative mandate efficiently and effectively.

Expenditure trends and estimates

Table 2.10 Associated 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 (%)
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18		
R million											
Political Party Support	70.3	74.3	80.7	89.4	8.4%	24.3%	87.0	92.0	96.6	2.6%	24.0%
Constituency Support	220.8	230.3	243.2	255.6	5.0%	73.3%	269.7	285.2	309.4	6.6%	73.8%
Party Leadership Support	6.5	6.7	9.3	8.4	8.9%	2.4%	7.8	8.3	8.7	1.1%	2.2%
Total	297.6	311.4	333.1	353.4	5.9%	100.0%	364.5	385.5	414.7	5.5%	100.0%
Change to 2014				4.9			–	–	–		
Budget estimate											

Table 2.10 Associated Services expenditure trends and estimates by subprogramme and economic classification

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome							2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
Transfers and subsidies	297.6	311.4	333.1	353.4	5.9%	100.0%	364.5	385.5	414.7	5.5%	100.0%
Non-profit institutions	297.6	311.4	333.1	353.4	5.9%	100.0%	364.5	385.5	414.7	5.5%	100.0%
Total	297.6	311.4	333.1	353.4	5.9%	100.0%	364.5	385.5	414.7	5.5%	100.0%
Proportion of total programme expenditure to vote expenditure	24.5%	24.0%	21.7%	23.4%			23.3%	23.3%	23.7%		
Details of selected transfers and subsidies											
Non-profit institutions											
Current	297.6	311.4	333.1	353.4	5.9%	100.0%	364.5	385.5	414.7	5.5%	100.0%
Political party support	70.3	74.3	80.7	89.4	8.4%	24.3%	87.0	92.0	96.6	2.6%	24.0%
Constituency allowance	220.8	230.3	243.2	255.6	5.0%	73.3%	269.7	285.2	309.4	6.6%	73.8%
Party leadership support	6.5	6.7	9.3	8.4	8.9%	2.4%	7.8	8.3	8.7	1.1%	2.2%

Vote 3

Communications

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	42.4	42.4	–	–	45.1	47.5
Communications Policy, Research and Development	7.9	7.7	–	0.2	8.4	8.9
Industry and Capacity Development	10.2	10.0	–	0.2	10.9	11.6
Entity Oversight	1 220.4	9.9	1 210.2	0.3	1 280.3	1 350.9
Total expenditure estimates	1 280.9	70.1	1 210.2	0.7	1 344.7	1 418.9

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, public entities, donor funding, public private partnerships, conditional allocations 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 reorganisation of some national departments, announced by the president in May 2014, included a reconstituted Ministry of Communications, which will be responsible for overarching communications policy and strategy, information dissemination and publicity, and the branding of the country abroad. Improved communication and marketing will promote an informed citizenry and also assist the country to promote investment, economic growth and job creation. The department is guided by 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, among others.

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

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

Selected performance indicators

Table 3.1 Performance indicators by programme and related outcome

Indicator ¹	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of policy papers on broadcasting international engagements tabled in parliament per year	Communications Policy, Research and Development	Outcome 14: Nation building and social cohesion	5	5	3	5	2	2	2

1. Other performance indicators will be selected for publication once the department has finalised its strategic plan.

Expenditure analysis

The reconstituted Department of Communications' revised medium term budget is a consolidation of: funds shifted to establish the new Department of Telecommunications and Postal Services; funds shifted from the Department of Home Affairs for the Film and Publication Board; funds shifted from the Presidency for Brand South Africa; and funds retained from the Government Communication and Information System, mainly for management and support staff, and related expenses. The current budget structure mirrors the start-up organisational structure approved by the Minister for Public Service and Administration. The department is currently reviewing its medium term strategic plan to align with its revised mandate. This will allow the department to set achievable performance indicators and targets, which will be included in the 2016 Budget.

Reviewing its medium term strategic plan also enables the department to link its strategic focus to the high level targets of the national development plan. The national development plan envisages an active citizenry that participates in the socioeconomic life of the country. Chapter 14 of the plan (nation building and social cohesion) states that in 2030, South Africans will be more conscious of the things they have in common than of their differences, and that their lived experiences will progressively undermine and cut across the divisions of race, gender, disability, space and class. This is achievable when government is at the centre of providing effective communication to support these aspirations.

The current function of the department is policy making and oversight.

Over the medium term, the Department of Communications will develop an overarching national communication policy to guide government communication. The department will support other government departments to realise, through their communication, the national development plan's aspirations for South African society. The department also plans on reviewing the 1998 White Paper on Broadcasting Policy to enable the broadcasting sector to contribute to building an inclusive society.

Over 90 per cent of the department's medium term budget is for transfers to the state owned entities and regulatory institutions it has oversight of. The spending is aimed at monitoring the implementation of government communication and branding policies, and of broadcasting and community media policies. The department will provide guidance on and oversight of governance issues in the state owned entities and regulatory institutions. The Independent Communications Authority of South Africa receives the biggest transfer over the medium term. The funds will be used to develop the broadband and digital terrestrial regulations, as well as for monitoring operators' compliance with licence conditions. The Government Communication and Information System receives the second largest transfer over the medium term. The funds will be used for implementing the national communication policy.

The Department of Communications' main agenda over the medium term is to address transformation in the communication industry and drive effective performance.

Cabinet approved budget reductions will be effected as follows: R33.8 million over the medium term on the Government Communication and Information System on goods and services and payments for capital assets; R2.6 million in 2015/16 and R3.9 million in 2016/17 on Brand South Africa; R564 000 in 2015/16 and R846 000 in 2016/17 on the Film and Publication Board; and R204.9 million over the medium term on the South African Broadcasting Corporation, related to the digital migration project, which was concluded in 2014/15.

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	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Programme 1	8.7	8.7	8.7	12.4	12.4	12.4	11.4	11.4	11.4	12.8	24.8	24.8	126.5%	100.0%
Programme 2	4.2	4.2	4.2	5.0	5.0	5.0	5.7	5.7	5.7	6.5	6.5	6.5	100.0%	100.0%
Programme 3	5.5	5.5	5.5	7.6	7.6	7.6	9.0	9.0	9.0	9.3	9.3	9.3	100.0%	100.0%
Programme 4	1 021.1	1 019.1	999.6	1 179.6	1 298.9	1 232.9	1 249.1	1 327.8	1 322.4	1 193.0	1 226.6	1 226.6	103.0%	98.1%
Total	1 039.6	1 037.6	1 018.1	1 204.6	1 323.9	1 257.9	1 275.2	1 353.9	1 348.4	1 221.6	1 267.2	1 267.2	103.2%	98.2%
Change to 2014 Budget estimate										45.6				
Economic classification														
Current payments	20.0	20.0	20.0	26.7	26.7	26.7	26.2	26.2	27.9	32.0	44.0	44.0	113.1%	101.5%
Compensation of employees	17.2	17.2	17.2	23.7	23.7	23.7	23.0	23.0	24.7	28.1	40.1	40.1	115.0%	101.7%
Goods and services of which:	2.9	2.9	2.9	3.0	3.0	3.0	3.2	3.2	3.2	3.9	3.9	3.9	100.0%	100.0%
Travel and subsistence	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.8	0.8	0.8	100.0%	100.0%
Transfers and subsidies	1 019.6	1 017.6	997.9	1 177.8	1 297.2	1 231.0	1 249.0	1 327.5	1 320.3	1 189.3	1 222.9	1 222.9	102.9%	98.1%
Departmental agencies and accounts	875.8	873.8	854.1	1 027.0	1 081.3	1 015.6	1 019.9	1 060.4	1 063.7	1 024.1	1 057.7	1 057.7	101.1%	98.0%
Public corporations and private enterprises	143.8	143.8	143.8	150.8	215.8	215.4	229.1	267.1	256.6	165.2	165.2	165.2	113.4%	98.6%
Payments for capital assets	–	–	0.1	–	–	0.2	–	0.2	0.2	0.3	0.3	0.3	244.4%	154.5%
Machinery and equipment	–	–	0.1	–	–	0.2	–	0.2	0.2	0.3	0.3	0.3	244.4%	154.5%
Total	1 039.6	1 037.6	1 018.1	1 204.6	1 323.9	1 257.9	1 275.2	1 353.9	1 348.4	1 221.6	1 267.2	1 267.2	103.2%	98.2%

Expenditure estimates

Table 3.3 Vote expenditure estimates by programme and economic classification

Programmes							
1. Administration							
2. Communications Policy, Research and Development							
3. Industry and Capacity Development							
4. Entity Oversight							
Programme	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18
Programme 1	24.8	41.7%	1.2%	42.4	45.1	47.5	24.3%
Programme 2	6.5	15.8%	0.4%	7.9	8.4	8.9	10.9%
Programme 3	9.3	19.1%	0.6%	10.2	10.9	11.6	7.5%
Programme 4	1 226.6	6.4%	97.7%	1 220.4	1 280.3	1 350.9	3.3%
Total	1 267.2	6.9%	100.0%	1 280.9	1 344.7	1 418.9	3.8%
Change to 2014 Budget estimate				(62.5)	(73.0)	(72.3)	

Table 3.3 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 (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Current payments	44.0	30.0%	2.4%	70.1	74.8	79.1	21.5%	5.0%
Compensation of employees	40.1	32.7%	2.2%	56.0	59.2	62.5	16.0%	4.1%
Goods and services	3.9	11.0%	0.3%	14.1	15.6	16.5	61.3%	0.9%
of which:								
Communication	–	–	–	0.3	0.4	0.4	–	–
Computer services	–	3.8%	–	1.0	1.1	1.2	245.0%	0.1%
Contractors	–	–	–	3.4	3.6	3.8	–	0.2%
Fleet services (including government motor transport)	–	–	–	2.9	3.2	3.4	–	0.2%
Consumables: Stationery, printing and office supplies	–	–	–	0.3	0.3	0.3	–	–
Travel and subsistence	0.8	59.3%	–	5.7	6.3	6.7	102.1%	0.4%
Transfers and subsidies	1 222.9	6.3%	97.6%	1 210.2	1 269.5	1 339.4	3.1%	94.9%
Departmental agencies and accounts	1 057.7	6.6%	81.6%	1 037.2	1 087.4	1 148.2	2.8%	81.5%
Public corporations and private enterprises	165.2	4.7%	16.0%	172.9	182.1	191.2	5.0%	13.4%
Payments for capital assets	0.3	–	–	0.7	0.4	0.4	8.6%	–
Machinery and equipment	0.3	–	–	0.7	0.4	0.4	8.6%	–
Total	1 267.2	6.9%	100.0%	1 280.9	1 344.7	1 418.9	3.8%	100.0%

Personnel information

Table 3.4 Vote personnel numbers and cost by salary level and programme¹

Programmes

- Administration
- Communications Policy, Research and Development
- Industry and Capacity Development
- Entity Oversight

Number of posts estimated for 31 March 2015			Number and cost ² of personnel posts filled / planned for on funded establishment														Number		
Salary level	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 (%)			
			2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number			Cost	Unit Cost
Communications			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	393	20	52	24.7	0.5	194	39.8	0.2	401	56.0	0.1	401	59.2	0.1	401	62.5	0.2	27.4%	100.0%
1 – 6	50	3	8	1.5	0.2	50	3.0	0.1	50	3.8	0.1	50	4.0	0.1	50	4.2	0.1	–	14.3%
7 – 10	146	3	22	7.9	0.4	60	7.1	0.1	147	14.9	0.1	147	15.7	0.1	147	16.6	0.1	34.8%	35.9%
11 – 12	108	4	10	5.4	0.5	37	8.8	0.2	109	11.1	0.1	109	11.7	0.1	109	12.4	0.1	43.4%	26.1%
13 – 16	89	10	12	10.0	0.8	47	20.9	0.4	95	26.3	0.3	95	27.8	0.3	95	29.4	0.3	26.4%	23.8%
Programme	393	20	52	24.7	0.5	194	39.8	0.2	401	56.0	0.1	401	59.2	0.1	401	62.5	0.2	27.4%	100.0%
Programme 1	170	20	29	11.3	0.4	170	24.4	0.1	170	34.1	0.2	170	36.0	0.2	170	37.9	0.2	–	48.7%
Programme 2	62	–	9	4.6	0.5	9	5.4	0.6	62	5.8	0.1	62	6.2	0.1	62	6.6	0.1	90.3%	14.0%
Programme 3	84	–	11	7.0	0.6	11	7.1	0.6	92	7.6	0.1	92	8.1	0.1	92	8.7	0.1	103.0%	20.5%
Programme 4	77	–	3	1.8	0.6	4	2.8	0.7	77	8.6	0.1	77	8.9	0.1	77	9.5	0.1	168.0%	16.8%

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

2. Rand million.

Departmental receipts

Table 3.5 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 (%)
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
Departmental receipts	901 358	943 612	1 196 370	976 478	976 478	2.7%	99.6%	1 025 126	1 025 434	1 025 912	1.7%	100.0%
Sales of goods and services produced by department	899 578	941 748	1 194 476	974 895	974 895	2.7%	99.4%	1 023 434	1 023 657	1 024 046	1.7%	99.8%
Administrative fees	891 500	933 774	1 194 470	967 600	967 600	2.8%	98.8%	1 015 759	1 015 759	1 015 759	1.6%	99.1%
of which:												
Private radio stations licences	382 562	439 308	645 000	431 057	431 057	4.1%	47.0%	452 610	452 610	452 610	1.6%	44.1%
Private television licences	116 586	149 164	167 000	134 950	134 950	5.0%	14.1%	141 698	141 698	141 698	1.6%	13.8%
Telecommunication service licences	372 193	324 053	360 207	378 217	378 217	0.5%	35.6%	397 128	397 128	397 128	1.6%	38.7%
Post Office licence fees	19 119	19 546	21 078	22 132	22 132	5.0%	2.0%	23 017	23 017	23 017	1.3%	2.2%
Cellular network licence fees	1 040	1 703	1 185	1 244	1 244	6.2%	0.1%	1 306	1 306	1 306	1.6%	0.1%
Other sales	8 078	7 974	6	7 295	7 295	-3.3%	0.6%	7 675	7 898	8 287	4.3%	0.8%
of which:												
Commission on insurance	8	5	6	7	7	-4.4%	–	28	29	30	62.4%	–
Telephone equipment licences	7 920	7 531	–	7 181	7 181	-3.2%	0.6%	7 540	7 762	8 150	4.3%	0.8%
Unreserved postal service fees	150	438	–	107	107	-10.6%	–	107	107	107	–	–
Sales of scrap, waste, arms and other used current goods	–	–	–	–	–	–	–	2	3	4	–	–
of which:												
Waste paper	–	–	–	–	–	–	–	2	3	4	–	–
Interest, dividends and rent on land	1 780	1 864	1 894	1 583	1 583	-3.8%	0.2%	1 662	1 745	1 832	5.0%	0.2%
Interest	1 780	1 864	1 894	1 583	1 583	-3.8%	0.2%	1 662	1 745	1 832	5.0%	0.2%
Transactions in financial assets and liabilities	–	–	–	–	–	–	–	28	29	30	–	–
National Revenue Fund receipts	8 276	–	8 795	–	–	-100.0%	0.4%	–	–	–	–	–
of which:												
The Independent Communications Authority of South Africa	8 276	–	8 795	–	–	-100.0%	0.4%	–	–	–	–	–
Total	909 634	943 612	1 205 165	976 478	976 478	2.4%	100.0%	1 025 126	1 025 434	1 025 912	1.7%	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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Ministry	–	–	–	12.0	–	21.1%	12.0	13.0	13.7	4.6%	31.8%
Departmental Management	0.7	0.7	0.8	0.9	7.8%	5.5%	9.9	10.4	11.0	133.1%	20.2%
Corporate Services	4.2	7.6	5.9	6.8	17.5%	43.0%	12.0	12.6	13.3	25.3%	28.0%
Financial Management	3.8	4.1	4.6	4.8	7.7%	30.4%	8.6	9.0	9.5	25.6%	20.0%
Total	8.7	12.4	11.4	24.4	41.0%	100.0%	42.4	45.1	47.5	24.8%	100.0%
Change to 2014				12.0			12.0	13.0	13.7		
Budget estimate											

Table 3.6 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Current payments	8.7	12.4	11.4	24.4	41.1%	99.9%	42.4	45.1	47.5	24.8%	99.9%
Compensation of employees	8.7	12.4	11.3	24.4	41.1%	99.8%	34.1	36.0	37.9	15.8%	82.9%
Goods and services	–	–	–	–	3.8%	0.2%	8.3	9.1	9.6	600.5%	17.0%
of which:											
Communication	–	–	–	–	3.8%	0.2%	0.2	0.2	0.3	109.1%	0.5%
Fleet services (including government motor transport)	–	–	–	–	–	–	2.9	3.2	3.4	–	5.9%
Consumable supplies	–	–	–	–	–	–	–	0.1	0.1	–	0.1%
Consumable: Stationery, printing and office supplies	–	–	–	–	–	–	0.1	0.1	0.1	–	0.1%
Travel and subsistence	–	–	–	–	–	–	4.9	5.4	5.7	–	10.1%
Total	8.7	12.4	11.4	24.4	41.0%	100.0%	42.4	45.1	47.5	24.8%	100.0%
Proportion of total programme expenditure to vote expenditure	0.9%	1.0%	0.8%	1.9%	–	–	3.3%	3.4%	3.3%	–	–

Programme 2: Communication Policy, Research and Development

Programme purpose

Conduct research and develop communications and broadcasting policies.

Objectives

- Conduct research in order to improve universal access to broadcasting services by 31 March 2019.
- Conduct research and develop media policies in order to broaden access to information to all citizens by 31 March 2019.
- Conduct research and develop the broadcasting spectrum policy and plan in order to ensure equitable allocation of spectrum to public, private and community players by 31 March 2017.
- Conduct research and develop branding policies that positively market the country locally and internationally in a manner that promotes socioeconomic development and investment 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.

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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Broadcasting Policy	4.2	5.0	5.7	6.5	15.8%	100.0%	7.9	8.4	8.9	10.9%	100.0%
Total	4.2	5.0	5.7	6.5	15.8%	100.0%	7.9	8.4	8.9	10.9%	100.0%

Table 3.7 Communications Policy, Research and 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Current payments	4.2	4.9	5.6	6.5	15.5%	98.6%	7.7	8.2	8.7	10.6%	97.9%
Compensation of employees	3.3	4.0	4.6	5.4	18.0%	80.5%	5.8	6.2	6.6	6.7%	75.2%
Goods and services	0.9	0.9	1.0	1.0	5.3%	18.1%	2.0	2.1	2.2	27.5%	22.7%
of which:											
Contractors	0.9	0.9	1.0	1.0	5.3%	18.1%	2.0	2.1	2.2	27.5%	22.7%
Payments for capital assets	–	0.1	0.1	0.1	50.3%	1.4%	0.2	0.2	0.2	27.7%	2.1%
Machinery and equipment	–	0.1	0.1	0.1	50.3%	1.4%	0.2	0.2	0.2	27.7%	2.1%
Total	4.2	5.0	5.7	6.5	15.8%	100.0%	7.9	8.4	8.9	10.9%	100.0%
Proportion of total programme expenditure to vote expenditure	0.4%	0.4%	0.4%	0.5%	–	–	0.6%	0.6%	0.6%	–	–

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 to ensure the successful migration from analogue to digital television in South Africa within 2 years.
- Manage industry research and analysis on an ongoing basis to ensure evidence based policy making through the provision of qualitative and quantitative analysis.
- Develop and implement structured programmes of intergovernmental and stakeholders engagement in order to leverage support for strategic priorities of the department 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 SMMs in the digital domain.

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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Enterprise Development	4.9	5.4	5.9	6.0	6.8%	70.8%	6.4	6.8	7.2	6.4%	62.9%
Broadcasting Digital Migration	0.6	2.1	3.1	3.3	78.3%	29.2%	3.8	4.1	4.4	9.4%	37.1%
Total	5.5	7.6	9.0	9.3	19.1%	100.0%	10.2	10.9	11.6	7.5%	100.0%

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

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Current payments	5.4	7.5	8.9	9.2	19.1%	98.8%	10.0	10.7	11.4	7.5%	98.5%
Compensation of employees	3.7	5.6	7.0	7.1	24.6%	74.6%	7.6	8.1	8.7	6.7%	75.0%
Goods and services	1.8	1.9	2.0	2.1	5.3%	24.2%	2.4	2.6	2.8	10.3%	23.5%
of which:											
Computer services	0.6	0.6	0.7	0.7	5.3%	8.1%	1.0	1.1	1.2	18.9%	9.4%
Contractors	1.2	1.2	1.3	1.4	5.3%	16.1%	1.4	1.5	1.6	5.4%	14.1%
Payments for capital assets	0.1	0.1	0.1	0.1	23.2%	1.2%	0.2	0.2	0.2	5.3%	1.5%
Machinery and equipment	0.1	0.1	0.1	0.1	23.2%	1.2%	0.2	0.2	0.2	5.3%	1.5%
Total	5.5	7.6	9.0	9.3	19.1%	100.0%	10.2	10.9	11.6	7.5%	100.0%
Proportion of total programme expenditure to vote expenditure	0.5%	0.6%	0.7%	0.7%	—	—	0.8%	0.8%	0.8%	—	—

Programme 4: Entity oversight

Programme purpose

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

Objectives

- Provide guidance in and oversight of the governance matters of state owned entities on an ongoing basis.
- Monitor the implementation of communications and branding policies by state owned entities to ensure the strategic alignment with the department's priorities, by 31 March 2018.
- Issue policy directions to the regulatory institutions as required from time to time.
- Ensure timeous submission of entity funding requests within the stipulated timelines in order to ensure their viability and sustainability.

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

Table 6: Entity Oversight expenditure trends and estimates by subprogramme and economic classification													
Subprogramme				Adjusted appropriation	Average growth rate (%)		Expenditure/ Total: Average (%)			Medium-term expenditure estimate		Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome					Average growth rate (%)	Total: Average (%)							
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18			
Programme Management for Entity Oversight	–	–	–	–	–	–	2.1	2.1	2.2	–	0.1%		
Broadcasting and Community Media	164.6	237.4	279.4	252.7	15.4%	19.4%	200.3	211.0	221.6	–4.3%	17.3%		
Communication and Branding	456.2	536.5	569.6	547.2	6.2%	43.9%	540.3	564.4	598.3	3.0%	44.1%		
Regulatory Institutions	378.8	459.1	473.3	455.1	6.3%	36.7%	477.7	502.8	528.8	5.1%	38.5%		
Total	999.6	1 232.9	1 322.4	1 255.0	7.9%	100.0%	1 220.4	1 280.3	1 350.9	2.5%	100.0%		
Change to 2014 Budget estimate							(74.5)	(86.0)	(86.0)				

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

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome							2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Current payments	1.7	1.9	2.1	3.6	28.9%	0.2%	9.9	10.8	11.4	46.4%	0.7%
Compensation of employees	1.5	1.7	1.8	2.8	23.6%	0.2%	8.6	8.9	9.5	49.4%	0.6%
Goods and services	0.2	0.2	0.2	0.8	59.3%	–	1.4	1.9	2.0	34.5%	0.1%
of which:											
Communication	–	–	–	–	–	–	0.1	0.1	0.1	–	–
Consumable: Stationery, printing and office supplies	–	–	–	–	–	–	0.2	0.2	0.2	–	–
Travel and subsistence	0.2	0.2	0.2	0.8	59.3%	–	0.8	0.9	0.9	5.5%	0.1%
Training and development	–	–	–	–	–	–	0.1	–	–	–	–
Operating payments	–	–	–	–	–	–	–	0.4	0.4	–	–
Transfers and subsidies	997.9	1 231.0	1 320.3	1 251.3	7.8%	99.8%	1 210.2	1 269.5	1 339.4	2.3%	99.3%
Departmental agencies and accounts	854.1	1 015.6	1 063.7	1 024.1	6.2%	82.3%	1 037.2	1 087.4	1 148.2	3.9%	84.1%
Public corporations and private enterprises	143.8	215.4	256.6	227.2	16.5%	17.5%	172.9	182.1	191.2	-5.6%	15.1%
Payments for capital assets	–	–	–	0.1	–	–	0.3	–	–	-100.0%	–
Machinery and equipment	–	–	–	0.1	–	–	0.3	–	–	-100.0%	–
Total	999.6	1 232.9	1 322.4	1 255.0	7.9%	100.0%	1 220.4	1 280.3	1 350.9	2.5%	100.0%
Proportion of total programme expenditure to vote expenditure	98.2%	98.0%	98.1%	99.0%	–	–	95.3%	95.2%	95.2%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	854.1	1 015.6	1 063.7	1 024.1	6.2%	82.3%	1 037.2	1 087.4	1 148.2	3.9%	84.1%
Media Development and Diversity Agency	19.1	20.0	20.8	21.8	4.5%	1.7%	22.6	23.8	25.0	4.7%	1.8%
Brand South Africa	140.1	148.8	160.4	167.7	6.2%	12.8%	173.2	181.2	194.3	5.0%	14.0%
Government Communication and Information System	316.1	387.7	409.2	379.5	6.3%	31.0%	365.5	381.4	402.0	1.9%	29.9%
The Independent Communications Authority of South Africa	313.4	389.8	390.7	376.2	6.3%	30.6%	393.6	414.5	435.2	5.0%	31.7%
Film and Publication Board	65.5	69.3	82.7	78.9	6.4%	6.2%	82.4	86.5	91.7	5.1%	6.6%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	143.8	215.4	256.6	227.2	16.5%	17.5%	172.9	182.1	191.2	-5.6%	15.1%
South African Broadcasting Corporation: Channel Africa	41.2	43.3	44.7	47.4	4.8%	3.7%	49.6	52.3	54.9	5.0%	4.0%
South African Broadcasting Corporation: Public broadcaster	84.9	154.2	127.1	97.2	4.6%	9.6%	101.8	107.2	112.5	5.0%	8.2%
South African Broadcasting Corporation: Community radio stations	7.7	8.0	8.8	9.4	6.9%	0.7%	9.8	10.3	10.8	5.0%	0.8%
South African Broadcasting Corporation: Programme productions	10.0	10.0	–	11.2	3.8%	0.6%	11.7	12.3	12.9	5.0%	0.9%
South African Broadcasting Corporation: Broadcasting digital migration	–	–	76.0	62.0	–	2.9%	–	–	–	-100.0%	1.2%

Other departments within the vote

Government Communication and Information System

Table 3.10 Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	139.8	139.4	–	0.3	145.8	153.5
Content Processing and Dissemination	86.6	86.4	–	0.1	91.1	95.4
Intergovernmental Coordination and Stakeholder Management	94.7	94.5	–	0.2	99.5	105.2
Communication Service Agency	44.3	44.1	–	0.2	45.1	48.1
Total expenditure estimates	365.5	364.5	0.1	0.9	381.4	402.0

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, public entities, donor funding, public private partnerships, conditional allocations 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 Department of Government Communication and Information System's mandate is derived from section 195(g) of the Constitution of South Africa (1996), 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, and transparency and openness of government. The department is accordingly mandated to: develop overarching communication policies and 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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of cluster reports on perceptions of government delivery and performance reports issued per year	Content Processing and Dissemination	Outcome 12: An efficient, effective and development-oriented public service	– ¹	35	14	14	14	14	14
Number of copies of Vukuzenzele newspaper published per year	Content Processing and Dissemination		18.5 million	20.7 million	21 million	20.4 million	20.4 million	20.4 million	20.4 million
Number of media briefing requests per year	Intergovernmental Coordination and Stakeholder Management		68	93	22	100	100	100	100
Number of community and stakeholder liaison visits per year	Intergovernmental Coordination and Stakeholder Management		4 516	3 588	3 588	2 750	1 800	1 800	1 800
Number of development communication projects aligned to the government communication programme per year	Intergovernmental Coordination and Stakeholder Management		3 200	3 010	2 184	1 806	1 200	1 200	1 200
Number of rapid response facilitated reports per year	Intergovernmental Coordination and Stakeholder Management		– ¹	337	301	311	311	311	311
Number of marketing events per Thusong service centre per year	Intergovernmental Coordination and Stakeholder Management		170	519	484	486	486	486	486
Number of radio advertisements and dramas produced per year	Communication Service Agency		51	42	51	48	100	48	48
Number of video programmes produced per year	Communication Service Agency		30	316	383	120	120	120	120

Table 3.11 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of requests for photographic coverage handled per year	Communication Service Agency	Outcome 12: An efficient, effective and development-oriented public service	553	926	819	500	500	500	500
Number of live broadcasts on community radio stations per year	Communication Service Agency		114	205	70	54	54	54	54
Number of government and national events covered on video per year	Communication Service Agency		386	341	540	400	400	400	400
Number of graphic designs produced per year	Communication Service Agency		254	359	315	160	160	160	160

1. Indicators with limited or no historical information were introduced in 2012/13.

Expenditure analysis

The national development plan rallies South Africans towards a common goal of being active in their own development and working towards building a capable and developmental state. The Government Communication and Information System supports the achievement of this goal by facilitating a two-way interaction between government and the citizenry. The department provides information about government policies, plans, programmes and activities, thus empowering citizens to take advantage of government programmes and to hold government accountable. The interactions contribute to 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. In addition, the department's medium term and annual programmes are guided by the 2014-2019 national communication strategic framework.

Cabinet approved budget reductions of R33.8 million over the medium term are to be effected mainly on operating leases for office accommodation costs, operating payments mainly for printing and publication costs, and travel and subsistence. In accordance with the reorganisation of some national departments announced by the president in May 2014, some of the department's budget, mainly its personnel budget, will be retained in the reconstituted Department of Communications.

As the department's work is labour intensive, requiring personnel to write, interact and advise on communication content, compensation of employees is a significant spending item, set to comprise 48.8 per cent of the department's budget over the medium term. The department is expected to have 432 funded posts over the medium term.

The department will focus over the medium term on coordinating and professionalising government communication and making it as cost effective as possible.

Coordinating and professionalising government communication

The Government Communication and Information System will work with other government departments to implement the national communication strategy and intensify the implementation of the national development plan. The department will work with key individual departments as well as with the clusters. It will work in all three spheres of government, and support government's transversal communication campaigns, such as 16 Days of Activism for No Violence Against Women and Children, the state of the nation address, and National Disability Rights Awareness Month, among others. It will also provide communication support on national days. These campaigns contribute to nation building and social cohesion.

The department will support the national development plan priority of a capable and developmental state by extending and strengthening provincial and district communication forums. These forums are hubs for driving government communication programmes and processes in the different spheres. The hubs serve to cascade downwards content that is derived largely from the national communication strategy. They also develop the capacity of government communicators and deal with the coordination and management of communication programmes, such as the various imbizo programmes. There are 84 forums, and a further 25 planned.

In partnership with the National School of Government, over the medium term the department will provide content for training courses and identify, coordinate and implement training programmes for government communicators.

Providing cost effective communication

The Government Communication and Information System has been assigned the responsibility for advertising government vacancies in a cost effective, centralised way, using Vuk'uzenzele, the government newspaper. The newspaper is published in all South African languages, including Braille, and is aimed at rural and semi-urban people. It is the most widely distributed government publication. Due to the high demand for government information, the department intends to increase the projected print run of 20.4 million copies per year to 48 million copies per year over the MTEF period. Currently, Vuk'uzenzele is published monthly, but the department plans to enable a fortnightly print run of 2 million copies per month in 2015/16, increasing to 4 million per month by 2017/18. These increases, however, will depend on funding. In 2015/16, working with National Treasury, the department will explore a funding model for Vuk'uzenzele, which it expects to conclude over the medium term. The growth rate of expenditure on Vuk'uzenzele could increase as the department begins providing advertisements for vacancies.

The department has, in some instances, replaced its established marketing modes for government events with alternatives modes, such as social media. The department will explore working more closely with community based media to maximise limited resources to gain access to its target audience.

Expenditure trends

Table 3.12 Departmental expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Content Processing and Dissemination														
3. Intergovernmental Coordination and Stakeholder Management														
4. Communication Service Agency														
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	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Programme 1	113.2	122.5	97.5	170.8	192.6	149.2	132.6	181.4	178.8	141.4	135.5	141.4	101.6%	89.7%
Programme 2	96.0	99.5	92.0	109.1	94.9	82.2	97.0	89.3	78.3	99.9	90.3	97.9	87.2%	93.7%
Programme 3	118.6	113.8	90.6	116.5	126.1	105.5	120.0	118.2	99.4	121.7	99.3	121.7	87.5%	91.2%
Programme 4	28.5	28.5	36.1	32.6	47.4	51.0	47.2	48.2	52.7	50.1	54.4	52.1	121.1%	107.5%
Total	356.3	364.3	316.2	429.1	461.0	387.7	396.7	437.2	409.2	413.1	379.5	413.1	95.7%	92.9%
Change to 2014 Budget estimate										(33.6)				
Economic classification														
Current payments	334.8	342.8	308.2	405.6	427.5	332.2	374.3	367.5	362.2	388.0	375.5	387.3	92.5%	91.8%
Compensation of employees	165.4	166.9	152.0	176.4	178.3	165.1	188.4	178.1	171.3	200.1	188.3	200.1	94.3%	96.8%
Goods and services	169.3	175.8	156.2	229.3	249.3	167.1	185.9	189.4	190.9	187.9	187.2	187.2	90.8%	87.5%
of which:														
Communication	8.0	8.6	10.0	8.5	9.2	12.5	10.9	10.4	14.2	12.8	12.6	12.6	122.5%	120.9%
Computer services	13.3	13.1	11.1	14.3	14.2	15.2	16.0	15.0	15.3	15.4	16.1	16.1	97.8%	98.9%
Agency and support / outsourced services	9.6	9.7	5.5	21.7	11.0	9.2	9.4	8.9	8.1	11.8	10.9	10.9	64.1%	83.4%
Operating leases	32.9	32.2	14.0	37.9	33.9	12.4	35.4	35.6	39.4	39.3	40.0	40.0	72.7%	74.7%
Travel and subsistence	19.3	19.6	20.0	21.3	19.5	20.8	23.1	18.5	19.5	19.7	19.4	19.4	95.5%	103.4%
Operating payments	40.0	40.2	39.4	41.8	43.5	41.2	42.9	42.1	41.2	43.2	45.3	45.3	99.5%	97.7%
Transfers and subsidies	19.1	19.1	0.3	20.0	20.0	0.7	20.8	21.1	0.8	21.8	—	21.8	29.1%	39.4%
Departmental agencies and accounts	19.1	19.1	0.1	20.0	20.0	0.1	20.8	20.8	—	21.8	—	21.8	26.9%	36.7%
Households	—	—	0.3	—	—	0.7	—	0.3	0.8	—	—	—	—	554.2%
Payments for capital assets	2.4	2.4	7.6	3.4	13.4	54.7	1.6	38.0	46.0	3.3	3.9	3.9	1046.9%	194.4%
Buildings and other fixed structures	—	—	—	—	10.0	40.7	—	36.1	26.2	—	—	—	—	145.2%
Machinery and equipment	2.1	2.1	7.1	2.7	2.7	13.9	1.3	1.6	19.7	3.0	3.7	3.7	488.6%	443.0%
Software and other intangible assets	0.4	0.4	0.5	0.7	0.7	0.1	0.3	0.3	—	0.3	0.3	0.3	55.0%	55.0%
Payments for financial assets	—	—	—	—	—	—	—	—	0.1	—	—	—	—	—
Total	356.3	364.3	316.2	429.1	461.0	387.7	396.7	426.6	409.2	413.1	379.4	413.1	95.7%	93.6%

Expenditure estimates

Table 3.13 Departmental expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Content Processing and Dissemination								
3. Intergovernmental Coordination and Stakeholder Management								
4. Communication Service Agency								
Programme	Revised estimate	Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ total: Average (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme 1	141.4	4.9%	37.1%	139.8	145.8	153.5	2.8%	37.2%
Programme 2	97.9	-0.5%	23.0%	86.6	91.1	95.4	-0.9%	23.7%
Programme 3	121.7	2.2%	27.3%	94.7	99.5	105.2	-4.7%	27.0%
Programme 4	52.1	22.3%	12.6%	44.3	45.1	48.1	-2.7%	12.1%
Total	413.1	4.3%	100.0%	365.5	381.4	402.0	-0.9%	100.0%
Change to 2014				(6.5)	(13.0)	(14.3)		
Budget estimate								
Economic classification								
Current payments	387.3	4.2%	91.1%	364.5	380.4	401.0	1.2%	98.2%
Compensation of employees	200.1	6.2%	45.1%	210.0	221.7	233.5	5.3%	55.4%
Goods and services	187.2	2.1%	46.0%	154.5	158.7	167.5	-3.6%	42.8%
of which:								
Communication	12.6	13.5%	3.2%	8.4	8.6	8.5	-12.1%	2.4%
Computer services	16.1	7.1%	3.8%	12.5	15.4	15.4	-1.4%	3.8%
Agency and support / outsourced services	10.9	4.1%	2.2%	6.7	7.5	8.3	-8.5%	2.1%
Operating leases	40.0	7.5%	6.9%	48.0	47.7	50.2	7.9%	11.9%
Travel and subsistence	19.4	-0.4%	5.2%	17.4	17.9	19.8	0.6%	4.8%
Operating payments	45.3	4.1%	10.9%	35.3	35.6	37.2	-6.3%	9.8%
Transfers and subsidies	21.8	4.5%	1.6%	0.1	0.1	0.1	-86.4%	1.4%
Departmental agencies and accounts	21.8	4.5%	1.4%	0.1	0.1	0.1	-86.4%	1.4%
Payments for capital assets	3.9	17.4%	7.4%	0.9	1.0	1.0	-36.2%	0.4%
Machinery and equipment	3.7	21.2%	2.9%	0.7	0.7	0.8	-40.0%	0.4%
Software and other intangible assets	0.3	-11.4%	0.1%	0.2	0.2	0.2	-3.9%	0.1%
Total	413.1	4.3%	100.0%	365.5	381.4	402.0	-0.9%	100.0%

Personnel information

Table 3.14 Departmental personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. Content Processing and Dissemination																			
3. Intergovernmental Coordination and Stakeholder Management																			
4. Communication Service Agency																			
Number of posts estimated for 31 March 2015		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 (%)				
		2013/14			2014/15			2015/16			2016/17					2017/18			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			Number	Cost	Unit Cost	
Government Communication and Information System																			
Salary level	490	55	474	171.3	0.4	477	188.3	0.4	432	210.0	0.5	431	221.7	0.5	432	233.5	0.5	-3.2%	100.0%
1 – 6	116	14	110	19.5	0.2	112	24.3	0.2	101	23.0	0.2	101	24.6	0.2	101	25.9	0.3	-3.4%	23.4%
7 – 10	218	14	206	64.1	0.3	210	67.9	0.3	202	79.8	0.4	202	84.4	0.4	202	89.1	0.4	-1.3%	46.0%
11 – 12	80	1	88	42.5	0.5	80	48.4	0.6	80	53.3	0.7	80	55.9	0.7	80	58.9	0.7	–	18.1%
13 – 16	51	1	47	44.3	0.9	50	46.7	0.9	49	53.9	1.1	48	56.8	1.2	49	59.6	1.2	-0.7%	11.1%
Other	25	25	23	0.9	–	25	0.9	–	–	–	–	–	–	–	–	–	–	-100.0%	1.4%
Programme	490	55	474	171.3	0.4	477	188.3	0.4	432	210.0	0.5	431	221.7	0.5	432	233.5	0.5	-3.2%	100.0%
Programme 1	173	44	164	49.7	0.3	163	54.7	0.3	128	63.2	0.5	128	66.4	0.5	128	69.8	0.5	-7.7%	30.9%
Programme 2	95	8	100	37.3	0.4	95	40.9	0.4	88	47.3	0.5	88	51.0	0.6	88	53.1	0.6	-2.5%	20.3%
Programme 3	166	1	155	65.0	0.4	166	71.1	0.4	165	74.5	0.5	164	78.8	0.5	165	83.3	0.5	-0.2%	37.2%
Programme 4	56	2	55	19.3	0.4	53	21.6	0.4	51	25.0	0.5	51	25.5	0.5	51	27.3	0.5	-1.3%	11.6%

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

2. Rand million.

Departmental receipts

Table 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 (%)
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
Departmental receipts	948	1 013	794	803	803	-5.4%	100.0%	814	814	814	0.5%	100.0%
Sales of goods and services produced by department	213	405	225	321	321	14.7%	32.7%	332	332	332	1.1%	40.6%
Other sales	213	405	225	321	321	14.7%	32.7%	332	332	332	1.1%	40.6%
of which:												
Commission on insurance	51	53	53	76	76	14.2%	6.5%	76	76	76	–	9.4%
Departmental publications	27	223	32	100	100	54.7%	10.7%	100	100	100	–	12.3%
Replacements of security cards	1	1	–	–	–	-100.0%	0.1%	–	–	–	–	–
Rental: Parking	134	128	140	145	145	2.7%	15.4%	156	156	156	2.5%	18.9%
Sales of scrap, waste, arms and other used current goods	–	–	–	2	2	–	0.1%	2	2	2	–	0.2%
of which:												
List item	–	–	–	2	2	–	0.1%	2	2	2	–	0.2%
Interest, dividends and rent on land	352	118	79	122	122	-29.8%	18.9%	122	122	122	–	15.0%
Interest	352	118	79	122	122	-29.8%	18.9%	122	122	122	–	15.0%
Transactions in financial assets and liabilities	383	490	490	358	358	-2.2%	48.4%	358	358	358	–	44.1%
Total	948	1 013	794	803	803	-5.4%	100.0%	814	814	814	0.5%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and administrative 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Departmental Management	7.8	7.8	6.4	7.3	-2.2%	5.2%	6.7	6.9	7.2	-0.3%	4.9%
Corporate Services	42.8	50.6	48.4	53.2	7.5%	34.8%	48.7	53.2	55.2	1.2%	36.6%
Financial Administration	27.9	70.2	75.2	26.3	-1.9%	35.6%	28.3	29.5	32.0	6.8%	20.2%
Internal Audit	6.0	7.1	6.9	6.6	3.0%	4.7%	7.3	7.6	8.0	6.6%	5.1%
Office Accommodation	13.0	13.5	41.9	42.2	48.1%	19.7%	48.9	48.6	51.1	6.6%	33.2%
Total	97.5	149.2	178.8	135.5	11.6%	100.0%	139.8	145.8	153.5	4.2%	100.0%
Change to 2014				(5.9)			(7.0)	(9.7)	(10.7)		
Budget estimate											
Current payments	94.4	96.1	134.2	133.7	12.3%	81.7%	139.4	145.4	153.0	4.6%	99.5%
Compensation of employees	42.2	47.3	49.7	54.7	9.0%	34.6%	63.2	66.4	69.8	8.5%	44.2%
Goods and services	52.2	48.8	84.5	79.0	14.8%	47.2%	76.2	79.0	83.2	1.8%	55.2%
of which:											
Computer services	8.6	12.2	11.9	11.4	9.7%	7.9%	9.4	11.9	11.7	0.8%	7.7%
Contractors	5.5	0.8	2.8	2.1	-27.1%	2.0%	1.5	2.4	2.5	5.8%	1.5%
Operating leases	12.7	10.9	38.3	39.2	45.4%	18.0%	47.2	47.0	49.4	8.1%	31.8%
Property payments	2.3	5.0	6.8	6.8	43.0%	3.7%	6.4	4.8	6.9	0.3%	4.3%
Travel and subsistence	4.0	4.3	4.0	4.5	3.5%	3.0%	2.5	2.7	3.1	-11.1%	2.2%
Operating payments	2.7	2.1	2.5	2.3	-5.1%	1.7%	2.2	2.3	2.4	1.9%	1.6%
Transfers and subsidies	0.1	0.2	0.3	0.6	67.9%	0.2%	–	–	–	-56.1%	0.1%
Departmental agencies and accounts	–	–	–	0.6	134.2%	0.1%	–	–	–	-56.0%	0.1%
Households	0.1	0.2	0.3	–	-66.0%	0.1%	–	–	–	-100.0%	–
Payments for capital assets	2.9	52.8	44.3	1.3	-23.5%	18.1%	0.3	0.4	0.4	-33.3%	0.4%
Buildings and other fixed structures	–	40.7	26.2	–	–	11.9%	–	–	–	–	–
Machinery and equipment	2.4	12.1	18.1	1.3	-18.6%	6.0%	0.3	0.4	0.4	-33.3%	0.4%
Software and other intangible assets	0.5	0.1	–	–	-100.0%	0.1%	–	–	–	–	–
Total	97.5	149.2	178.8	135.5	11.6%	100.0%	139.8	145.8	153.5	4.2%	100.0%

Table 3.16 Administration 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											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Proportion of total programme expenditure to vote expenditure	30.8%	38.5%	43.7%	35.7%	–	–	38.3%	38.2%	38.2%	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	–	–	–	0.6	134.2%	0.1%	–	–	–	-56.0%	0.1%
Public Service Sector Education and Authority	–	–	–	0.5	–	0.1%	–	–	–	-100.0%	0.1%

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 through public opinion research and analysis of media coverage to understand the communication environment and inform government messages, over the MTEF period.
- Enhance government's communication products and services to grow the share of government's voice and messages in the public domain, over the MTEF period.

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 better address the public's communication needs; monitors national and international media coverage relating to government programmes and campaigns; provides analyses on media interpretation of government policies and programmes; formulates policy proposals where required; proposes government responses to media related issues; and assesses public perceptions in relation to government performance.
- *Products and Platforms* develops information products and communication platforms that enable government to communicate directly to citizens and public servants; and is responsible for the development of the government communication strategy.

Expenditure trends and estimates

Table 3.17 Content Processing and Dissemination expenditure trends and estimates by subprogramme and economic classification

Classification											
Subprogramme				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme Management for Content Processing and Dissemination	3.4	2.5	2.5	3.0	-4.0%	3.3%	3.3	3.5	3.6	6.5%	3.7%
Policy and Research	27.5	29.3	28.3	33.5	6.8%	34.6%	31.6	34.5	35.7	2.1%	37.2%
Products and Platforms	61.1	50.4	47.5	53.8	-4.2%	62.1%	51.7	53.1	56.0	1.4%	59.1%
Total	92.0	82.2	78.3	90.3	-0.6%	100.0%	86.6	91.1	95.4	1.8%	100.0%
Change to 2014				(9.6)			(17.4)	(19.0)	(20.9)		
Budget estimate											

Table 3.17 Content Processing and Dissemination expenditure trends and estimates by subprogramme and economic classification

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome							2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Current payments	90.9	81.6	77.7	89.8	-0.4%	99.2%	86.4	90.9	95.2	2.0%	99.7%
Compensation of employees	35.3	35.0	37.3	40.9	5.0%	43.3%	47.3	51.0	53.1	9.1%	52.9%
Goods and services	55.6	46.6	40.4	48.9	-4.2%	55.9%	39.2	39.9	42.1	-4.9%	46.8%
of which:											
Communication	1.0	1.6	0.9	1.1	4.4%	1.4%	1.0	1.1	1.1	-0.4%	1.2%
Computer services	2.5	2.6	2.9	4.3	20.1%	3.6%	2.6	3.1	3.3	-8.3%	3.7%
Agency and support / outsourced services	5.2	7.8	7.9	9.7	22.7%	8.9%	6.3	7.1	8.0	-6.2%	8.6%
Consumables: Stationery, printing and office supplies	4.2	1.6	0.6	3.1	-10.3%	2.8%	0.8	1.6	1.7	-17.3%	2.0%
Travel and subsistence	2.5	2.2	2.1	2.8	4.4%	2.8%	1.9	1.8	1.9	-11.8%	2.3%
Operating payments	34.2	24.7	22.0	24.1	-11.0%	30.6%	24.3	24.4	25.4	1.7%	27.0%
Transfers and subsidies	0.2	0.1	0.1	—	-58.4%	0.1%	—	—	—	-100.0%	—
Households	0.2	0.1	0.1	—	-58.4%	0.1%	—	—	—	-100.0%	—
Payments for capital assets	0.9	0.5	0.4	0.5	-17.2%	0.7%	0.1	0.1	0.2	-32.8%	0.3%
Machinery and equipment	0.9	0.5	0.4	0.5	-16.4%	0.7%	0.1	0.1	0.2	-32.8%	0.3%
Payments for financial assets	—	—	0.1	—	-100.0%	—	—	—	—	—	—
Total	92.0	82.2	78.3	90.3	-0.6%	100.0%	86.6	91.1	95.4	1.8%	100.0%
Proportion of total programme expenditure to vote expenditure	29.1%	21.2%	19.1%	23.8%	—	—	23.7%	23.9%	23.7%	—	—

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 by jointly planning and sharing communication messages across the three spheres of government to ensure coherence and alignment of government messages, over the MTEF period.
- Ensure an informed and empowered citizenry on government's policies, plans, programmes and achievements to increase public participation in government's activities, over the MTEF period.
- Implement a proactive media engagement system by building, maintaining and improving relations with the media and drive the government's communication agenda, over the MTEF period.

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 communication strategy is presented to all provinces and aligned with provincial and local communication strategies; implements development communication campaigns and programmes aligned with the government communication programme; ensures that government departments send different print products and materials to Thusong Service Centres; and coordinates the imbizo programme of government.
- *Media Engagement* promotes and facilitates effective communication between government and the media, ensures effective liaison between ministers and the media, and leads and drives the communication of government's programme of action and policies by building, maintaining and strengthening relations with the media.

- *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 human development, social protection, and governance and administration clusters.
- *Cluster Supervision (Economic and Infrastructure, Justice and International)* provides strategic communication advice to the economic and infrastructure, justice and international clusters; supports national departments; provides leadership on key cluster communication issues and campaigns; coordinates Cabinet cluster communications; and develops communication strategies and key messages for the campaigns of the 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	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Programme Management for Intergovernmental Coordination and Stakeholder Management	6.2	2.1	2.5	2.6	-25.1%	3.4%	2.6	2.8	2.9	3.6%	2.7%
Provincial and Local Liaison	72.0	71.8	71.9	73.0	0.4%	73.1%	68.3	71.7	75.6	1.2%	72.4%
Media Engagement	12.3	12.8	12.9	14.1	4.7%	13.2%	13.9	14.5	15.6	3.4%	14.6%
Cluster Supervision (Human Development, Social Protection and Governance and Administration)	–	14.9	8.4	4.9	–	7.2%	4.9	5.2	5.5	3.6%	5.2%
Cluster Supervision (Economic and Infrastructure, Justice and International)	–	3.8	3.7	4.6	–	3.1%	5.0	5.3	5.6	6.7%	5.1%
Total	90.6	105.5	99.4	99.3	3.1%	100.0%	94.7	99.5	105.2	1.9%	100.0%
Change to 2014				(22.4)			(32.7)	(35.7)	(37.8)		
Budget estimate											
Economic classification	88.2	104.4	98.8	98.5	3.8%	98.8%	94.5	99.3	105.0	2.1%	99.7%
Current payments											
Compensation of employees	58.7	63.6	65.0	71.1	6.6%	65.5%	74.5	78.8	83.3	5.4%	77.2%
Goods and services	29.6	40.8	33.7	27.4	-2.5%	33.3%	20.1	20.5	21.7	-7.6%	22.5%
of which:											
Advertising	4.0	7.3	4.8	1.8	-24.0%	4.5%	1.2	1.3	1.3	-8.7%	1.4%
Communication	2.8	5.6	5.7	4.9	20.4%	4.8%	4.2	4.3	4.0	-6.5%	4.3%
Contractors	1.0	3.9	4.9	1.9	24.1%	3.0%	0.9	1.1	1.1	-15.9%	1.3%
Fleet services (including government motor transport)	2.0	2.2	2.7	1.6	-7.1%	2.1%	1.3	1.0	1.1	-12.1%	1.2%
Travel and subsistence	9.1	9.5	8.2	8.7	-1.2%	9.0%	7.2	7.9	8.8	0.3%	8.2%
Operating payments	2.1	3.1	2.8	2.8	9.8%	2.7%	1.6	1.3	1.4	-19.4%	1.8%
Transfers and subsidies	–	0.3	0.3	–	14.5%	0.2%	–	–	–	-43.6%	–
Households	–	0.3	0.3	–	18.6%	0.2%	–	–	–	-100.0%	–
Payments for capital assets	2.3	0.8	0.3	0.7	-33.4%	1.0%	0.2	0.2	0.2	-34.1%	0.3%
Machinery and equipment	2.3	0.8	0.3	0.7	-33.4%	1.0%	0.2	0.2	0.2	-34.1%	0.3%
Payments for financial assets	–	–	0.1	–	-100.0%	–	–	–	–	–	–
Total	90.6	105.5	99.4	99.3	3.1%	100.0%	94.7	99.5	105.2	1.9%	100.0%
Proportion of total programme expenditure to vote expenditure	28.7%	27.2%	24.3%	26.2%	–	–	25.9%	26.1%	26.2%	–	–

Programme 4: Communication Service Agency

Programme purpose

Provide media bulk buying services and media production services to national government.

Objectives

- Provide effective and efficient communication services through:
 - cost effective media bulk-buying services for government by implementing all approved media-buying campaigns, on an ongoing basis

- the production of high quality television commercials, video footage, photographs, radio commercials and programmes, print advertisements and graphic designs for client departments, as and when required
- the provision of effective and efficient marketing and distribution services for government, which includes conducting 9 public sector manager forums annually over the MTEF period.
- Maintain a positive image of government and that of the state through managing government's corporate identity by conducting 10 corporate identity workshops annually over the MTEF period.
- Inform the public of developments in government's programmes by conducting community phone-in radio programmes on government's programmes, and documenting the public programmes of the Presidency, both domestically and internationally, on video and in photographs, to profile the work of government as and when required.
- Ensure that government's communication products reach the intended audience in a timely manner by providing distribution services as and when needed.

Subprogrammes

- *Marketing, Advertising and Media Buying* provides media buying expertise; develops effective marketing, distribution and public relations and event management strategies for the department's products; manages and drives the distribution strategy of all the products produced for dissemination to the public; oversees the outsourcing of distribution services to service providers; and manages the corporate identity of government.
- *Media Production* provides for the production of videos, photographs and radio programmes in support of government communication programmes; and provides product development services to government.

Expenditure trends and estimates

Table 3.19 Communication Service Agency expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2011/12	2014/15	2015/16	2016/17	2017/18	2014/15	2017/18
R million											
Marketing, Advertising and Media Buying	17.0	32.6	28.1	33.2	24.9%	57.1%	21.8	23.0	24.6	-9.5%	53.5%
Media Production	19.1	18.4	24.6	21.2	3.6%	42.9%	22.5	22.1	23.4	3.4%	46.5%
Total	36.1	51.0	52.7	54.4	14.6%	100.0%	44.3	45.1	48.1	-4.0%	100.0%
Change to 2014				4.3			(8.2)	(10.6)	(10.1)		
Budget estimate											
Economic classification											
Current payments	34.6	50.2	51.5	52.8	15.2%	97.5%	44.1	44.8	47.8	-3.3%	98.8%
Compensation of employees	15.8	19.2	19.3	21.6	11.1%	39.1%	25.0	25.5	27.3	8.0%	51.8%
Goods and services	18.8	31.0	32.3	31.2	18.5%	58.3%	19.0	19.4	20.5	-13.1%	47.0%
of which:											
Advertising	8.7	9.6	5.1	8.3	-1.7%	16.3%	2.3	2.4	2.6	-32.3%	8.1%
Communication	3.5	2.6	4.8	3.8	3.0%	7.5%	1.9	2.0	2.1	-17.6%	5.1%
Computer services	–	0.4	0.6	0.4	413.8%	0.7%	0.4	0.4	0.5	3.8%	0.9%
Consumables: Stationery, printing and office supplies	0.6	0.4	1.2	0.5	-2.7%	1.4%	0.4	0.4	0.4	-8.6%	0.9%
Travel and subsistence	4.4	4.8	5.1	3.4	-8.6%	9.2%	5.9	5.5	5.9	20.2%	10.7%
Operating payments	0.4	11.3	13.9	13.4	219.7%	20.1%	7.1	7.5	7.9	-16.0%	18.8%
Transfers and subsidies	–	0.1	0.1	–	-100.0%	0.1%	–	–	–	–	–
Households	–	0.1	0.1	–	-100.0%	0.1%	–	–	–	–	–
Payments for capital assets	1.5	0.6	1.0	1.5	0.9%	2.4%	0.2	0.3	0.3	-43.6%	1.2%
Machinery and equipment	1.5	0.6	1.0	1.3	-5.0%	2.2%	–	–	0.1	-65.8%	0.7%
Software and other intangible assets	–	–	–	0.3	–	0.1%	0.2	0.2	0.2	-3.9%	0.5%
Total	36.1	51.0	52.7	54.4	14.6%	100.0%	44.3	45.1	48.1	-4.0%	100.0%
Proportion of total programme expenditure to vote expenditure	11.4%	13.1%	12.9%	14.3%	–	–	12.1%	11.8%	12.0%	–	–

Public entities and other agencies

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, and requires it to provide radio and television broadcasting services to South Africa.

Selected performance indicators

Table 3.20 South African Broadcasting Corporations Limited performance indicators by programme/objective/activity and related outcome¹

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Value of operational expenditure: Digital terrestrial television per year	Digital terrestrial migration and technology	Outcome 12: An efficient, effective and development-oriented public service	— ²	— ³	R70m	R130m	R250m	R1.5bn	R2.4bn
Local content as a percentage of total public service television	Local content delivery: Television		75%	75%	75%	75%	75%	75%	75%
Local content as a percentage of total public commercial service television	Local content delivery: Television		35%	35%	35%	35%	35%	35%	35%
Local content as a percentage of total public service radio	Local content delivery: Radio		70%	70%	70%	70%	70%	70%	70%
Local content as a percentage of total public commercial service radio	Local content delivery: Radio		45%	45%	45%	45%	45%	45%	45%
Number of low power television transmitters switched on per year	Universal access transmitter rollout news		300	300	300	367	— ⁴	— ⁴	— ⁴
Number of low power radio transmitters switched on per year ⁴	Universal access transmitter rollout news		105	0	100	100	— ⁴	— ⁴	— ⁴

1. The entity is reviewing its objectives in order to align it to its corporate plan, which means that new and existing programmes and special projects will be absorbed into others. Thus, the current performance indicators will be different in the upcoming reporting period.

2. There was no data in 2011/12 as the project was delayed and the amounts reflected in the previous year were incorrect.

3. The operational expenditure on digital terrestrial television per year was zero in 2012/13, due to delays in implementation. Thus, the target was not achieved.

4. No data is available for 2015/16, 2016/17 and 2017/18. Furthermore, the rollout of low power transmitters has been put on hold.

Expenditure analysis

Although the South African Broadcasting Corporation does not directly contribute to the vision of the national development plan, it indirectly contributes to outcome 12 of government's 2014-2019 medium term strategic framework (an efficient, effective and development oriented public service). It achieves 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's focus over the MTEF period will be on realigning its operational model with requirements for digital broadcasting. Expenditure is expected to increase from R8 billion in 2014/15 to R9.9 billion in 2017/18, mainly due to activities involving improving the corporation's news and sporting content offered on radio and television. This includes the expansion of commercial radio stations to increase the organisation's audience share, and capital spending to replace or upgrade equipment. The corporation will also continue to digitise its value chain and distribution platforms, with radio broadcasting conducted digitally from production to distribution, and television broadcasting conducted in full high definition.

The corporation generates its revenue mainly from licence fees, commercial revenue (from advertising, programme and sport sponsorships across television, radio and online platforms), and transfers from government. Revenue growth over the medium term is expected to be constrained by the difficult economic environment, although the bulk of revenue growth is expected to be provided by commercial advertising as a result of the revised schedules and content strategy on television channels SABC 2 and SABC 3. Revenue is therefore expected to increase by 3.5 per cent over the medium term to reach R7.9 billion.

The increase in spending between 2011/12 and 2014/15 was due to higher broadcast costs, signal distribution costs, and the remuneration of contractors. Higher revenue collection costs for television licences also contributed to the increased expenditure over the period as the corporation attempted to improve liquidity. At the end of December 2012, the organisation had achieved a positive liquidity ratio of more than R1 billion and was able to settle its bank loan by September 2013, 14 months earlier than the expected loan term. This saved the corporation R17 million in interest costs.

Cabinet approved budget reductions of R204.9 million over the medium term are to be effected on the corporation's allocation for the digital migration project, which was concluded in 2014/15. This amount has been reprioritised to fund Sentech and the South African Post Office.

The corporation has 3 870 funded posts, of which 3 677 were filled at the end of November 2014. The number of filled posts is expected to increase to 3 720 over the medium term, which accounts for an expected increase in spending on compensation of employees of 6.7 per cent over the medium term. The additional appointments are to meet the requirements for implementing digital terrestrial television, and the organisation's strategy to expand regional content and thus contribute to job creation. Digitising the corporation's delivery platforms in line with the country's digital migration efforts remains a priority, and the organisation will continue to need to raise funding to improve its digital readiness.

Programmes/objectives/activities

Table 3.21 South African Broadcasting Corporation Limited 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
Administration	1 233.1	1 655.4	1 253.2	1 789.7	13.2%	21.3%	1 776.5	1 956.6	2 110.8	5.7%	21.1%
Local content delivery: Television	2 228.8	2 252.7	2 382.5	2 926.6	9.5%	35.3%	2 929.9	3 072.0	3 094.8	1.9%	33.3%
Local content delivery: Radio	850.3	846.0	768.2	1 025.7	6.5%	12.6%	1 076.5	1 149.2	1 224.0	6.1%	12.4%
Universal access transmitter rollout news	542.0	573.0	688.8	739.5	10.9%	9.2%	849.5	932.2	1 017.9	11.2%	9.7%
Sports of national interest and mandate	493.7	711.8	581.7	472.3	-1.5%	8.2%	1 159.7	1 203.3	1 123.4	33.5%	10.7%
Digital terrestrial migration and technology	844.3	843.4	1 020.0	993.7	5.6%	13.4%	1 120.3	1 197.1	1 298.0	9.3%	12.7%
Total	6 192.3	6 882.3	6 694.4	7 947.5	8.7%	100.0%	8 912.4	9 510.3	9 868.8	7.5%	100.0%

Statements of historical financial performance and position

Table 3.22 South African Broadcasting Corporation Limited 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	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15
Revenue									
Non-tax revenue	6 703.2	6 003.5	6 126.7	6 108.1	6 120.3	6 525.6	7 023.1	7 394.6	100.2%
Sale of goods and services other than capital assets	6 614.4	5 931.1	6 125.6	6 007.9	6 087.7	6 460.6	6 969.2	7 372.7	99.9%
of which:									
Administrative fees	880.5	932.0	1 023.6	919.9	985.8	935.1	1 106.7	1 106.7	97.4%
Sales by market establishment	5 733.9	4 999.1	5 102.0	5 088.0	5 101.9	5 525.5	5 862.5	6 266.0	100.4%
Other non-tax revenue	88.9	72.4	1.1	100.1	32.6	65.0	53.9	21.9	147.1%
Transfers received	197.4	532.2	860.1	635.4	536.6	820.7	744.4	725.9	116.1%
Total revenue	6 900.7	6 535.7	6 986.8	6 743.4	6 656.9	7 346.3	7 767.5	8 120.5	101.5%
Expenses									
Current expenses	6 672.7	6 089.5	6 801.8	6 518.3	6 908.9	6 796.6	7 806.5	7 854.9	96.7%
Compensation of employees	1 275.7	1 576.0	1 522.3	1 814.8	1 455.4	2 073.8	2 320.6	2 431.1	120.1%
Goods and services	4 868.5	4 144.6	4 768.5	4 345.5	5 046.9	4 291.6	5 145.8	5 146.3	90.4%
Depreciation	391.0	266.9	391.7	284.1	318.8	398.1	325.0	271.8	85.6%
Interest, dividends and rent on land	137.5	101.9	119.3	73.9	87.8	33.1	15.2	5.6	59.6%
Transfers and subsidies	–	73.3	1.0	73.4	4.4	80.4	57.8	92.6	505.8%
Total expenses	6 672.7	6 192.3	6 802.8	6 882.3	6 913.3	6 694.4	7 864.3	7 947.5	98.1%
Surplus/(Deficit)	228.0	343.0	184.0	(139.0)	(256.0)	652.0	(97.0)	173.0	–
Carrying value of assets	2 292.7	1 496.0	1 971.2	1 337.5	2 081.8	1 485.2	1 242.4	1 587.6	77.8%
of which:									
Acquisition of assets	794.3	104.5	1 379.8	124.5	2 659.8	104.5	350.0	350.0	13.2%
Investments	223.4	1 095.6	120.4	1 085.1	1 027.1	1 506.6	896.8	944.5	204.2%
Inventory	955.3	866.8	1 032.7	692.2	1 664.8	729.7	677.0	834.0	72.1%
Receivables and prepayments	1 061.0	1 034.9	1 232.3	923.1	1 046.4	1 251.6	1 055.8	1 284.9	102.3%
Cash and cash equivalents	(278.3)	217.7	–	145.4	200.0	59.2	20.0	20.0	-759.4%
Defined benefit plan assets	–	155.3	–	69.2	9.6	155.7	–	155.7	5 552.8%
Derivatives financial instruments	–	4.8	–	6.8	4.8	8.2	6.8	8.2	243.2%
Total assets	4 254.2	4 871.0	4 356.6	4 259.3	6 034.4	5 196.1	3 898.9	4 834.9	103.3%
Accumulated surplus/(deficit)	1 034.4	1 115.8	779.9	1 347.9	2 140.7	2 397.1	1 206.4	1 843.5	129.9%
Capital and reserves	2.0	3.1	2.5	5.8	3.1	7.0	5.8	7.0	171.0%
Capital reserve fund	–	435.7	–	368.6	337.8	348.7	326.7	393.2	232.7%
Borrowings	1 221.2	788.4	1 281.3	343.1	410.2	26.8	–	–	39.8%
Finance lease	–	389.0	256.0	57.2	1.1	92.2	0.2	–	209.2%
Deferred income	140.0	122.8	450.4	103.2	82.8	218.8	115.4	168.6	77.8%
Trade and other payables	942.4	932.8	964.9	700.8	1 668.9	725.5	899.6	778.2	70.1%
Taxation	–	63.0	–	69.0	–	134.9	–	201.0	–
Provisions	767.1	993.0	621.5	1 236.2	1 287.7	1 222.9	1 317.2	1 421.3	122.0%
Derivatives financial instruments	147.1	27.4	–	27.4	102.0	22.2	27.6	22.2	35.8%
Total equity and liabilities	4 254.2	4 871.0	4 356.6	4 259.3	6 034.4	5 196.1	3 898.9	4 834.9	103.3%

Statements of estimates of financial performance and position

Table 3.23 South African Broadcasting Corporation Limited 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	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Revenue								
Non-tax revenue	7 394.6	7.2%	90.6%	7 571.7	7 903.6	8 231.6	3.6%	91.4%
Sale of goods and services other than capital assets	7 372.7	7.5%	89.6%	7 532.5	7 882.4	8 221.8	3.7%	91.1%
of which:								
Administrative fees	1 106.7	5.9%	13.6%	1 092.6	1 157.4	1 225.8	3.5%	13.5%
Sales by market establishment	6 266.0	7.8%	76.1%	6 439.9	6 725.1	6 996.0	3.7%	77.6%
Other non-tax revenue	21.9	-32.8%	0.9%	39.2	21.2	9.9	-23.4%	0.3%
Transfers received	725.9	10.9%	9.4%	702.6	735.6	767.3	1.9%	8.6%
Total revenue	8 120.5	7.5%	100.0%	8 274.3	8 639.2	8 998.9	3.5%	100.0%
Expenses								
Current expenses	7 854.9	8.9%	98.4%	8 676.6	9 212.7	9 560.1	6.8%	99.0%
Compensation of employees	2 431.1	15.5%	28.3%	2 419.9	2 681.2	2 957.4	6.7%	29.0%
Goods and services	5 146.3	7.5%	64.7%	5 925.5	6 204.9	6 231.5	6.6%	64.9%
Depreciation	271.8	0.6%	4.5%	341.8	337.8	362.4	10.1%	3.6%
Interest, dividends and rent on land	5.6	-61.9%	0.8%	(10.7)	(11.2)	8.9	16.4%	-
Transfers and subsidies	92.6	8.1%	1.2%	77.0	85.3	94.1	0.5%	1.0%
Total expenses	7 947.5	8.7%	100.0%	8 912.4	9 510.3	9 868.8	7.5%	100.0%
Surplus/(Deficit)	173.0	-20.4%	-	(638.0)	(871.0)	(870.0)	-271.3%	-
Statement of financial position								
Carrying value of assets	1 587.6	2.0%	30.9%	1 545.8	1 658.1	1 745.7	3.2%	36.4%
of which:								
Acquisition of assets	350.0	49.6%	3.6%	321.4	460.9	460.9	9.6%	8.9%
Investments	944.5	-4.8%	24.1%	687.2	261.9	195.0	-40.9%	11.4%
Inventory	834.0	-1.3%	16.3%	878.7	922.5	968.5	5.1%	20.1%
Receivables and prepayments	1 284.9	7.5%	23.4%	1 345.2	1 408.7	1 466.4	4.5%	30.7%
Cash and cash equivalents	20.0	-54.9%	2.4%	20.0	20.0	20.0	-	0.4%
Defined benefit plan assets	155.7	0.1%	2.8%	-	-	-	-100.0%	0.8%
Derivatives financial instruments	8.2	20.1%	0.1%	8.2	8.2	8.2	-	0.2%
Total assets	4 834.9	-0.2%	100.0%	4 485.2	4 279.3	4 403.8	-3.1%	100.0%
Accumulated surplus/(deficit)	1 843.5	18.2%	34.7%	1 501.7	1 029.8	559.5	-32.8%	27.1%
Capital and reserves	7.0	30.5%	0.1%	7.0	7.0	7.0	-	0.2%
Capital reserve fund	393.2	-3.4%	8.1%	347.9	335.5	290.9	-9.6%	7.6%
Borrowings	-	-100.0%	6.2%	-	-	356.9	-	2.0%
Deferred income	168.6	11.1%	3.2%	208.0	219.3	231.0	11.1%	4.6%
Trade and other payables	778.2	-5.9%	16.4%	584.2	634.5	659.9	-5.3%	14.7%
Taxation	201.0	47.2%	2.4%	201.0	201.0	201.0	-	4.5%
Provisions	1 421.3	12.7%	25.6%	1 613.3	1 830.0	2 075.4	13.4%	38.8%
Derivatives financial instruments	22.2	-6.8%	0.5%	22.2	22.2	22.2	-	0.5%
Total equity and liabilities	4 834.9	-0.2%	100.0%	4 485.2	4 279.3	4 403.8	-23.2%	100.0%

Other public entities and agencies

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 2015/16 is R173.2 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. The board's total budget for 2015/16 is R88.5 million.
- The **Independent Communications Authority of South Africa** makes regulations and issues communication licences. In addition, it enforces compliance with rules and regulation; 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 2015/16 is R392.3 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 2015/16 is R49.2 million.

Vote 4

Cooperative Governance and Traditional Affairs

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	248.0	242.8	0.1	5.1	257.2	269.2
Policy, Research and Knowledge Management	22.1	22.1	–	–	21.8	23.1
Governance and Intergovernmental Relations	50 321.3	46.5	50 274.8	0.0	52 976.4	55 625.5
National Disaster Management Centre	606.8	51.1	553.2	2.4	574.7	479.8
Provincial and Municipal Government Systems	328.1	37.6	290.4	0.1	346.2	369.6
Infrastructure and Economic Development	17 668.4	2 408.5	15 259.8	0.2	19 159.6	20 857.6
Traditional Affairs	119.4	–	119.4	–	124.8	133.9
Total expenditure estimates	69 314.2	2 808.6	66 497.8	7.8	73 460.7	77 758.7

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, public entities, donor funding, public private partnerships, conditional allocations 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 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, seeking to transform and strengthen key institutions and mechanisms of governance to fulfil their development 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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Total number of municipalities supported to implement a revised national framework on funding for ward committees	Governance and Intergovernmental Relations	Outcome 9: A responsive, accountable, effective and efficient developmental local government system	40	70	84	278	278	278	278
Total number of fully functional disaster management centres (of 62) across the three spheres of government	National Disaster Management Centre		40	40	50	54	58	60	62
Number of smaller municipalities (of 136) supported to implement the revised integrated development planning framework	Provincial and Municipal Government Systems		– ¹	– ¹	70	136	136	136	136
Total number of provinces assessed for institutional capacity per year	Provincial and Municipal Government Systems		– ¹	– ¹	4	9	9	9	9
Value of municipalities' municipal infrastructure grant spending per year	Infrastructure and Economic Development		R11.5bn	R13.9bn	R14.4bn	R14.5bn	R15.0bn	R15.5bn	R16.4bn
Number of work opportunities created through the community work programme per year	Infrastructure and Economic Development		105 218	205 494	172 000	187 000	197 000	362 000	362 000
Total number of municipalities (of 40 targeted municipalities) supported in implementing local economic development programmes per year	Infrastructure and Economic Development		5	25	25	30	35	40	40
Total number of towns and cities implementing the Clean Cities and Towns programme	Infrastructure and Economic Development		8	8	8	8	8	8	8

1. Historical data is not available, as measurement of this indicator only began in 2011/12.

Expenditure analysis

The Department of Cooperative Governance will focus over the medium term on the implementation of the Back to Basics action plan. Launched in September 2014, Back to Basics aims to ensure that all municipalities perform their basic responsibilities and functions. The plan's building blocks include good governance, public participation, financial management, infrastructure services and institutional capacity. The plan is aligned with outcome 9 of government's 2014-2019 medium term strategic framework (a responsive, accountable and efficient local government). Back to Basics is a framework for collective action, and outlines how each sphere of government commits itself to addressing the challenges that local government faces in delivering services. As part of its contribution to the 2012 national infrastructure plan, the department develops consolidated and integrated infrastructure plans with other sectors and provinces, ensuring effective levels of spending on infrastructure maintenance. Crucial to this integrated approach is a system of performance measurement.

The department's community work programme will contribute to the national development plan goal of broadening work opportunities through community based employment schemes.

The bulk of the department's spending over the medium term is in the *Governance and Intergovernmental Relations* programme, which transfers the equitable share to fund basic services, free basic services and the general operational costs of municipalities. The programme's budget over the MTEF period is R158.9 billion.

The number of filled funded posts in the department is expected to increase from 540 in 2014/15 to 560 in 2017/18 to support the rollout of Back to Basics.

Infrastructure services and institutional capacity

The department supports municipalities to deliver municipal infrastructure through transfers from its municipal infrastructure grant, which is allocated R46.9 billion over the MTEF period. The grant is in the *Infrastructure and Economic Development* programme, the department's second largest spending programme. Over the medium term, the department will deploy 20 municipal infrastructure grant specialists to provincial and district task teams. The specialists will conduct diagnostic assessments and develop action plans for all priority municipalities, particularly for accelerating the rollout of projects funded by the grant. This specialist input is

expected to result in providing 86 241 households with water, 52 140 households with sanitation, 4 757 households with access to community lighting, and 582km of new roads.

Cabinet has approved a budget reduction of R481 million to the municipal infrastructure grant over the medium term.

Performance measurement

Over the medium term, the department will establish a coordinated monitoring system for local government performance, with the associated data requirements, including integrated data from multiple sources. Data analysis will allow the department and other stakeholders to understand key trends per municipality, undertake rapid assessments, and measure performance across all the Back to Basic performance areas. Spending for establishing the system is in the *Administration* programme through the IT unit. The system will be managed by personnel in the *Governance and Intergovernmental Relations* programme.

Broadening work opportunities

The community work programme is a government programme that aims to tackle poverty and provide livelihood support for poor households by providing participants with a minimum number of regular days of work to supplement their existing livelihoods. The programme has been housed in the Department of Cooperative Governance since 2010. Over the medium term, the department expects to provide employment to 362 000 participants with a budget of R9.7 billion in the *Infrastructure and Economic Development* programme. Contractors are the implementing agents of the community work programme at the local level, and spending on contractors is projected to grow by approximately 21.2 per cent from 2014/15 to 2017/18.

R586 million in Cabinet approved reductions will be effected on the community work programme over the medium term. However, the programme's budget grows by 19.7 per cent over the period.

Expenditure trends

Table 4.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Policy, Research and Knowledge Management														
3. Governance and Intergovernmental Relations														
4. National Disaster Management Centre														
5. Provincial and Municipal Government Systems														
6. Infrastructure and Economic Development														
7. Traditional 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	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Programme 1	212.6	208.5	226.8	201.4	239.9	216.5	248.8	251.9	247.5	252.1	252.5	252.5	103.1%	99.0%
Programme 2	46.0	40.3	17.2	46.1	17.7	17.1	19.7	20.5	15.5	21.1	21.1	21.1	53.3%	71.0%
Programme 3	34 213.9	34 474.2	33 270.8	37 981.9	38 108.1	37 364.2	40 706.7	40 722.9	39 080.2	44 618.8	44 618.8	44 618.8	98.0%	97.7%
Programme 4	821.2	812.8	80.7	555.2	556.5	114.1	585.1	705.4	423.9	650.8	807.8	807.8	54.6%	49.5%
Programme 5	248.3	252.4	252.4	284.7	274.4	274.3	272.1	281.6	291.9	289.5	288.0	288.0	101.1%	100.9%
Programme 6	12 307.9	12 327.8	12 285.1	15 544.2	15 551.2	15 341.3	16 315.2	16 371.4	16 231.0	17 268.6	17 349.8	17 349.8	99.6%	99.4%
Programme 7	83.8	88.6	88.6	102.1	107.4	106.9	105.2	105.2	111.7	111.9	115.9	115.9	105.0%	101.5%
Total	47 933.6	48 204.7	46 221.6	54 715.6	54 855.2	53 434.4	58 252.7	58 458.9	56 401.6	63 212.7	63 453.9	63 453.9	97.9%	97.6%
Change to 2014										241.2				
Budget estimate														

Table 4.2 Vote expenditure trends by programme and economic classification

Economic classification														
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Current payments	691.3	727.4	582.5	2 088.9	1 830.8	1 635.4	2 085.5	2 143.5	2 113.9	2 690.7	2 689.8	2 689.8	92.9%	95.0%
Compensation of employees	232.9	248.8	196.2	255.4	233.9	216.6	211.6	245.1	226.8	256.6	246.6	246.6	92.7%	91.0%
Goods and services of which:	458.4	478.6	386.2	1 833.5	1 597.0	1 418.8	1 873.9	1 898.4	1 887.1	2 434.1	2 443.2	2 443.2	93.0%	95.6%
Computer services	50.0	47.0	17.2	60.6	39.9	19.1	56.7	56.5	21.8	69.3	69.3	69.3	53.8%	59.9%
Consultants and professional services:	36.7	75.3	250.6	215.6	21.0	579.6	70.6	64.8	364.5	81.2	80.3	80.3	315.5%	528.2%
Business and advisory services														
Contractors	12.8	6.5	5.2	1 009.7	1 023.8	712.5	1 161.7	1 199.8	1 359.5	1 667.1	1 667.1	1 667.1	97.2%	96.1%
Inventory: Materials and supplies	193.4	193.4	0.1	350.0	350.0	0.0	407.9	407.9	0.1	450.0	460.0	460.0	32.8%	32.6%
Property payments	35.4	30.5	37.0	37.3	34.0	22.2	39.1	41.1	46.6	41.3	41.3	41.3	96.1%	100.1%
Travel and subsistence	45.1	45.1	28.4	54.2	44.1	30.4	41.9	39.3	35.4	36.9	35.5	35.5	72.8%	79.0%
Interest and rent on land	–	–	0.1	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies	47 222.4	47 457.0	45 630.3	52 607.2	53 007.7	51 782.3	56 155.3	56 304.4	54 272.5	60 513.3	60 755.4	60 755.4	98.1%	97.7%
Provinces and municipalities	46 545.9	46 546.7	44 884.2	52 495.2	52 495.2	51 322.8	55 708.9	55 842.9	53 811.7	60 024.5	60 261.7	60 261.7	97.9%	97.7%
Departmental agencies and accounts	86.1	86.3	165.6	101.3	374.2	323.8	435.3	435.3	441.6	477.2	481.8	481.8	128.4%	102.5%
Foreign governments and international organisations	–	–	0.2	–	0.3	0.3	–	–	0.4	–	0.3	0.3	–	212.8%
Public corporations and private enterprises	192.1	153.6	179.7	–	–	–	–	–	–	–	–	–	93.6%	116.9%
Non-profit institutions	10.2	10.2	5.7	10.6	5.9	3.7	11.1	11.1	13.9	11.7	11.7	11.7	80.2%	90.0%
Households	388.2	660.1	394.8	–	132.1	131.8	–	15.0	4.8	–	–	–	136.9%	65.8%
Payments for capital assets	19.8	19.8	7.6	19.6	15.7	15.7	11.8	10.2	14.8	8.7	8.7	8.7	78.1%	85.9%
Machinery and equipment	18.0	18.0	7.6	18.6	15.7	15.7	11.1	9.5	14.8	7.7	7.7	7.7	82.6%	89.8%
Software and other intangible assets	1.8	1.8	–	1.0	–	–	0.8	0.8	–	1.0	1.0	1.0	22.2%	28.5%
Payments for financial assets	0.1	0.5	1.2	–	0.9	0.9	–	0.8	0.4	–	–	–	2525.0%	114.0%
Total	47 933.6	48 204.7	46 221.6	54 715.6	54 855.2	53 434.4	58 252.7	58 458.9	56 401.6	63 212.7	63 453.9	63 453.9	97.9%	97.6%

Expenditure estimates

Table 4.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration 2. Policy, Research and Knowledge Management 3. Governance and Intergovernmental Relations 4. National Disaster Management Centre 5. Provincial and Municipal Government Systems 6. Infrastructure and Economic Development 7. Traditional Affairs								
Programme	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme 1	252.5	6.6%	0.4%	248.0	257.2	269.2	2.1%	0.4%
Programme 2	21.1	-19.4%	0.0%	22.1	21.8	23.1	3.0%	0.0%
Programme 3	44 618.8	9.0%	70.3%	50 321.3	52 976.4	55 625.5	7.6%	71.7%
Programme 4	807.8	-0.2%	0.6%	606.8	574.7	479.8	-15.9%	0.9%
Programme 5	288.0	4.5%	0.5%	328.1	346.2	369.6	8.7%	0.5%
Programme 6	17 349.8	12.1%	27.9%	17 668.4	19 159.6	20 857.6	6.3%	26.4%
Programme 7	115.9	9.4%	0.2%	119.4	124.8	133.9	4.9%	0.2%
Total	63 453.9	9.6%	100.0%	69 314.2	73 460.7	77 758.7	7.0%	100.0%
Change to 2014 Budget estimate				(326.6)	(791.6)	(213.2)		

Table 4.3 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	2014/15	2011/12 - 2014/15					2014/15 - 2017/18	
Current payments	2 689.8	54.6%	3.2%	2 808.6	3 701.1	4 517.1	18.9%	4.8%
Compensation of employees	246.6	-0.3%	0.4%	271.8	288.5	306.7	7.5%	0.4%
Goods and services	2 443.2	72.2%	2.8%	2 536.8	3 412.6	4 210.4	19.9%	4.4%
of which:								
Computer services	69.3	13.8%	0.1%	71.1	74.1	78.0	4.0%	0.1%
Consultants and professional services: Business and advisory services	80.3	2.1%	0.6%	71.0	72.1	78.8	-0.6%	0.1%
Contractors	1 667.1	536.4%	1.7%	1 774.6	2 526.7	3 120.4	23.2%	3.2%
Inventory: Materials and supplies	460.0	33.5%	0.2%	456.0	575.2	755.7	18.0%	0.8%
Property payments	41.3	10.7%	0.1%	44.8	48.0	50.2	6.7%	0.1%
Travel and subsistence	35.5	-7.7%	0.1%	34.0	33.7	41.4	5.3%	0.1%
Interest and rent on land	—	—	—	—	—	—	—	—
Transfers and subsidies	60 755.4	8.6%	96.8%	66 497.8	69 751.8	73 233.5	6.4%	95.2%
Provinces and municipalities	60 261.7	9.0%	95.8%	66 007.2	69 246.7	72 700.3	6.5%	94.4%
Departmental agencies and accounts	481.8	77.4%	0.6%	174.5	173.1	184.5	-27.4%	0.4%
Foreign governments and international organisations	0.3	—	—	—	—	—	-100.0%	—
Public corporations and private enterprises	—	-100.0%	—	304.0	319.4	335.3	—	0.3%
Non-profit institutions	11.7	4.7%	—	12.1	12.7	13.4	4.6%	—
Households	—	-100.0%	0.2%	—	—	—	—	—
Payments for capital assets	8.7	-24.0%	0.0%	7.8	7.8	8.0	-2.6%	—
Machinery and equipment	7.7	-24.7%	—	7.8	7.8	8.0	1.5%	—
Software and other intangible assets	1.0	-17.2%	—	—	—	—	-100.0%	—
Payments for financial assets	—	-100.0%	—	—	—	—	—	—
Total	63 453.9	9.6%	100.0%	69 314.2	73 460.7	77 758.7	7.0%	100.0%

Personnel information

Table 4.4 Vote personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. Policy, Research and Knowledge Management																			
3. Governance and Intergovernmental Relations																			
4. National Disaster Management Centre																			
5. Provincial and Municipal Government Systems																			
6. Infrastructure and Economic Development																			
7. Traditional Affairs																			
Number of posts estimated for 31 March 2015			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 (%)			
			2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Cooperative Governance			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Salary level	540	–	381	226.8	0.6	540	246.6	0.5	560	271.8	0.5	560	288.5	0.5	560	306.7	0.5	1.2%	100.0%
1 – 6	175	–	101	28.8	0.3	175	30.9	0.2	180	31.5	0.2	180	34.8	0.2	180	37.7	0.2	0.9%	32.2%
7 – 10	143	–	89	34.7	0.4	143	47.2	0.3	152	53.9	0.4	152	60.0	0.4	152	63.5	0.4	2.1%	27.0%
11 – 12	93	–	74	51.7	0.7	93	53.1	0.6	96	56.7	0.6	96	58.8	0.6	96	62.1	0.6	1.1%	17.2%
13 – 16	129	–	117	111.6	1.0	129	115.3	0.9	132	129.7	1.0	132	134.9	1.0	132	143.5	1.1	0.8%	23.6%
Programme	540	–	381	226.8	0.6	540	246.6	0.5	560	271.8	0.5	560	288.5	0.5	560	306.7	0.5	1.2%	100.0%
Programme 1	291	–	184	114.0	0.6	291	115.0	0.4	291	121.6	0.4	291	129.5	0.4	291	138.1	0.5	–	52.4%
Programme 2	27	–	26	10.5	0.4	27	11.2	0.4	27	13.4	0.5	27	13.4	0.5	27	14.3	0.5	–	4.9%
Programme 3	43	–	36	22.1	0.6	43	25.7	0.6	43	27.4	0.6	43	27.3	0.6	43	29.1	0.7	–	7.7%
Programme 4	34	–	31	18.5	0.6	34	20.8	0.6	34	21.5	0.6	34	21.4	0.6	34	22.8	0.7	–	6.1%
Programme 5	47	–	38	23.5	0.6	47	23.0	0.5	47	25.2	0.5	47	25.1	0.5	47	26.9	0.6	–	8.5%
Programme 6	98	–	66	38.2	0.6	98	50.9	0.5	118	62.7	0.5	118	71.8	0.6	118	75.6	0.6	6.4%	20.4%

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

2. Rand million.

Departmental receipts

Table 4.5 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 (%)
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
Departmental receipts	1 092	984	1 220	988	988	-3.3%	100.0%	1 043	1 100	1 155	5.3%	100.0%
Sales of goods and services produced by department	309	261	174	171	171	-17.9%	21.4%	163	163	166	-1.0%	15.5%
Sales by market establishments	158	166	94	171	171	2.7%	13.7%	163	163	166	-1.0%	15.5%
of which:												
Rental parking:	95	113	94	116	116	6.9%	9.8%	108	108	110	-1.8%	10.3%
Covered and open												
Commission: Insurance and garnishee	63	48	–	50	50	-7.4%	3.8%	55	55	56	3.8%	5.0%
Sale of Assets <R5000	–	1	–	1	1	–	–	–	–	–	-100.0%	–
Reimbursement of goods issued	–	1	–	1	1	–	–	–	–	–	-100.0%	–
Replacement of security cards	–	3	–	3	3	–	0.1%	–	–	–	-100.0%	0.1%
Other sales	151	95	80	–	–	-100.0%	7.6%	–	–	–	–	–
of which:												
Capital equipment	151	95	80	–	–	-100.0%	7.6%	–	–	–	–	–
Sales of scrap, waste, arms and other used current goods	2	1	1	5	5	35.7%	0.2%	5	5	5	–	0.5%
of which:												
Sales of paper	2	1	1	5	5	35.7%	0.2%	5	5	5	–	0.5%
Interest, dividends and rent on land	2	–	–	2	2	–	0.1%	2	2	2	–	0.2%
Interest	2	–	–	2	2	–	0.1%	2	2	2	–	0.2%
Sales of capital assets	–	–	16	60	60	–	1.8%	93	150	182	44.8%	11.3%
Transactions in financial assets and liabilities	779	722	1 029	750	750	-1.3%	76.6%	780	780	800	2.2%	72.6%
Total	1 092	984	1 220	988	988	-3.3%	100.0%	1 043	1 100	1 155	5.3%	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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Ministry	26.9	35.0	36.7	31.0	4.8%	13.7%	27.8	27.8	29.4	-1.7%	11.3%
Management	12.3	12.8	15.7	20.1	17.8%	6.5%	21.1	21.0	22.2	3.4%	8.2%
Chief Operating Officer	34.9	16.3	11.8	19.8	-17.2%	8.8%	15.5	16.3	15.3	-8.4%	6.5%
Corporate Services	70.9	78.5	80.6	82.3	5.1%	33.1%	84.8	91.7	96.7	5.5%	34.6%
Financial Services	20.7	24.5	27.0	29.0	12.0%	10.7%	30.3	30.6	32.3	3.6%	11.9%
Communication and Liaison	12.1	11.4	15.7	14.2	5.3%	5.7%	11.7	11.8	12.3	-4.6%	4.9%
Legislation Review and Drafting	10.2	6.4	6.6	11.5	3.9%	3.7%	11.5	12.0	12.6	3.2%	4.6%
Internal Audit and Risk Management	9.6	8.3	8.7	10.6	3.4%	4.0%	9.9	8.6	9.0	-5.4%	3.7%
Office Accommodation	29.1	23.2	44.5	34.0	5.3%	13.9%	35.6	37.5	39.4	5.0%	14.3%
Total	226.8	216.5	247.5	252.5	3.6%	100.0%	248.0	257.2	269.2	2.1%	100.0%
Change to 2014 Budget estimate				0.5			(11.2)	(17.5)	(20.5)		

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

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome							2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
Current payments	211.5	201.5	236.6	245.7	5.1%	94.9%	242.8	251.9	263.8	2.4%	97.8%
Compensation of employees	106.8	106.1	114.0	115.0	2.5%	46.8%	121.6	129.5	138.1	6.3%	49.1%
Goods and services	104.6	95.4	122.6	130.7	7.7%	48.1%	121.2	122.4	125.7	-1.3%	48.7%
of which:											
Audit costs: External	5.1	5.6	7.6	7.4	13.5%	2.7%	7.6	8.0	8.4	4.4%	3.1%
Communication	6.5	6.7	7.8	7.9	6.9%	3.1%	10.4	8.7	7.0	-3.7%	3.3%
Computer services	7.5	14.2	14.3	11.2	14.3%	5.0%	10.5	11.0	11.6	1.1%	4.3%
Consultants and professional services:	6.0	3.5	3.4	5.0	-5.9%	1.9%	5.2	5.5	5.8	5.0%	2.1%
Legal costs											
Property payments	37.0	22.0	46.6	41.3	3.8%	15.6%	44.8	48.0	50.2	6.7%	17.9%
Travel and subsistence	14.2	13.0	15.5	13.4	-1.9%	5.9%	11.8	11.9	12.4	-2.4%	4.8%
Interest and rent on land	0.1	—	—	—	-100.0%	—	—	—	—	—	—
Transfers and subsidies	7.2	1.1	1.0	0.8	-52.8%	1.1%	0.1	0.1	0.1	-47.7%	0.1%
Provinces and municipalities	—	—	—	0.1	92.6%	—	0.1	0.1	0.1	2.9%	—
Departmental agencies and accounts	—	—	—	0.7	—	0.1%	—	—	—	-100.0%	0.1%
Households	7.2	1.1	1.0	—	-100.0%	1.0%	—	—	—	—	—
Payments for capital assets	7.0	13.0	9.5	6.1	-4.4%	3.8%	5.1	5.1	5.3	-4.4%	2.1%
Machinery and equipment	7.0	13.0	9.5	5.1	-9.9%	3.7%	5.1	5.1	5.3	1.5%	2.0%
Software and other intangible assets	—	—	—	1.0	—	0.1%	—	—	—	-100.0%	0.1%
Payments for financial assets	1.2	0.9	0.4	—	-100.0%	0.3%	—	—	—	—	—
Total	226.8	216.5	247.5	252.5	3.6%	100.0%	248.0	257.2	269.2	2.1%	100.0%
Proportion of total programme expenditure to vote expenditure	0.5%	0.4%	0.4%	0.4%	—	—	0.4%	0.4%	0.3%	—	—
Details of selected transfers and subsidies											
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	—	—	—	0.1	92.6%	—	0.1	0.1	0.1	2.9%	—
Vehicle licences	—	—	—	0.1	92.6%	—	0.1	0.1	0.1	2.9%	—
Households											
Social benefits											
Current	7.2	1.1	1.0	—	-100.0%	1.0%	—	—	—	—	—
Employee social benefits	7.2	1.1	1.0	—	-100.0%	1.0%	—	—	—	—	—
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	—	—	—	0.7	—	0.1%	—	—	—	-100.0%	0.1%
Public Service Sector Education and Training Authority	—	—	—	0.7	—	0.1%	—	—	—	-100.0%	0.1%

Programme 2: Policy, Research and Knowledge Management

Programme purpose

Provide specialised support services to the department in the areas of research and knowledge management, policy formulation, monitoring and evaluation, information, communication and business technologies.

Objectives

- Strengthen provincial and local governance systems by undertaking research and improving knowledge management capacity in support of the Back to Basics approach by March 2016.

Subprogrammes

- Management: Research and Policy* provides strategic leadership to the programme.
- Policy and Research Methods* provides policy and research support in relation to the governance system and the management of powers and functions, to enhance the regulatory, institutional and support framework for local government.
- Knowledge and Information Management* provides knowledge and information management in the department for local government.

Expenditure trends and estimates

Table 4.7 Policy, Research 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 (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	Expenditure/ Total: Average (%)	2015/16	2016/17	2017/18	2014/15 - 2017/18	Expenditure/ Total: Average (%)
R million											
Management: Research and Policy	2.8	3.2	3.0	4.3	15.2%	18.7%	6.1	5.7	6.1	12.8%	25.2%
Policy and Research Methods	6.6	5.8	5.8	7.1	2.6%	35.8%	5.6	5.5	5.8	-6.9%	27.2%
Knowledge and Information Management	7.8	8.1	6.6	9.7	7.7%	45.5%	10.3	10.7	11.2	4.8%	47.6%
Total	17.2	17.1	15.5	21.1	7.1%	100.0%	22.1	21.8	23.1	3.0%	100.0%
Change to 2014 Budget estimate							(2.3)	(4.0)	(4.8)		
Economic classification											
Current payments	17.1	16.9	15.4	21.1	7.3%	99.6%	22.1	21.8	23.1	3.0%	100.0%
Compensation of employees	12.4	11.8	10.5	11.2	-3.4%	64.8%	13.4	13.4	14.3	8.4%	59.3%
Goods and services	4.7	5.1	4.9	9.9	28.7%	34.8%	8.7	8.5	8.8	-3.9%	40.7%
of which:											
Catering: Departmental activities	0.1	0.1	0.1	0.5	82.4%	1.1%	0.5	0.5	0.5	1.4%	2.3%
Computer services	0.3	-	0.1	1.0	53.4%	1.9%	1.0	1.1	1.1	4.1%	4.8%
Consultants and professional services: Business and advisory services	1.8	1.3	2.3	3.6	24.9%	12.7%	2.5	2.6	2.8	-8.4%	13.0%
Consumables: Stationery, printing and office supplies	1.0	1.8	0.8	0.5	-20.6%	5.8%	1.0	1.0	1.0	25.7%	3.9%
Travel and subsistence	0.8	0.7	0.8	1.4	19.7%	5.3%	2.1	2.0	2.1	13.9%	8.6%
Venues and facilities	0.1	-	0.1	0.4	73.0%	0.8%	0.3	0.3	0.3	-7.5%	1.5%
Payments for capital assets	0.1	0.1	0.1	-	-100.0%	0.4%	-	-	-	-	-
Machinery and equipment	0.1	0.1	0.1	-	-100.0%	0.4%	-	-	-	-	-
Total	17.2	17.1	15.5	21.1	7.1%	100.0%	22.1	21.8	23.1	3.0%	100.0%

Programme 3: Governance and Intergovernmental Relations

Programme purpose

Improve vertical and horizontal coordination and alignment between the three spheres of government. Promote public participation in governance through regulatory mechanisms. Provide oversight, intervention and support programmes to provinces, municipalities and associated institutions.

Objectives

- Strengthen intergovernmental fiscal relations by managing the transfers to the municipal infrastructure grant, the municipal systems improvement grant and the local government equitable share, in line with the Division of Revenue Act, on an ongoing basis.
- Support municipalities' efforts to increase revenue by monitoring the implementation of the Municipal Property Rates Act (2004) and, where required, providing guidance to municipalities on an ongoing basis.
- Strengthen the capacity and functionality of ward committees by providing support to municipalities in the development and implementation of ward level operational plans by March 2016.
- Manage the disbursement of the municipal infrastructure grant to municipalities through performance monitoring and reporting in order to improve spending on infrastructure by March 2016.
- Contribute to reducing incidents of corruption in municipalities by establishing partnerships with agencies and stakeholders to ensure that allegations of corruption are investigated and reduced by March 2016.
- Contribute to improving local government audit outcomes by implementing post-audit action plans that will improve financial management and revenue enhancement in local government by March 2016.
- Strengthen intergovernmental relations, coordination and cooperation by finalising functionality assessments of intergovernmental structures at each sphere of government, and produce guidelines that will improve their coordination abilities, by March 2016.

Subprogrammes

- **Management: Governance and Intergovernmental Relations** provides strategic leadership to the programme.
- *Intergovernmental Relations Coordination* administers the Intergovernmental Relations Framework Act (2005).
- *Intergovernmental Fiscal Relations* strengthens intergovernmental fiscal relations through local government equitable share transfers, manages the transfers to municipalities for the municipal infrastructure grant and municipal systems improvement grant, and manages the Municipal Property Rates Act (2004).
- *Governance and Public Participation* deepens participatory democracy through common standards and practices of accountability that will strengthen the functionality of ward committees by facilitating community feedback and providing other engagement mechanisms.
- *South African Local Government Association* makes transfers to the South African Local Government Association to fund operational activities, including capacity building programmes for councillors, local government research, and knowledge sharing initiatives. This subprogramme's total budget is transferred in full to the association.
- *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.
- *United Cities and Local Government of Africa* makes transfers to United Cities and Local Government of Africa to fund operational activities, to enhance cooperation and knowledge sharing among local governments in Africa and to improve the delivery of services to communities across the continent. This subprogramme's total budget is transferred in full to the association.
- *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.

Expenditure trends and estimates

Table 4.8 Governance and Intergovernmental 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 (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2014/15 - 2017/18	2014/15 - 2017/18
Management: Governance	4.1	4.5	9.8	16.5	59.2%	–	20.8	19.8	21.0	8.2%	–	–
Intergovernmental Relations Coordination	3.6	5.6	5.0	9.9	39.9%	–	9.6	10.0	10.5	2.0%	–	–
Intergovernmental Fiscal Relations	17.4	141.0	15.6	13.1	-8.9%	0.1%	10.8	11.5	12.1	-2.5%	–	–
Governance and Public Participation	2.8	2.9	3.5	6.3	31.6%	–	5.3	5.4	5.7	-3.2%	–	–
South African Local Government Association	25.5	26.7	26.0	26.9	1.8%	0.1%	9.2	–	–	-100.0%	–	–
Municipal Demarcation Board	38.5	40.4	42.2	44.2	4.7%	0.1%	45.8	48.2	50.6	4.6%	0.1%	–
South African Cities Network	5.3	3.7	11.8	6.1	4.7%	–	6.3	6.6	7.0	4.6%	–	–
United Cities and Local Government of Africa	0.4	–	2.1	5.6	134.5%	–	5.8	6.1	6.4	4.6%	–	–
Local Government Equitable Share	33 173.2	37 139.5	38 964.3	44 490.1	10.3%	99.6%	50 207.7	52 868.7	55 512.1	7.7%	99.8%	–
Total	33 270.8	37 364.2	39 080.2	44 618.8	10.3%	100.0%	50 321.3	52 976.4	55 625.5	7.6%	100.0%	–
Change to 2014 Budget estimate				–			(19.9)	(33.3)	(34.6)			

Table 4.8 Governance and Intergovernmental Relations expenditure trends and estimates by subprogramme and economic classification

Economic classification						Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	Audited outcome				Adjusted appropriation							
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18			
Current payments	22.9	23.3	30.0	45.8	26.0%	0.1%	46.5	46.7	49.3	2.5%	0.1%	
Compensation of employees	17.3	18.8	22.1	25.7	14.0%	0.1%	27.4	27.3	29.1	4.3%	0.1%	
Goods and services	5.6	4.6	7.9	20.2	53.6%	–	19.2	19.4	20.2	0.1%	–	
of which:												
Consultants and professional services:	3.0	1.2	1.8	7.9	38.4%	–	7.2	7.8	8.1	1.1%	–	
Business and advisory services												
Contractors	–	–	0.0	1.2	–	–	1.7	1.2	1.3	4.2%	–	
Agency and support/outourced services	–	–	–	0.7	–	–	0.7	0.7	0.8	5.0%	–	
Consumables: Stationery, printing and office supplies	0.3	0.3	0.5	1.3	62.0%	–	1.3	1.3	1.3	1.1%	–	
Travel and subsistence	1.3	2.2	2.8	4.0	45.4%	–	3.6	3.6	3.7	-2.6%	–	
Venues and facilities	0.4	0.2	0.9	2.4	90.2%	–	2.4	2.4	2.5	1.2%	–	
Transfers and subsidies	33 247.8	37 340.8	39 050.2	44 572.9	10.3%	99.9%	50 274.8	52 929.6	55 576.1	7.6%	99.9%	
Provinces and municipalities	33 173.2	37 139.5	38 964.3	44 490.1	10.3%	99.6%	50 207.7	52 868.7	55 512.1	7.7%	99.8%	
Departmental agencies and accounts	64.0	67.1	68.2	71.1	3.6%	0.2%	55.0	48.2	50.6	-10.7%	0.1%	
Non-profit institutions	5.7	3.7	13.9	11.7	26.8%	–	12.1	12.7	13.4	4.6%	–	
Households	4.9	130.6	3.9	–	-100.0%	0.1%	–	–	–	–	–	
Total	33 270.8	37 364.2	39 080.2	44 618.8	10.3%	100.0%	50 321.3	52 976.4	55 625.5	7.6%	100.0%	
Proportion of total programme expenditure to vote expenditure	72.0%	69.9%	69.3%	70.3%	–	–	72.6%	72.1%	71.5%	–	–	
Details of selected transfers and subsidies												
Provinces and municipalities												
Municipalities												
Municipal bank accounts												
Current	33 173.2	37 139.5	38 964.3	44 490.1	10.3%	99.6%	50 207.7	52 868.7	55 512.1	7.7%	99.8%	
Local Government Equitable Share	33 173.2	37 139.5	38 964.3	44 490.1	10.3%	99.6%	50 207.7	52 868.7	55 512.1	7.7%	99.8%	
Households												
Social benefits												
Current	4.9	130.6	3.9	–	-100.0%	0.1%	–	–	–	–	–	
Ex-councillors	4.9	130.6	3.9	–	-100.0%	0.1%	–	–	–	–	–	
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	64.0	67.1	68.2	71.1	3.6%	0.2%	55.0	48.2	50.6	-10.7%	0.1%	
South African Local Government Association	25.5	26.7	26.0	26.9	1.8%	0.1%	9.2	–	–	-100.0%	–	
Municipal Demarcation Board	38.5	40.4	42.2	44.2	4.7%	0.1%	45.8	48.2	50.6	4.6%	0.1%	
Non-profit institutions												
Current	5.7	3.7	13.9	11.7	26.8%	–	12.1	12.7	13.4	4.6%	–	
South African Cities Network	5.3	3.7	11.8	6.1	4.7%	–	6.3	6.6	7.0	4.6%	–	
United Cities and Local Government of Africa	0.4	–	2.1	5.6	134.5%	–	5.8	6.1	6.4	4.6%	–	

Programme 4: National Disaster Management Centre

Programme purpose

Promote an integrated and coordinated system of disaster risk management that places special emphasis on prevention, mitigation and preparedness on the part of national, provincial and municipal organs of state, statutory functionaries, communities and other role players involved in disaster risk management.

Objectives

- Support the establishment and operation of effective fire services by developing a white paper on fire services by March 2016.
- Enhance and strengthen capacity in the disaster management fraternity by developing and implementing an integrated national disaster risk management education and training framework by March 2016.
- Create public awareness of disaster management by developing, implementing and monitoring the rollout of advocacy programmes by March 2016.
- Improve and strengthen the system of disaster management and fire services by developing and implementing a monitoring and evaluation framework by March 2016.

Subprogrammes

- *Management: Head of Disaster* provides strategic leadership to the programme.
- *Legislation, Policy and Compliance Management* develops disaster management and fire services policies and legislative frameworks derived from the Disaster Management Act (2002), the National Disaster Management Framework (2005) and the Fire Brigade Services Act (1987); and manages the improvement of legislative compliance across sectors and spheres of government.
- *Planning Coordination and Support* develops and coordinates the implementation of disaster risk reduction programmes, capacity building and strategic research across all three spheres of government; and provides for the allocation of disaster response, relief and rehabilitation funding when a disaster occurs.
- *Intelligence and Information Systems Management* guides the development of a comprehensive information management and communication system, and establishes integrated communication links with all role players in disaster management.
- *Disaster Relief Transfers* is a conditional allocation that aims to provide immediate relief after disasters. Transfers are made only when a disaster has been declared.
- *Integrated Disaster Management Monitoring and Evaluation Systems* develops and implements integrated support to provinces, and a monitoring and evaluation system for disaster management and fire services.
- *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 (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
R million											
Management: Head of Disaster	8.6	8.2	5.5	4.5	-19.7%	1.9%	6.8	6.1	5.4	6.7%	0.9%
Legislation, Policy and Compliance Management	6.5	6.4	7.3	6.1	-1.8%	1.8%	5.6	5.8	6.1	-0.1%	1.0%
Planning Coordination and Support	12.8	10.1	11.0	13.8	2.6%	3.3%	12.9	13.3	15.2	3.2%	2.2%
Intelligence and Information Systems Management	5.5	15.4	17.4	26.0	67.8%	4.5%	25.9	25.4	26.9	1.1%	4.2%
Disaster Relief Transfers	47.3	74.0	264.3	561.0	128.1%	66.4%	364.3	381.5	423.7	-8.9%	70.1%
Integrated Disaster Management Monitoring and Evaluation Systems	–	–	–	2.1	–	0.1%	2.3	2.7	2.5	5.8%	0.4%
Municipal Disaster Recovery Grant	–	–	118.3	194.3	–	21.9%	188.9	140.0	–	-100.0%	21.2%
Total	80.7	114.1	423.9	807.8	115.5%	100.0%	606.8	574.7	479.8	-15.9%	100.0%
Change to 2014				157.0			(50.3)	(94.6)	(222.9)		
Budget estimate											
Economic classification											
Current payments	32.9	37.6	36.1	50.2	15.1%	11.0%	51.1	50.9	53.6	2.2%	8.3%
Compensation of employees	16.0	19.9	18.5	20.8	9.2%	5.3%	21.5	21.4	22.8	3.2%	3.5%
Goods and services	16.9	17.7	17.6	29.4	20.2%	5.7%	29.6	29.5	30.8	1.6%	4.8%
of which:											
Computer services	9.2	3.7	6.1	7.6	-6.1%	1.9%	7.9	7.6	8.2	2.4%	1.3%
Consultants and professional services:	0.9	6.2	3.9	14.3	150.1%	1.8%	13.6	13.8	13.8	-1.1%	2.2%
Business and advisory services											
Consumables: Stationery, printing and office supplies	0.5	0.8	0.2	0.7	9.3%	0.2%	0.8	0.8	0.5	-7.5%	0.1%
Operating leases	0.7	–	–	1.6	31.0%	0.2%	1.7	1.8	1.9	4.4%	0.3%
Travel and subsistence	3.1	3.0	3.1	2.9	-2.2%	0.8%	3.0	3.0	3.5	6.8%	0.5%
Training and development	–	0.4	1.1	0.4	128.4%	0.1%	0.6	0.4	0.7	17.2%	0.1%
Transfers and subsidies	47.3	74.2	382.7	755.2	151.8%	88.3%	553.2	521.5	423.7	-17.5%	91.3%
Provinces and municipalities	47.3	74.0	382.7	755.2	151.8%	88.3%	553.2	521.5	423.7	-17.5%	91.3%
Households	–	0.2	–	–	–	–	–	–	–	–	–
Payments for capital assets	0.5	2.3	5.1	2.3	68.6%	0.7%	2.4	2.3	2.5	1.4%	0.4%
Machinery and equipment	0.5	2.3	5.1	2.3	68.6%	0.7%	2.4	2.3	2.5	1.4%	0.4%
Total	80.7	114.1	423.9	807.8	115.5%	100.0%	606.8	574.7	479.8	-15.9%	100.0%
Proportion of total programme expenditure to vote expenditure	0.2%	0.2%	0.8%	1.3%	–	–	0.9%	0.8%	0.6%	–	–

Table 4.9 National Disaster Management Centre 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	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	32.1	73.2	170.7	363.6	124.5%	44.8%	261.1	269.9	300.3	-6.2%	48.4%
Municipal disaster grant	32.1	73.2	170.7	363.6	124.5%	44.8%	261.1	269.9	300.3	-6.2%	48.4%
Capital	–	–	118.3	194.3	–	21.9%	188.9	140.0	–	-100.0%	21.2%
Municipal disaster recovery grant	–	–	118.3	194.3	–	21.9%	188.9	140.0	–	-100.0%	21.2%
Households											
Social benefits											
Current	–	0.2	–	–	–	–	–	–	–	–	–
Employee social benefits	–	0.2	–	–	–	–	–	–	–	–	–
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Current	15.1	0.9	93.6	197.4	135.4%	21.5%	103.2	111.5	123.4	-14.5%	21.7%
Provincial disaster grant	15.1	0.9	93.6	197.4	135.4%	21.5%	103.2	111.5	123.4	-14.5%	21.7%

Programme 5: Provincial and Municipal Government Systems

Programme purpose

Provide oversight, support programmes and evidence based regulatory mechanisms for provincial and municipal government and associated institutions, and facilitate effective development and service delivery.

Objectives

- Provide for local public administration and human resources development by developing legislative and regulatory frameworks by March 2016.
- Promote local participatory democracy and good governance through the development and implementation of uniform standards of accountability by March 2016.

Subprogrammes

- **Management:** Provincial and Local Government Support provides strategic leadership to the programme.
- *Provincial Government Support and Intervention* coordinates and monitors capacity building programmes.
- *Local Government Support and Intervention* develops legislative and regulatory frameworks for local government on public administration and human resources development.
- *Development Planning* provides support to provinces and municipalities to strengthen intergovernmental planning and attain development planning outcomes.
- *Municipal Systems Improvement Grant* makes transfers to assist municipalities in building in-house capacity to perform functions, and to stabilise institutional and governmental systems. This subprogramme's total budget is transferred in full to all municipalities.
- *Municipal Demarcation Transition Grant* makes transfers to assist municipalities in building in-house capacity to perform functions, and to stabilise institutional and governmental systems. This subprogramme's total budget is transferred in full to all municipalities.

Expenditure trends and estimates

Table 4.10 Provincial and Municipal Government Systems 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Management: Provincial and Local Government Support	9.7	13.6	9.0	7.7	-7.4%	3.6%	8.0	8.2	8.6	3.7%	2.4%
Provincial Government Support and Intervention	6.8	6.5	10.2	6.6	-0.8%	2.7%	5.0	5.2	5.5	-6.2%	1.7%
Local Government Support and Intervention	7.3	14.9	19.4	13.2	21.7%	5.0%	16.2	15.5	16.5	7.6%	4.6%
Development Planning	8.4	9.2	13.0	8.4	-0.3%	3.5%	8.5	8.9	10.2	6.7%	2.7%
Municipal Systems Improvement Grant	220.2	230.1	240.3	252.2	4.6%	85.2%	251.4	258.5	279.0	3.4%	78.2%
Municipal Demarcation Transition Grant	–	–	–	–	–	–	39.0	50.0	50.0	–	10.4%
Total	252.4	274.3	291.9	288.0	4.5%	100.0%	328.1	346.2	369.6	8.7%	100.0%
Change to 2014				(1.5)			27.8	29.7	36.6		
Budget estimate											
Economic classification											
Current payments	32.2	44.0	51.5	35.8	3.6%	14.8%	37.6	37.6	40.5	4.3%	11.4%
Compensation of employees	22.9	26.7	23.5	23.0	0.1%	8.7%	25.2	25.1	26.9	5.3%	7.5%
Goods and services	9.3	17.3	28.0	12.8	11.2%	6.1%	12.4	12.5	13.7	2.3%	3.9%
of which:											
Catering: Departmental activities	0.6	0.4	0.6	0.5	-5.1%	0.2%	0.5	0.5	0.5	0.3%	0.1%
Communication	0.3	0.6	0.4	0.6	26.6%	0.2%	0.6	0.6	0.6	3.3%	0.2%
Consultants and professional services:	1.1	6.4	16.4	7.3	90.0%	2.8%	7.3	7.3	8.3	4.4%	2.3%
Business and advisory services											
Consumables: Stationery, printing and office supplies	0.4	0.6	1.0	1.2	49.2%	0.3%	1.2	1.2	1.2	1.3%	0.4%
Travel and subsistence	5.9	6.9	4.3	2.0	-30.2%	1.7%	1.8	1.8	1.9	-1.8%	0.6%
Venues and facilities	0.2	0.4	2.9	0.4	22.9%	0.3%	0.4	0.4	0.4	1.4%	0.1%
Transfers and subsidies	220.2	230.1	240.3	252.2	4.6%	85.2%	290.4	308.5	329.0	9.3%	88.6%
Provinces and municipalities	220.2	230.1	240.3	252.2	4.6%	85.2%	290.4	308.5	329.0	9.3%	88.6%
Payments for capital assets	–	0.2	–	0.1	132.1%	–	0.1	0.1	0.1	1.3%	–
Machinery and equipment	–	0.2	–	0.1	132.1%	–	0.1	0.1	0.1	1.3%	–
Total	252.4	274.3	291.9	288.0	4.5%	100.0%	328.1	346.2	369.6	8.7%	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											
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	220.2	230.1	240.3	252.2	4.6%	85.2%	290.4	308.5	329.0	9.3%	88.6%
Municipal systems improvement grant	220.2	230.1	240.3	252.2	4.6%	85.2%	251.4	258.5	279.0	3.4%	78.2%
Municipal demarcation transition grant	–	–	–	–	–	–	39.0	50.0	50.0	–	10.4%

Programme 6: Infrastructure and Economic Development

Programme purpose

Support provincial and local government programmes and systems that promote economic and infrastructure development.

Objectives

- Strengthen local economic development by partnering with departments and the private sector, and reduce administrative red tape to stimulate ongoing competitive, inclusive and sustainable economies in municipalities.
- Create work opportunities and provide income security to the unemployed in the most marginalised communities by increasing the number of participants in the community work programme to 362 000 by March 2018.

Subprogrammes

- *Management: Infrastructure* provides strategic leadership to the programme.

- *Local Economic Development Planning* manages and supports the development and implementation of programmes that strengthen economic development in provinces and municipalities.
- *Infrastructure Development* facilitates collaboration between various stakeholders on municipal infrastructure development and the administration of the municipal infrastructure grant.
- *Municipal Infrastructure Grant* makes specific transfers to supplement municipal capital budgets to eradicate backlogs in municipal infrastructure delivery. This subprogramme's total budget is transferred in full to all municipalities.
- *Community Work Programme* guarantees participants two days of work a week, with a strong focus on generating local economic activity.

Expenditure trends and estimates

Table 4.11 Infrastructure 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 (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	Expenditure/Total: Average (%)	2015/16	2016/17	2017/18	2014/15 - 2017/18	Expenditure/Total: Average (%)
R million											
Management: Infrastructure	9.0	5.3	2.8	13.2	13.5%	–	13.8	17.5	18.4	11.9%	0.1%
Local Economic Development Planning	4.9	6.7	9.9	9.0	22.7%	–	8.5	8.8	10.3	4.4%	–
Infrastructure Development	11.5	10.5	10.3	11.6	0.1%	0.1%	10.4	10.5	14.5	7.8%	0.1%
Municipal Infrastructure Grant	11 443.5	13 879.2	14 224.4	14 764.0	8.9%	88.7%	14 955.8	15 547.9	16 435.4	3.6%	82.2%
Community Work Programme	623.5	1 289.9	1 721.7	2 257.8	53.6%	9.6%	2 375.9	3 255.5	4 043.7	21.4%	15.9%
Municipal Infrastructure Support Agency	192.7	149.7	261.8	294.2	15.1%	1.5%	304.0	319.4	335.3	4.5%	1.7%
Total	12 285.1	15 341.3	16 231.0	17 349.8	12.2%	100.0%	17 668.4	19 159.6	20 857.6	6.3%	100.0%
Change to 2014				81.2			(273.3)	(673.2)	32.2		
Budget estimate											
Economic classification											
Current payments	266.0	1 312.1	1 744.3	2 291.2	105.0%	9.2%	2 408.5	3 292.2	4 086.8	21.3%	16.1%
Compensation of employees	20.8	33.4	38.2	50.9	34.8%	0.2%	62.7	71.8	75.6	14.1%	0.3%
Goods and services	245.2	1 278.8	1 706.1	2 240.2	109.1%	8.9%	2 345.8	3 220.4	4 011.2	21.4%	15.7%
of which:											
Computer services	–	0.4	0.3	49.1	–	0.1%	51.3	54.0	56.7	5.0%	0.3%
Consultants and professional services:	234.9	560.5	332.6	38.2	-45.4%	1.9%	36.4	36.5	41.7	3.0%	0.2%
Business and advisory services											
Contractors	3.7	709.2	1 359.1	1 661.0	664.5%	6.1%	1 769.9	2 522.7	3 116.2	23.3%	12.1%
Inventory: Materials and supplies	–	–	0.1	460.0	6026.9%	0.8%	456.0	575.2	755.7	18.0%	3.0%
Consumables: Stationery, printing and office supplies	0.2	0.4	0.8	10.3	293.0%	–	10.3	10.3	11.8	4.8%	0.1%
Travel and subsistence	3.0	4.8	8.9	11.8	57.5%	–	11.8	11.4	17.7	14.6%	0.1%
Transfers and subsidies	12 019.1	14 029.2	14 486.6	15 058.5	7.8%	90.8%	15 259.8	15 867.2	16 770.7	3.7%	83.9%
Provinces and municipalities	11 443.5	13 879.2	14 224.4	14 764.0	8.9%	88.7%	14 955.8	15 547.9	16 435.4	3.6%	82.2%
Foreign governments and international organisations	0.2	0.3	0.4	0.3	7.7%	–	–	–	–	-100.0%	–
Public corporations and private enterprises	192.7	149.7	261.8	294.2	15.1%	1.5%	304.0	319.4	335.3	4.5%	1.7%
Households	382.7	–	–	–	-100.0%	0.6%	–	–	–	–	–
Payments for capital assets	–	–	0.1	0.2	48.3%	–	0.2	0.2	0.2	1.5%	–
Machinery and equipment	–	–	0.1	0.2	48.3%	–	0.2	0.2	0.2	1.5%	–
Total	12 285.1	15 341.3	16 231.0	17 349.8	12.2%	100.0%	17 668.4	19 159.6	20 857.6	6.3%	100.0%
Proportion of total programme expenditure to vote expenditure	26.6%	28.7%	28.8%	27.3%	–	–	25.5%	26.1%	26.8%	–	–
Details of selected transfers and subsidies											
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Capital	11 443.5	13 879.2	14 224.4	14 764.0	8.9%	88.7%	14 955.8	15 547.9	16 435.4	3.6%	82.2%
Municipal infrastructure grant	11 443.5	13 879.2	14 224.4	14 764.0	8.9%	88.7%	14 955.8	15 547.9	16 435.4	3.6%	82.2%
Households											
Other transfers to households											
Current	382.7	–	–	–	-100.0%	0.6%	–	–	–	–	–
Community Work Programme	382.7	–	–	–	-100.0%	0.6%	–	–	–	–	–
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	192.7	149.7	261.8	294.2	15.1%	1.5%	304.0	319.4	335.3	4.5%	1.7%
Municipal Infrastructure Support Agency	192.7	149.7	261.8	294.2	15.1%	1.5%	304.0	319.4	335.3	4.5%	1.7%

Programme 7: Traditional Affairs

Programme purpose

Transfer funds to the Department of Traditional Affairs, which: promotes and coordinates research and information management and the development of policies and legislation on traditional affairs; and coordinates institutional development and capacity building programmes to enhance efficiency and effectiveness within the institutions of traditional affairs.

Objectives

- Support the Department of Traditional Affairs to fulfil its mandate by transferring funds to the department over the medium term.

Expenditure trends and estimates

Table 4.12 Traditional 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 (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Department of Traditional Affairs	88.6	106.9	111.7	115.9	9.4%	100.0%	119.4	124.8	133.9	4.9%	100.0%
Total	88.6	106.9	111.7	115.9	9.4%	100.0%	119.4	124.8	133.9	4.9%	100.0%
Change to 2014 Budget estimate				4.0			2.6	1.1	0.8		
Economic classification											
Transfers and subsidies	88.6	106.9	111.7	115.9	9.4%	100.0%	119.4	124.8	133.9	4.9%	100.0%
Departmental agencies and accounts	88.6	106.9	111.7	115.9	9.4%	100.0%	119.4	124.8	133.9	4.9%	100.0%
Total	88.6	106.9	111.7	115.9	9.4%	100.0%	119.4	124.8	133.9	4.9%	100.0%
Proportion of total programme expenditure to vote expenditure	0.2%	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	88.6	106.9	111.7	115.9	9.4%	100.0%	119.4	124.8	133.9	4.9%	100.0%
Department of Traditional Affairs	88.6	106.9	111.7	115.9	9.4%	100.0%	119.4	124.8	133.9	4.9%	100.0%

Other departments within the vote

Department of Traditional Affairs

Table 4.13 Budget summary

	2015/16				2016/17	2017/18
R million	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	22.5	21.7	–	0.8	23.8	26.6
Research, Policy and Legislation	14.6	14.6	–	–	16.0	17.2
Institutional Support and Coordination	82.4	45.6	36.6	0.2	85.1	90.1
Total expenditure estimates	119.4	81.9	36.6	1.0	124.8	133.9

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, public entities, donor funding, public private partnerships, conditional allocations 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 institution 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 Protection and Promotion of the Rights of Cultural, Religious and Linguistic Communities Act (2002).

Selected performance indicators

Table 4.14 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of genealogies and customary laws of succession for kingships updated and developed per year	Research, Policy and Legislation	Department mandate	– ¹	– ¹	– ¹	4	4	2	4
Number of traditional leadership claims and dispute cases researched per year ²	Institutional Support and Coordination		32	249	300	320	125	– ²	– ²
Number of kings/queens consulted on the National House of Traditional Leaders programme per year	Institutional Support and Coordination		– ¹	– ¹	– ¹	6	12	12	12
Number of consultations with provincial houses of traditional leaders per year	Institutional Support and Coordination		– ¹	– ¹	– ¹	4	4	4	4

1. Measurement of this indicator started in 2011/12.

2. Measurement of this indicator will end in 2015/16, pending the decision regarding the future of the Commission on Traditional Leadership Disputes and Claims.

Expenditure analysis

Over the medium term, the Department of Traditional Affairs will continue to strengthen the coordination of the traditional affairs sector and forge partnerships to ensure that traditional leaders, KhoiSan leaders and the interfaith sector play a central role in socioeconomic development, nation building, service delivery initiatives and the development of traditional communities in collaboration with government.

The increase in expenditure on compensation of employees over the medium term is mainly due to the allocation for personnel in the newly established deputy minister's office. The second largest compensation of employees budget is at salary level 1-6, mainly for administrative personnel.

Over the medium term, the department will appoint research personnel and personnel for corporate and financial services, reflected in the projected spending of R179.6 million on compensation of employees in the *Institutional Support and Coordination* programme.

The term of the current Commission on Traditional Leadership Disputes and Claims ends in 2015/16. In the remaining year, the department will focus on researching 125 traditional leadership disputes and claims lodged through the commission. R42.3 million is allocated for this work. Spending on consultants over the medium term provides for accumulated litigation costs.

Transfers of R115.6 million over the medium term to the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities will be used to establish and maintain a database of cultural, religious and linguistic community organisations and institutions in collaboration with the department.

Expenditure trends

Table 4.15 Departmental expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Research, Policy and Legislation														
3. Institutional Support and Coordination														
Programme														
	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	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Programme 1	8.6	8.6	11.2	10.1	10.1	12.7	17.6	17.6	17.3	17.5	17.5	17.5	109.0%	109.0%
Programme 2	13.7	13.7	14.0	12.5	12.5	14.7	12.9	12.9	13.6	13.9	13.9	13.9	106.1%	106.1%
Programme 3	61.5	61.5	63.3	79.9	79.9	77.7	74.6	74.6	80.8	80.4	80.4	80.4	102.0%	102.0%
Total	83.8	83.8	88.6	102.5	102.5	105.1	105.2	105.2	111.7	111.9	111.9	111.9	103.4%	103.4%
Economic classification														
Current payments	61.0	61.0	65.5	66.0	66.0	70.7	72.3	72.3	78.9	76.5	76.5	76.5	105.8%	105.8%
Compensation of employees	38.6	38.6	36.4	40.8	40.8	41.3	45.0	45.0	42.5	45.6	45.6	45.6	97.5%	97.5%
Goods and services of which:	22.5	22.5	29.1	25.2	25.2	29.5	27.3	27.3	36.5	31.0	31.0	31.0	119.0%	119.0%
Advertising	1.0	1.0	1.4	1.0	1.0	0.2	0.6	0.6	0.4	0.9	0.9	0.9	83.6%	83.6%
Consultants and professional services:	1.0	1.0	–	1.1	1.1	–	1.2	1.2	–	–	–	–	–	–
Infrastructure and planning	1.3	1.3	1.0	1.2	1.2	4.1	0.3	0.3	2.8	4.6	4.6	4.6	167.6%	167.6%
Consultants and professional services:	–	–	–	–	–	–	–	–	0.1	2.1	2.1	2.1	104.6%	104.6%
Legal costs	0.6	0.6	0.7	1.7	1.7	0.6	1.6	1.6	1.4	2.8	2.8	2.8	81.8%	81.8%
Consumable supplies	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Consumables: Stationery, printing and office supplies	8.1	8.1	17.9	8.6	8.6	17.3	9.3	9.3	19.8	14.1	14.1	14.1	172.8%	172.8%
Travel and subsistence	22.4	22.4	22.4	36.2	36.2	34.2	32.5	32.5	32.5	35.0	35.0	35.0	98.4%	98.4%
Transfers and subsidies	22.4	22.4	22.4	36.2	36.2	34.2	32.5	32.5	32.5	35.0	35.0	35.0	98.4%	98.4%
Non-profit institutions	22.4	22.4	22.4	34.2	34.2	34.2	32.5	32.5	32.5	35.0	35.0	35.0	100.0%	100.0%
Households	–	–	–	2.0	2.0	–	–	–	–	–	–	–	–	–
Payments for capital assets	0.4	0.4	0.7	0.4	0.4	0.1	0.4	0.4	0.3	0.4	0.4	0.4	97.8%	97.8%
Machinery and equipment	0.4	0.4	0.7	0.4	0.4	0.1	0.4	0.4	0.3	0.4	0.4	0.4	97.8%	97.8%
Total	83.8	83.8	88.6	102.5	102.5	105.1	105.2	105.2	111.7	111.9	111.9	111.9	103.4%	103.4%

Expenditure estimates

Table 4.16 Departmental expenditure estimates by programme and economic classification

Programmes							
1. Administration							
2. Research, Policy and Legislation							
3. Institutional Support and Coordination							
Programme	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Expenditure/total: Average (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18
Programme 1	17.5	26.9%	14.1%	22.5	23.8	26.6	18.4%
Programme 2	13.9	0.5%	13.5%	14.6	16.0	17.2	12.6%
Programme 3	80.4	9.4%	72.5%	82.4	85.1	90.1	69.0%
Total	111.9	10.1%	100.0%	119.4	124.8	133.9	100.0%
Change to 2014 Budget estimate				2.6	1.1	0.8	

Table 4.16 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	2016/17	2017/18		
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Current payments	76.5	7.8%	69.9%	81.9	85.3	92.4	6.5%	68.6%
Compensation of employees	45.6	5.7%	39.7%	53.9	56.1	61.3	10.3%	44.2%
Goods and services	31.0	11.3%	30.2%	28.0	29.2	31.2	0.2%	24.4%
of which:								
Advertising	0.9	-1.5%	0.7%	1.5	1.6	1.7	20.9%	1.2%
Consultants and professional services: Infrastructure and planning	–	-100.0%	–	2.5	2.6	2.7	–	1.6%
Consultants and professional services: Legal costs	4.6	52.1%	3.0%	4.3	4.3	4.5	-0.6%	3.6%
Consumable supplies	2.1		0.5%	1.8	1.8	1.9	-2.6%	1.6%
Consumables: Stationery, printing and office supplies	2.8	63.2%	1.3%	1.7	2.0	2.1	-8.1%	1.7%
Travel and subsistence	14.1	20.4%	16.6%	12.1	12.9	13.6	-1.1%	10.7%
Transfers and subsidies	35.0	16.0%	29.7%	36.6	38.5	40.4	5.0%	30.7%
Non-profit institutions	35.0	16.0%	29.7%	36.6	38.5	40.4	5.0%	30.7%
Payments for capital assets	0.4	-0.5%	0.3%	1.0	1.0	1.1	44.6%	0.7%
Machinery and equipment	0.4	-0.5%	0.3%	1.0	1.0	1.1	44.6%	0.7%
Total	111.9	10.1%	100.0%	119.4	124.8	133.9	6.2%	100.0%

Personnel information

Table 4.17 Departmental personnel numbers and cost by salary level and programme¹

Programmes

1. Administration
2. Research, Policy and Legislation
3. Institutional Support and Coordination

Number of posts estimated for 31 March 2015		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 (%)	
								2013/14			2014/15			2015/16					2016/17
		2013/14			2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18		
		Unit Cost			Unit Cost			Unit Cost			Unit Cost			Unit Cost					
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Traditional Affairs																			
Salary level	81	–	78	42.1	0.5	90	49.6	0.6	89	53.9	0.6	89	56.1	0.6	89	61.3	0.7	-0.4%	100.0%
1 – 6	19	–	21	3.9	0.2	24	4.6	0.2	24	5.5	0.2	24	5.7	0.2	24	6.4	0.3	–	26.9%
7 – 10	11	–	10	3.4	0.3	13	4.1	0.3	13	5.3	0.4	13	5.4	0.4	13	7.5	0.6	–	14.6%
11 – 12	16	–	18	10.1	0.6	18	9.2	0.5	18	10.3	0.6	18	10.7	0.6	18	11.2	0.6	–	20.2%
13 – 16	30	–	29	24.7	0.9	30	27.7	0.9	30	28.9	1.0	30	30.3	1.0	30	32.2	1.1	–	33.6%
Other	5	–	–	–	–	5	4.0	0.8	4	4.0	1.0	4	4.0	1.0	4	4.0	1.0	-7.2%	4.8%
Programme	81	–	78	42.1	0.5	90	49.6	0.6	89	53.9	0.6	89	56.1	0.6	89	61.3	0.7	-0.4%	100.0%
Programme 1	20	–	12	8.4	0.7	24	13.9	0.6	23	15.1	0.7	23	15.5	0.7	23	17.7	0.8	-1.4%	26.1%
Programme 2	19	–	21	11.4	0.5	21	11.9	0.6	21	12.9	0.6	21	13.6	0.6	21	14.5	0.7	–	23.5%
Programme 3	42	–	45	22.2	0.5	45	23.8	0.5	45	25.8	0.6	45	26.9	0.6	45	29.0	0.6	–	50.4%

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

2 Rand million

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 4.18 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 (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2014/15 - 2017/18	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18 - 2020/21
R million											
Ministry	–	–	–	4.0	–	7.4%	4.0	4.0	4.0	–	17.0%
Management of Traditional Affairs	11.2	12.7	8.4	9.7	-4.7%	78.1%	7.0	7.4	8.0	-6.3%	34.1%
Corporate Services	–	–	–	6.5	–	12.1%	7.0	7.5	9.4	12.8%	32.3%
Internal Audit	–	–	–	1.3	–	2.4%	4.4	4.9	5.2	59.2%	16.7%
Total	11.2	12.7	8.4	21.5	24.2%	100.0%	22.5	23.8	26.6	7.2%	100.0%
Change to 2014 Budget estimate							(0.1)	0.3	0.3		
Economic classification											
Current payments	10.8	12.6	8.4	21.4	25.7%	98.8%	21.7	23.0	25.7	6.3%	97.3%
Compensation of employees	6.3	5.5	8.4	13.9	30.1%	63.4%	15.1	15.5	17.7	8.3%	66.0%
Goods and services	4.5	7.1	–	7.5	18.8%	35.3%	6.6	7.4	8.0	2.5%	31.3%
of which:											
Advertising	0.2	0.2	–	0.7	65.8%	2.1%	0.7	0.7	0.8	0.3%	3.1%
Consultants and professional services:	–	–	–	–	–	–	2.5	2.6	2.7	–	8.3%
Infrastructure and planning											
Contractors	–	0.1	–	–	-100.0%	0.2%	0.4	0.4	0.5	–	1.4%
Travel and subsistence	3.2	4.0	–	2.3	-10.5%	17.7%	1.6	2.3	2.4	2.1%	9.1%
Training and development	–	0.1	–	0.7	268.4%	1.4%	0.3	0.4	0.4	-14.5%	1.8%
Operating payments	–	0.1	–	0.2	67.1%	0.6%	0.4	0.4	0.4	33.8%	1.4%
Payments for capital assets	0.5	0.1	–	0.2	-31.7%	1.2%	0.8	0.8	0.8	76.9%	2.7%
Machinery and equipment	0.5	0.1	–	0.2	-31.7%	1.2%	0.8	0.8	0.8	76.9%	2.7%
Total	11.2	12.7	8.4	21.5	24.2%	100.0%	22.5	23.8	26.6	7.2%	100.0%
Proportion of total programme expenditure to vote expenditure	12.7%	12.1%	7.5%	19.3%	–	–	18.8%	19.0%	19.8%	–	–

Programme 2: Research, Policy and Legislation

Programme purpose

Develop, review, coordinate and monitor implementation of national traditional affairs policies and norms and standards by provincial government. Support traditional affairs entities to restore the integrity and dignity of traditional leadership.

Objectives

- Enhance the development of traditional communities on traditional issues through the review and monitoring of policies, legislation and norms and standards by March 2016.

Subprogrammes

- Management* provides strategic oversight to the programme.
- Policy and Legislation* develops, reviews and monitors the implementation of traditional policies, legislation and frameworks.
- Research and Information Management* provides anthropological research to the department and public entities working in traditional affairs, and maintains information systems traditional affairs.

Expenditure trends and estimates

Table 4.19 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Management	14.0	14.7	11.4	3.3	-38.0%	80.5%	3.5	4.0	4.4	9.8%	24.8%
Policy and Legislation	–	–	–	3.3	–	6.1%	3.6	4.0	4.3	9.0%	24.4%
Research and Information Management	–	–	–	7.2	–	13.4%	7.5	8.1	8.5	5.7%	50.8%
Total	14.0	14.7	11.4	13.9	-0.4%	100.0%	14.6	16.0	17.2	7.5%	100.0%
Change to 2014				–			(0.1)	0.6	1.0		
Budget estimate											
Economic classification	14.0	14.7	11.4	13.9	-0.2%	99.8%	14.6	16.0	17.2	7.5%	100.0%
Current payments											
Compensation of employees	8.4	11.5	11.4	11.9	12.1%	79.9%	12.9	13.6	14.5	7.0%	85.9%
Goods and services	5.5	3.2	–	2.0	-28.6%	19.9%	1.6	2.4	2.7	10.1%	14.1%
of which:											
Advertising	–	–	–	–	-100.0%	–	0.1	0.1	0.1	–	0.3%
Communication	0.1	0.2	–	0.2	3.3%	1.0%	0.2	0.2	0.2	7.0%	1.2%
Consumable supplies	–	–	–	0.1	–	0.2%	0.1	0.1	0.1	8.2%	0.6%
Consumables: Stationery, printing and office supplies	0.1	0.2	–	0.2	17.5%	0.9%	0.1	0.1	0.2	4.8%	1.0%
Travel and subsistence	3.0	2.6	–	1.4	-23.1%	12.9%	1.1	1.8	2.0	13.0%	10.1%
Training and development	–	–	–	0.1	–	0.1%	0.1	0.1	0.1	9.1%	0.5%
Payments for capital assets	0.1	–	–	–	-100.0%	0.2%	–	–	–	–	–
Machinery and equipment	0.1	–	–	–	-100.0%	0.2%	–	–	–	–	–
Total	14.0	14.7	11.4	13.9	-0.4%	100.0%	14.6	16.0	17.2	7.5%	100.0%
Proportion of total programme expenditure to vote expenditure	15.8%	14.0%	10.2%	12.4%	–	–	12.2%	12.8%	12.9%	–	–

Programme 3: Institutional Support and Coordination

Programme purpose

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

Objectives

- Promote and integrate the role of traditional affairs in South Africa's governance system by establishing synergetic relations with other governance structures across the three spheres of government by March 2016.

Subprogrammes

- Management* provides strategic oversight for the programme.
- Institutional Development and Capacity Building* develops and coordinates the implementation of capacity building programmes for traditional affairs.
- Intergovernmental Relations and Partnerships* promotes the role of traditional affairs and the institutions of traditional leadership.
- National House of Traditional Leaders* promotes governance within the institution of traditional leadership.
- Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities promotes and protects the cultural, religious and linguistic rights of communities.
- Commission on Traditional Leadership Disputes and Claims* processes and finalises traditional leadership disputes and claims.

Expenditure trends and estimates

Table 4.20 Institutional Support and Coordination 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	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2014/15 - 2017/18	2014/15 - 2017/18
Management	11.5	13.2	4.4	2.0	-44.6%	12.8%	2.3	2.6	3.4	20.2%	3.1%
Institutional Development and Capacity Building	–	–	–	6.0	–	2.5%	6.3	6.8	7.7	8.6%	7.9%
Intergovernmental Relations and Partnerships	–	–	–	6.1	–	2.5%	6.8	7.1	7.6	7.3%	8.2%
National House of Traditional Leaders	19.2	18.6	10.6	18.6	-1.0%	27.5%	16.6	16.1	16.4	-4.2%	20.0%
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	22.4	34.2	–	35.0	16.0%	37.6%	36.6	38.5	40.4	5.0%	44.5%
Commission on Traditional Leadership Disputes and Claims	10.2	11.7	7.3	12.7	7.6%	17.2%	13.8	14.0	14.6	4.7%	16.3%
Total	63.3	77.7	22.2	80.4	8.3%	100.0%	82.4	85.1	90.1	3.9%	100.0%
Change to 2014				–			0.1	(0.9)	(1.3)		
Budget estimate											
Economic classification											
Current payments	40.8	43.4	22.2	45.3	3.5%	62.3%	45.6	46.3	49.5	3.0%	55.2%
Compensation of employees	21.6	24.3	22.2	23.8	3.2%	37.7%	25.8	26.9	29.0	6.9%	31.2%
Goods and services	19.2	19.1	–	21.5	3.9%	24.5%	19.8	19.4	20.4	-1.7%	24.0%
of which:											
Advertising	1.2	–	–	0.2	-44.9%	0.6%	0.8	0.8	0.8	61.1%	0.8%
Communication	0.8	0.8	–	0.9	3.9%	1.0%	0.9	1.0	1.0	5.3%	1.1%
Consultants and professional services:	1.0	4.1	–	4.0	58.0%	3.7%	4.3	4.3	4.5	4.1%	5.1%
Legal costs											
Consumable supplies	–	–	–	1.8	–	0.7%	1.8	1.7	1.8	–	2.1%
Consumables: Stationery, printing and office supplies	0.3	0.3	–	2.4	103.2%	1.2%	1.4	1.6	1.7	-10.5%	2.1%
Travel and subsistence	11.8	10.6	–	10.4	-3.9%	13.5%	9.4	8.9	9.2	-4.0%	11.2%
Transfers and subsidies	22.4	34.2	–	35.0	16.0%	37.6%	36.6	38.5	40.4	5.0%	44.5%
Non-profit institutions	22.4	34.2	–	35.0	16.0%	37.6%	36.6	38.5	40.4	5.0%	44.5%
Payments for capital assets	0.1	0.0	–	0.2	14.6%	0.1%	0.2	0.2	0.2	4.6%	0.3%
Machinery and equipment	0.1	0.0	–	0.2	14.6%	0.1%	0.2	0.2	0.2	4.6%	0.3%
Total	63.3	77.7	22.2	80.4	8.3%	100.0%	82.4	85.1	90.1	3.9%	100.0%
Proportion of total programme expenditure to vote expenditure	71.5%	74.0%	19.9%	71.9%	–	–	69.0%	68.2%	67.3%	–	–
Details of selected transfers and subsidies											
Non-profit institutions											
Current	22.4	34.2	–	35.0	16.0%	37.6%	36.6	38.5	40.4	5.0%	44.5%
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	22.4	34.2	–	35.0	16.0%	37.6%	36.6	38.5	40.4	5.0%	44.5%

Public entities and other agencies

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

- The **Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities** promotes and protects cultural, religious and linguistic rights. The commission focuses on conflict resolution, research, advocacy and community engagement on conflicts pertaining to cultural, religious and linguistic rights within communities. The commission's total budget for 2015/16 is R36.6 million.
- The **Municipal Demarcation Board** is an independent authority responsible for determining municipal boundaries. The board is also mandated to declare district management areas, delimit wards for local elections, and assess the capacity of municipalities to perform their functions. The board's total budget for 2015/16 is R45.8 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 2015/16 is R304 million.

- The **South African Local Government Association** is mandated by the Constitution to assist in the comprehensive transformation of local government. The association participates in intergovernmental structures at the provincial and district levels, and is therefore able to influence national and provincial legislation and gauge its impact on local government. The association's total transfer for 2015/16 is R9.2 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	Medium-term expenditure estimate		
				2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
Infrastructure transfers to other spheres, agencies and departments										
Municipal infrastructure grant transfer	Eradicate the backlog in municipal infrastructure by providing basic services to poor households	Various	83 958.3	11 443.5	13 879.2	14 224.4	14 764.0	14 955.8	15 328.9	16 435.4
Total			83 958.3	11 443.5	13 879.2	14 224.4	14 764.0	14 955.8	15 328.9	16 435.4

Vote 5

Home Affairs

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	1 598.2	1 585.3	2.1	10.9	2 090.5	2 198.0
Citizen Affairs	4 131.7	2 484.7	1 647.0	–	4 352.6	4 050.3
Immigration Affairs	720.9	720.6	0.3	–	753.1	801.2
Total expenditure estimates	6 450.8	4 790.5	1 649.4	10.9	7 196.2	7 049.6
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, public entities, donor funding, public private partnerships, conditional allocations 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 provide for the regulation 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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of births registered within 30 calendar days of birth	Citizen Affairs	Outcome 3: All people in South Africa are and feel safe	51% (556 762)	54.7% (602 530)	650 682	694 000	750 000	810 000	880 000
Number of identity documents (smart card) issued to citizens who are 16 years old and above	Citizen Affairs		– ¹	– ¹	125 112	1.6m	2.2m	3m	5m
Percentage of machine readable passports (new live capture system) issued within 13 days	Citizen Affairs	Outcome 12: An efficient, effective and development-oriented public service	– ²	– ²	– ²	– ²	90%	90%	90%
Percentage of identity documents (first issue) issued in 54 working days	Citizen Affairs		63% (1 199 467)	92.16% (1 039 862)	91.7%	95%	90%	90%	90%
Percentage of identity documents (second issue) issued within 47 working days	Citizen Affairs		66% (1 075 994)	98.15% (896 613)	98.2%	95%	95%	95%	95%
Percentage of permanent residence applications adjudicated within 8 months (applications collected within South Africa)	Immigration Affairs		38% (1 679)	1.3% (211)	28.2%	50%	70%	85%	90%
Percentage of business skills and general work visas adjudicated within 8 weeks (applications processed within South Africa) ³	Immigration Affairs		45% (16 961)	49.5% (14 471)	48.7%	62%	70%	85%	90%

Table 5.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Percentage of refugee travel documents issued within 90 working days	Immigration Affairs	Outcome 12: An efficient, effective and development-oriented public service	– ⁴	– ⁴	– ⁴	80%	80%	80%	80%
Percentage of refugee identity documents (first issue) issued within 90 working days	Immigration Affairs	Outcome 3: All people in South Africa are and feel safe	– ⁴	– ⁴	– ⁴	50%	50%	50%	50%
Number of illegal foreigners deported per year	Immigration Affairs		75 336	105 392	131 907	85 000	90 000	95 000	100 000

1. Historical data is not available, as this indicator was only measured from 2013/14.

2. Historical data is not available, as this is a new indicator.

3. Until 2012/13, work, business and corporate temporary residence permits were the focus. From 2015/16, business and general work visas will be the focus.

4. Historical data is not available, as the indicator was not able to be accurately measured.

Expenditure analysis

The civic and immigration 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 ensuring social protection and the building of an active and engaged citizenry as envisaged in chapter 15. A great deal of what the department does contributes to outcome 12 of government's 2014-2019 medium term strategic framework (an efficient, effective and development oriented public service), including through managing the national identity system, facilitating importing the skills needed to build the national economy and the Southern African Development Community (SADC), and combating identity fraud and related corruption.

The department's focus over the medium term will be on increasing immigration enforcement capacity, modernising and integrating its information systems, and increasing and improving its client interfaces.

Increased immigration enforcement capacity

To strengthen the inspectorate division, the department reprioritises R118 million over the medium term in the *Immigration Services* subprogramme of the *Citizen Affairs* programme, for appointing more immigration inspectors. This increased capacity is expected to significantly improve the department's enforcement of the new immigration regulations. Since these positions are due to the reprioritisation of underfunded positions, there will not necessarily be an increase in the total number of positions in the department.

Modernised, integrated information systems

The department's information systems modernisation project (formerly Who Am I Online) will ultimately provide an integrated IT platform for the automation of civic and immigration business processes. The platform will simultaneously provide photographs, fingerprints, signatures, voice recordings, demographic information and scanned documents. The automation of business processes for passport and identity documents is already functioning, and there are live capture systems in 110 offices across the provinces. (Live capture means capturing personal details and biometric images such as photographs, signatures and fingerprints online without the need for paper.) The cleaning of the national population register and the automation of the permits and asylum seekers system and the national identity system are due for completion over the medium term.

The significant spending for this project is on computer services in the *Transversal Information Technology Management* subprogramme in the *Administration* programme. The department has made R956 million available for the project over the medium term from additional allocations in previous Budgets. Through reprioritisation, the project is allocated an additional R30 million over the medium term for the implementation of the electronic documentation management system, a sub-component of the project which was not fully funded. The electronic documentation management system is for digitising paper based records.

Increased and improved client interfaces

As a labour intensive department, the bulk of the department's spending is on compensation of employees across all programmes, which enables the department to provide its client interfaces for collecting and processing applications, issuing enabling documents, and conducting quality assurance on immigration and

civic applications. In previous years, the department received significant increases on compensation of employees for the appointment of frontline staff providing services to the public. Over the MTEF period, spending on compensation of employees is expected to increase moderately as personnel numbers stabilise. These client interface functions are funded in the *Service Delivery to Provinces* subprogramme in the *Citizen Affairs* programme, which has 8 037, or almost 80 per cent, of the department's total staff complement.

At present, the department provides its services at more than 400 service points, including district and regional offices (small, medium and large offices). In addition, there are approximately 400 health facilities that process birth registrations, and the department has 117 mobile offices that connect by satellite from remote areas to its central systems. The department has a footprint strategy for opening new offices, making the best use of registration facilities at health facilities with maternity wards, scheduling mobile office deployment in rural areas, and managing the department's customer service call centre (to be converted into a contact centre).

Over the medium term, in collaboration with the Department of Public Works, the department will build 14 new offices, provide 12 residences for officials at ports of entry, upgrade and renovate 14 buildings, as well as repair a number of elevators. These projects will significantly increase expenditure on office accommodation from R78.2 million in 2013/14 to R185.2 million in 2017/18 in the *Office Accommodation* subprogramme of the *Administration* programme.

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	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Programme 1	1 782.9	1 897.9	1 888.8	1 674.1	1 572.5	1 476.6	1 871.6	1 845.5	1 823.3	1 860.3	2 002.1	2 002.1	100.0%	98.3%
Programme 2	3 093.7	3 374.2	3 230.9	3 177.0	3 203.3	3 286.7	4 048.7	4 388.2	4 347.6	4 106.9	4 565.1	4 565.1	107.0%	99.4%
Programme 3	587.6	578.8	632.7	554.4	577.2	750.2	647.5	761.1	821.6	656.5	656.5	656.5	117.0%	111.2%
Total	5 464.1	5 850.8	5 752.5	5 405.4	5 353.1	5 513.5	6 567.8	6 994.7	6 992.6	6 623.7	7 223.7	7 223.7	105.9%	100.2%
Change to 2014										600.0				
Budget estimate														
Economic classification														
Current payments	4 437.4	4 798.8	4 013.5	4 279.3	4 256.8	4 316.3	4 756.9	5 135.0	4 922.4	4 853.8	5 453.8	5 453.8	102.1%	95.2%
Compensation of employees	2 206.6	2 225.6	1 944.9	2 363.9	2 446.3	2 179.6	2 538.2	2 496.5	2 433.7	2 670.0	2 670.0	2 670.0	94.4%	93.8%
Goods and services of which:	2 230.8	2 573.1	2 056.0	1 915.5	1 810.5	2 136.7	2 218.7	2 638.4	2 488.7	2 183.8	2 783.8	2 783.8	110.7%	96.5%
Computer services	421.7	280.1	388.5	282.6	277.2	435.3	730.2	710.9	527.6	707.7	757.7	757.7	98.5%	104.1%
Contractors	162.6	121.1	121.2	121.8	128.1	93.2	146.9	161.9	171.8	148.7	148.7	148.7	92.2%	95.5%
Agency and support/outsource services	179.1	148.2	192.2	123.6	123.6	139.8	133.8	205.7	99.1	143.6	160.6	160.6	102.0%	92.7%
Operating leases	655.7	810.1	117.8	602.1	485.9	225.1	232.1	155.8	288.8	272.8	302.8	302.8	53.0%	53.3%
Property payments	159.7	185.0	84.8	198.2	195.2	189.9	102.0	102.6	234.6	214.4	289.2	289.2	118.4%	103.4%
Travel and subsistence	175.5	193.1	190.1	187.3	196.6	254.1	144.6	160.7	224.1	168.9	168.9	168.9	123.8%	116.4%
Transfers and subsidies	1 000.1	1 037.0	1 147.6	1 072.7	1 079.1	1 089.4	1 800.0	1 799.4	1 815.8	1 759.0	1 759.0	1 759.0	103.2%	102.4%
Provinces and municipalities	1.2	1.2	1.0	1.3	1.3	0.9	1.4	1.1	0.9	1.5	1.5	1.5	78.7%	83.0%
Departmental agencies and accounts	993.7	1 034.2	1 143.6	1 070.0	1 076.4	1 076.4	1 795.9	1 795.9	1 803.7	1 754.7	1 754.7	1 754.7	102.9%	102.1%
Households	5.2	1.5	3.0	1.5	1.5	12.1	2.7	2.3	11.3	2.9	2.9	2.9	239.6%	360.0%

Table 5.2 Vote expenditure trends by programme and economic classification

Economic classification														
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Payments for capital assets	26.7	15.1	591.1	0.4	17.1	107.5	10.8	8.4	254.3	10.9	10.9	10.9	1975.8%	1871.8%
Buildings and other fixed structures	–	–	–	–	–	–	–	0.1	4.6	–	–	–	–	4412.4%
Machinery and equipment	26.7	11.9	176.9	0.4	5.1	98.3	10.8	8.3	185.2	10.9	10.9	10.9	966.5%	1301.6%
Software and other intangible assets	–	3.1	414.2	–	12.0	9.1	–	–	64.4	–	–	–	–	3216.0%
Payments for financial assets	–	–	0.2	53.0	–	0.4	–	52.0	0.1	–	–	–	1.3%	1.3%
Total	5 464.1	5 850.8	5 752.5	5 405.4	5 353.1	5 513.5	6 567.8	6 994.7	6 992.6	6 623.7	7 223.7	7 223.7	105.9%	100.2%

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 (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme 1	2 002.1	1.8%	28.2%	1 598.2	2 090.5	2 198.0	3.2%	28.3%
Programme 2	4 565.1	10.6%	60.6%	4 131.7	4 352.6	4 050.3	-3.9%	61.2%
Programme 3	656.5	4.3%	11.2%	720.9	753.1	801.2	6.9%	10.5%
Total	7 223.7	7.3%	100.0%	6 450.8	7 196.2	7 049.6	-0.8%	100.0%
Change to 2014				(27.0)	(123.0)	(90.2)		
Budget estimate								
Economic classification								
Current payments	5 453.8	4.4%	73.4%	4 790.5	5 459.4	5 772.0	1.9%	76.9%
Compensation of employees	2 670.0	6.3%	36.2%	2 868.1	3 058.1	3 256.4	6.8%	42.5%
Goods and services	2 783.8	2.7%	37.1%	1 922.4	2 401.3	2 515.6	-3.3%	34.5%
of which:								
Computer services	757.7	39.3%	8.3%	520.3	850.6	889.5	5.5%	10.8%
Contractors	148.7	7.1%	2.1%	155.6	158.2	167.5	4.1%	2.3%
Agency and support/outourced services	160.6	2.7%	2.3%	146.8	143.4	150.8	-2.1%	2.2%
Operating leases	302.8	-28.0%	3.7%	284.0	299.0	316.3	1.5%	4.3%
Property payments	289.2	16.1%	3.1%	194.7	261.5	276.4	-1.5%	3.7%
Travel and subsistence	168.9	-4.4%	3.3%	127.5	135.0	135.3	-7.1%	2.0%
Transfers and subsidies	1 759.0	19.3%	22.8%	1 649.4	1 725.9	1 266.2	-10.4%	22.9%
Provinces and municipalities	1.5	5.9%	–	1.5	1.6	1.7	5.0%	–
Departmental agencies and accounts	1 754.7	19.3%	22.7%	1 644.9	1 721.1	1 261.2	-10.4%	22.9%
Households	2.9	24.7%	0.1%	3.0	3.1	3.3	4.9%	–
Payments for capital assets	10.9	-10.3%	3.8%	10.9	10.9	11.4	1.5%	0.2%
Buildings and other fixed structures	–	–	–	–	–	–	–	–
Machinery and equipment	10.9	-3.0%	1.8%	10.9	10.9	11.4	1.5%	0.2%
Software and other intangible assets	–	-100.0%	1.9%	–	–	–	–	–
Total	7 223.7	7.3%	100.0%	6 450.8	7 196.2	7 049.6	-0.8%	100.0%

Personnel information

Table 5.4 Vote personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. Citizen Affairs																			
3. Immigration Affairs																			
Number of posts estimated for 31 March 2015			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															
		2013/14		2014/15		2015/16		2016/17		2017/18				2014/15 - 2017/18					
Home Affairs			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Salary level	9 984	76	9 664	2 433.7	0.3	9 765	2 670.0	0.3	9 765	2 868.1	0.3	9 765	058.1	0.3	9 765	256.4	0.3	–	100.0%
1 – 6	6 655	66	6 485	219.1	–	6 426	271.2	–	6 426	302.0	–	6 426	327.5	0.1	6 426	345.9	0.1	–	65.8%
7 – 10	2 854	4	2 755	761.1	0.3	2 858	792.9	0.3	2 858	855.1	0.3	2 858	906.9	0.3	2 858	953.8	0.3	–	29.3%
11 – 12	283	2	254	687.9	2.7	285	704.5	2.5	285	783.4	2.7	285	826.7	2.9	285	867.4	3.0	–	2.9%
13 – 16	192	4	170	765.6	4.5	196	901.3	4.6	196	927.6	4.7	196	997.0	5.1	196	089.3	5.6	–	2.0%
Programme	9 984	76	9 664	2 433.7	0.3	9 765	2 670.0	0.3	9 765	2 868.1	0.3	9 765	058.1	0.3	9 765	256.4	0.3	–	100.0%
Programme 1	974	75	913	339.0	0.4	1 002	389.8	0.4	1 002	413.4	0.4	1 002	441.0	0.4	1 002	468.8	0.5	–	10.3%
Programme 2	8 035	1	7 821	1 798.7	0.2	7 820	1 964.6	0.3	7 820	2 083.9	0.3	7 820	222.9	0.3	7 820	363.0	0.3	–	80.1%
Programme 3	975	–	930	295.9	0.3	943	315.7	0.3	943	370.8	0.4	943	394.2	0.4	943	424.7	0.5	–	9.7%

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

2. Rand million.

Departmental receipts

Table 5.5 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 (%)
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
R thousand	2011/12	2012/13	2013/14	2014/15	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
Departmental receipts	910 987	712 090	741 605	365 461	652 511	-10.5%	100.0%	790 791	814 611	855 342	9.4%	100.0%
Sales of goods and services produced by department	825 240	655 846	673 773	333 662	599 773	-10.1%	91.3%	726 978	749 277	784 087	9.3%	91.9%
Sales by market establishments	2 078	2 124	2 405	3 019	3 019	13.3%	0.3%	3 652	3 897	3 901	8.9%	0.5%
of which:												
Market establishment: Non-residential building	–	–	2	2	2	–	–	2	2	3	14.5%	–
Market establishment: Rental dwelling	2 056	2 100	2 373	3 001	3 001	13.4%	0.3%	3 631	3 874	3 876	8.9%	0.5%
Market establishment: Rental Parking: Covered and open	22	24	30	16	16	-10.1%	–	19	21	22	11.2%	–
Administrative fees	820 627	651 588	668 447	328 547	594 440	-10.2%	90.7%	720 789	742 703	777 444	9.4%	91.1%
of which:												
Certificates	39 603	35 791	39 654	27 899	19 188	-21.5%	4.4%	24 734	23 266	23 266	6.6%	2.9%
Identity documents	162 508	239 879	183 745	215 631	301 455	22.9%	29.4%	364 761	370 585	388 195	8.8%	45.8%
Passports	263 442	152 242	187 463	65 412	161 509	-15.0%	25.3%	195 426	205 783	215 689	10.1%	25.0%
Permits	330 865	140 641	162 354	16 374	101 996	-32.4%	24.4%	123 415	129 956	135 415	9.9%	15.8%
Other	24 209	83 035	95 231	3 231	10 292	-24.8%	7.1%	12 453	13 113	14 879	13.1%	1.6%

Table 5.5 Departmental receipts by economic classification

Departmental receipts				Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ total: Average (%)
Audited outcome												
R thousand	2011/12	2012/13	2013/14	2014/15		2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Other sales	2 535	2 134	2 921	2 096	2 314	-3.0%	0.3%	2 537	2 677	2 742	5.8%	0.3%
of which:												
Commission on insurance	1 650	1 950	2 462	1 539	1 677	0.5%	0.3%	1 862	1 961	2 001	6.1%	0.2%
Clearance fees	476	–	365	384	455	-1.5%	–	465	489	496	2.9%	0.1%
Postal fees for travel documents	224	11	11	9	10	-64.5%	–	11	13	15	14.5%	–
Photocopies and faxes	111	34	31	109	115	1.2%	–	132	144	155	10.5%	–
Other	74	139	52	55	57	-8.3%	–	67	70	75	9.6%	–
Sales of scrap, waste, arms and other used current goods	14	26	7	7	36	37.0%	–	44	51	55	15.2%	–
of which:												
Sales: Waste paper	14	26	7	7	36	37.0%	–	44	51	55	15.2%	–
Fines, penalties and forfeits	42 442	45 642	61 201	26 757	49 056	4.9%	6.6%	59 358	60 750	65 963	10.4%	7.6%
Interest, dividends and rent on land	882	385	509	377	224	-36.7%	0.1%	271	336	356	16.7%	–
Interest	882	385	509	377	224	-36.7%	0.1%	271	336	356	16.7%	–
Sales of capital assets	–	2 420	46	–	1 956	–	0.1%	2 367	2 396	3 025	15.6%	0.3%
Transactions in financial assets and liabilities	42 409	7 771	6 069	4 658	1 466	-67.4%	1.9%	1 773	1 801	1 856	8.2%	0.2%
Total	910 987	712 090	741 605	365 461	652 511	-10.5%	100.0%	790 791	814 611	855 342	9.4%	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				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome											
R million	2011/12	2012/13	2013/14								
Ministry	25.2	26.6	27.2	44.3	20.7%	1.7%	43.8	43.4	45.5	0.9%	2.2%
Management Support Services	99.7	107.7	104.8	106.2	2.1%	5.8%	109.6	111.4	117.4	3.4%	5.6%
Corporate Services	564.0	681.5	627.7	594.8	1.8%	34.3%	589.1	595.3	627.4	1.8%	30.5%
Transversal Information Technology Management	884.3	333.2	675.8	726.7	-6.3%	36.4%	476.2	875.8	920.0	8.2%	38.0%
Office Accommodation	315.6	327.5	387.8	530.1	18.9%	21.7%	379.5	464.6	487.6	-2.7%	23.6%
Total	1 888.8	1 476.6	1 823.3	2 002.1	2.0%	100.0%	1 598.2	2 090.5	2 198.0	3.2%	100.0%
Change to 2014 Budget estimate				141.8			(29.4)	(84.4)	(91.3)		

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

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	
Current payments	1 308.3	1 372.7	1 563.6	1 989.3	15.0%	86.7%	1 585.3	2 077.4	2 184.4	3.2%	99.3%
Compensation of employees	274.7	347.3	339.0	389.8	12.4%	18.8%	413.4	441.0	468.8	6.3%	21.7%
Goods and services	1 020.8	1 025.3	1 224.6	1 599.5	16.1%	67.7%	1 171.8	1 636.4	1 715.6	2.4%	77.6%
of which:											
Communication	59.6	78.6	71.8	40.0	-12.4%	3.5%	41.9	47.6	51.3	8.6%	2.3%
Computer services	205.0	137.8	317.0	631.4	45.5%	18.0%	378.2	700.5	731.1	5.0%	30.9%
Contractors	52.5	57.7	89.5	41.9	-7.3%	3.4%	44.0	46.5	48.9	5.3%	2.3%
Operating leases	112.5	140.4	282.0	267.4	33.5%	11.2%	278.4	293.1	307.8	4.8%	14.5%
Property payments	83.2	79.1	232.3	288.2	51.3%	9.5%	193.6	260.4	273.3	-1.7%	12.9%
Travel and subsistence	82.7	119.6	43.0	89.5	2.7%	4.7%	53.3	65.5	65.9	-9.7%	3.5%
Transfers and subsidies	1.6	2.2	9.6	2.0	7.9%	0.2%	2.1	2.2	2.3	5.0%	0.1%
Provinces and municipalities	0.4	–	0.1	0.5	9.4%	–	0.5	0.6	0.6	5.0%	–
Departmental agencies and accounts	–	–	7.8	0.1	–	0.1%	0.1	0.1	0.1	4.8%	–
Households	1.2	2.2	1.7	1.4	5.7%	0.1%	1.5	1.5	1.6	5.0%	0.1%
Payments for capital assets	578.8	101.4	250.0	10.9	-73.4%	13.1%	10.9	10.9	11.4	1.5%	0.6%
Buildings and other fixed structures	–	–	4.6	–	–	0.1%	–	–	–	–	–
Machinery and equipment	167.8	93.7	181.0	10.9	-59.8%	6.3%	10.9	10.9	11.4	1.5%	0.6%
Software and other intangible assets	411.0	7.6	64.4	–	-100.0%	6.7%	–	–	–	–	–
Payments for financial assets	0.2	0.4	0.1	–	-100.0%	–	–	–	–	–	–
Total	1 888.8	1 476.6	1 823.3	2 002.1	2.0%	100.0%	1 598.2	2 090.5	2 198.0	3.2%	100.0%
Proportion of total programme expenditure to vote expenditure	32.8%	26.8%	26.1%	27.7%	–	–	24.8%	29.0%	31.2%	–	–
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	1.2	2.2	1.7	1.4	6.2%	0.1%	1.5	1.5	1.6	5.0%	0.1%
Employee social benefits	1.2	2.2	1.7	1.4	6.2%	0.1%	1.5	1.5	1.6	5.0%	0.1%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	–	–	7.8	0.1	–	0.1%	0.1	0.1	0.1	4.8%	–
Communication	–	–	7.8	0.1	–	0.1%	0.1	0.1	0.1	4.8%	–

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 2015/16 to 880 000 in 2017/18.
- 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 (reissue) within 47 working days over the medium term
 - increasing the issuing of the smart identity document card from 2.2 million per year in 2015/16 to 5 million per year by 2017/18.

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.
- *Access to Services* provides for the development of service delivery channels by the optimal placement and utilisation of the department's services. This is done by: implementing the department's footprint strategy in relation to opening new department offices, deploying and making optimal use of registration facilities at health facilities with maternity wards, deploying mobile offices in rural areas, and managing customer service centres.
- *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' Funds* 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 (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18			
Citizen Affairs Management	15.7	28.5	24.0	24.7	16.3%	0.6%	24.4	26.3	27.9	4.2%	0.6%	
Status Services	348.8	302.3	440.2	551.1	16.5%	10.9%	107.9	114.2	120.5	-39.7%	5.3%	
Identification Services	233.4	242.5	210.9	263.6	4.1%	6.3%	275.2	290.1	306.1	5.1%	6.7%	
Access to Services	92.5	62.9	68.2	101.2	3.0%	2.1%	106.0	110.5	116.6	4.8%	2.6%	
Service Delivery to Provinces	1 402.3	1 574.1	1 808.5	1 869.9	10.1%	44.0%	1 973.4	2 090.5	2 218.1	5.9%	47.9%	
Government Printing Works	129.0	135.2	134.0	—	-100.0%	2.6%	—	—	—	—	—	
Electoral Commission	839.8	762.2	1 464.0	1 553.6	22.8%	30.5%	1 517.1	1 586.6	1 119.9	-10.3%	33.9%	
Represented Political Parties' Fund	104.0	109.2	115.2	122.1	5.5%	3.0%	127.7	134.5	141.2	5.0%	3.1%	
Total	3 165.5	3 216.8	4 265.0	4 486.2	12.3%	100.0%	4 131.7	4 352.6	4 050.3	-3.3%	100.0%	
Change to 2014 Budget estimate				379.3			(110.0)	(144.6)	(116.0)			
Economic classification												
Current payments	2 073.7	2 197.4	2 538.2	2 808.3	10.6%	63.6%	2 484.7	2 629.2	2 786.8	-0.3%	62.9%	
Compensation of employees	1 431.7	1 573.7	1 798.7	1 964.6	11.1%	44.7%	2 083.9	2 222.9	2 363.0	6.3%	50.7%	
Goods and services	642.0	623.7	739.4	843.8	9.5%	18.8%	400.8	406.3	423.8	-20.5%	12.2%	
of which:												
Computer services	41.6	24.0	18.2	14.6	-29.5%	0.6%	25.3	26.1	28.1	24.4%	0.6%	
Contractors	55.4	71.0	73.3	88.6	17.0%	1.9%	92.6	92.6	98.6	3.6%	2.2%	
Agency and support/outsourced services	40.9	42.3	0.5	28.9	-11.0%	0.7%	30.2	26.7	28.3	-0.7%	0.7%	
Fleet services (including government motor transport)	76.7	83.3	84.1	57.7	-9.1%	2.0%	60.3	69.7	53.8	-2.3%	1.4%	
Consumables: Stationery, printing and office supplies	335.0	281.7	368.5	506.6	14.8%	9.9%	79.6	79.2	82.7	-45.3%	4.4%	
Travel and subsistence	56.3	67.3	88.5	53.2	-1.9%	1.8%	49.7	48.8	50.5	-1.7%	1.2%	

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

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Transfers and subsidies	1 079.5	1 016.6	1 722.8	1 677.8	15.8%	36.3%	1 647.0	1 723.4	1 263.5	-9.0%	37.1%
Provinces and municipalities	0.6	0.8	0.8	1.0	14.8%	–	1.0	1.1	1.1	5.0%	–
Departmental agencies and accounts	1 078.2	1 015.2	1 713.2	1 675.7	15.8%	36.2%	1 644.8	1 721.0	1 261.1	-9.0%	37.0%
Households	0.7	0.6	8.8	1.1	15.3%	0.1%	1.2	1.2	1.3	4.9%	–
Payments for capital assets	12.2	2.8	4.0	–	-100.0%	0.1%	–	–	–	–	–
Machinery and equipment	9.1	2.8	4.0	–	-100.0%	0.1%	–	–	–	–	–
Software and other intangible assets	3.1	–	–	–	-100.0%	–	–	–	–	–	–
Total	3 165.5	3 216.8	4 265.0	4 486.2	12.3%	100.0%	4 131.7	4 352.6	4 050.3	-3.3%	100.0%
Proportion of total programme expenditure to vote expenditure	55.0%	58.3%	61.0%	62.1%	–	–	64.0%	60.5%	57.5%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 078.2	1 015.2	1 713.2	1 675.7	15.8%	36.2%	1 644.8	1 721.0	1 261.1	-9.0%	37.0%
Employee social benefits	5.4	8.6	–	–	-100.0%	0.1%	–	–	–	–	–
Government Printing Works	129.0	135.2	134.0	–	-100.0%	2.6%	–	–	–	–	–
Electoral Commission	839.8	762.2	1 464.0	1 553.6	22.8%	30.5%	1 517.1	1 586.6	1 119.9	-10.3%	33.9%
Represented Political Parties' Fund	104.0	109.2	115.2	122.1	5.5%	3.0%	127.7	134.5	141.2	5.0%	3.1%

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 (applications collected within South Africa) within 8 months, increasing the percentage from 70 per cent in 2015/16 to 90 per cent in 2017/18
 - adjudicating business and general work visas within 8 weeks (applications processed within South Africa), increasing the percentage from 70 per cent in 2015/16 to 90 per cent in 2017/18
 - issuing 80 per cent of refugee travel documents within 90 working days
 - issuing 50 per cent of refugee green barcoded identity documents (first issue) within 90 working days.

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 (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2011/12	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million						2011/12 - 2014/15					2014/15 - 2017/18	
Immigration Affairs Management	79.0	99.9	60.3	30.5		-27.2%	9.4%	30.7	30.9	32.7	2.4%	4.3%
Admission Services	272.3	319.8	394.1	247.0		-3.2%	43.1%	259.6	274.1	289.7	5.5%	36.5%
Immigration Services	239.6	271.9	309.7	315.5		9.6%	39.7%	365.1	381.5	408.3	9.0%	50.2%
Asylum Seekers	41.8	58.7	57.5	63.5		15.0%	7.7%	65.5	66.7	70.5	3.6%	9.1%
Total	632.7	750.2	821.6	656.5		1.2%	100.0%	720.9	753.1	801.2	6.9%	100.0%
Change to 2014 Budget estimate								29.5	18.7	25.4		
Economic classification												
Current payments	631.6	749.0	820.5	656.2		1.3%	99.9%	720.6	752.8	800.9	6.9%	100.0%
Compensation of employees	238.5	258.5	295.9	315.7		9.8%	38.7%	370.8	394.2	424.7	10.4%	51.3%
Goods and services	393.1	490.5	524.6	340.5		-4.7%	61.1%	349.7	358.6	376.2	3.4%	48.6%
of which:												
Computer services	141.9	162.5	192.4	111.6		-7.7%	21.3%	116.8	123.9	130.3	5.3%	16.5%
Contractors	13.4	7.5	9.0	18.2		10.9%	1.7%	19.0	19.1	20.1	3.4%	2.6%
Agency and support/outourced services	147.9	107.4	91.0	98.7		-12.6%	15.6%	103.2	108.1	113.6	4.8%	14.4%
Consumables: Stationery, printing and office supplies	3.7	17.3	3.7	12.2		49.3%	1.3%	12.4	13.2	15.1	7.3%	1.8%
Transport provided: Departmental activity	8.3	43.6	104.0	38.8		67.4%	6.8%	38.8	39.0	40.8	1.7%	5.4%
Travel and subsistence	51.1	79.6	92.7	26.1		-20.0%	8.7%	24.5	20.6	18.9	-10.2%	3.1%
Transfers and subsidies	1.1	0.7	0.8	0.3		-32.4%	0.1%	0.3	0.4	0.4	4.9%	-
Households	1.1	0.7	0.8	0.3		-32.6%	0.1%	0.3	0.4	0.4	4.9%	-
Payments for capital assets	0.1	0.5	0.3	-		-100.0%	-	-	-	-	-	-
Machinery and equipment	0.1	0.5	0.3	-		-100.0%	-	-	-	-	-	-
Total	632.7	750.2	821.6	656.5		1.2%	100.0%	720.9	753.1	801.2	6.9%	100.0%
Proportion of total programme expenditure to vote expenditure	11.0%	13.6%	11.8%	9.1%		-	-	11.2%	10.5%	11.4%	-	-
Details of selected transfers and subsidies												
Households												
Social benefits												
Current	0.9	0.7	0.8	0.3		-29.4%	0.1%	0.3	0.4	0.4	4.9%	-
Employee social benefits	0.9	0.7	0.8	0.3		-29.4%	0.1%	0.3	0.4	0.4	4.9%	-

Public entities and other agencies

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 mandates the commission 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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of registered voters as at 31 March each year	Electoral operations	Outcome 12: An efficient, effective and development oriented public service	23 363 394	22 979 394	25 364 669	24 600 000	25 600 000	25 200 000	24 600 000
Number of contracted voting stations on main registration weekends or general election days in the applicable years	Electoral operations		2 059	— ¹	22 263	22 300	22 600	22 600	— ¹
Number of liaison sessions with members of party liaison committees at national (1), provincial (9) and municipal (234) levels per year	Electoral operations		1 695	1 325	2 050	1 400	2 600	1 400	976
Number of electoral staff recruited and trained per year	Electoral operations		198 226	1 071 ²	46 251	213 092	50 092	213 092	— ²

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

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Voter turnout in the 2014 national and provincial elections, and in the 2016 local government elections, as a percentage of registered voters	Outreach	Outcome 12: An efficient, effective and development oriented public service	57.6%	— ³	— ³	73.5%	— ³	60%	— ³
Number of civic and democracy education events per year	Outreach		89 321 ⁴	4 875	65 454	6 000	30 000	60 000	15 000
Number of audiences reached through television, radio and print media for democracy education per year	Outreach		— ⁵	— ⁵	— ⁵	2 000 000	2 500 000	2 500 000	2 000 000
Number of international interactions/liaisons per year	Outreach	Outcome 11: Create a better South Africa, a better Africa and a better world	14	36	26	13	30	30	30

1. These are non-election years, hence no performance is recorded.

2. These are non-election years, hence no expansion staff are recruited.

3. These are non-election years, hence no performance is recorded

4. In the 2011 local government elections, KwaZulu-Natal recorded all meetings as an event, including very small meetings, hence the large number. The standard definition of an event has been provided to all offices, and will be used from now on.

5. Historical data is not available, as this is a new indicator.

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 of government's 2014-2019 medium term strategic framework (an efficient, effective and development oriented public service). 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 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 a year in which no election activity takes place except for by-elections for municipalities. In line with this, the commission's focus centres on its main performance indicators, divided into electoral operations and outreach programmes.

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 indicators. The focus of the commission over the medium term will be on preparations for the 2016 local government elections. This will include providing compensation for approximately 263 184 electoral staff and 6 000 expansion staff appointed on contract to work at 22 600 voting stations; paying 1 038 permanent staff; paying tariffs commensurate with the realities of attracting a mature and experienced election day staff complement in the electoral operations programme; improving and increasing the amount of training provided to electoral staff in the outreach programme to protect the credibility and integrity of electoral processes; increasing the number of prefabricated homes as office accommodation from 6 in 2014 to 12 in 2016/17; replacing the current fleet of 32 000 zip-zip machines, which capture the person's identity number and links it to the specific voting district where the person is registering. A new fleet of 38 000 of these machines will be acquired in 2016/17, at an estimated cost of R369 million; updating the electoral databases in line with election specific requirements; and updating and rolling out the commission's IT infrastructure.

As a result, expenditure on compensation of employees is expected to increase from the R555.1 million in the 2014 national and provincial government elections to R680.1 million for the local government elections in 2016. This increase is mainly a result of the increase in the expected payment rate for electoral and expansion personnel.

Ongoing spending areas include event specific registration activities; voter and civic democracy education programmes; the procurement of the electoral bill of materials, including ballot papers, ballot boxes and stationery used at voting stations; and extensive communication programmes via media platforms.

Cabinet approved budget reductions of R24.5 million in 2015/16 and R36.7 million in 2016/17 will be effected mainly in non-essential spending items of the commission's operations, such as venues, facilities, and 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	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
Administration	474.2	383.1	446.4	490.2	1.1%	37.2%	531.6	535.5	560.7	4.6%	36.5%
Electoral operations	712.2	316.8	681.0	897.2	8.0%	50.2%	763.0	907.7	458.3	-20.1%	50.1%
Outreach	128.8	65.7	282.1	183.0	12.4%	12.5%	287.7	198.9	130.9	-10.6%	13.3%
Total	1 315.2	765.6	1 409.5	1 570.4	6.1%	100.0%	1 582.3	1 642.1	1 149.9	-9.9%	100.0%

Statements of historical financial performance and position

Table 5.11 Electoral Commission 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		
	2011/12		2012/13		2013/14		2014/15			2011/12 - 2014/15
Revenue										
Non-tax revenue	17.0	10.6	15.0	6.1	15.0	16.6	15.0	15.0		77.8%
Other non-tax revenue	17.0	10.6	15.0	6.1	15.0	16.6	15.0	15.0		77.8%
Transfers received	799.2	844.2	756.2	762.2	1 464.0	1 464.0	1 553.6	1 553.6		101.1%
Total revenue	816.2	854.8	771.2	768.2	1 479.0	1 480.6	1 568.6	1 568.6		100.8%
Expenses										
Current expenses	816.2	1 315.2	817.7	765.6	1 491.9	1 409.5	1 613.1	1 570.4		106.8%
Compensation of employees	333.6	412.6	336.0	369.1	562.7	571.7	566.2	555.1		106.1%
Goods and services	422.7	845.9	422.4	339.0	867.7	779.0	984.2	949.5		108.0%
Depreciation	59.9	56.4	59.3	57.5	61.4	58.8	62.8	65.7		98.0%
Interest, dividends and rent on land	—	0.3	—	—	—	—	—	—		—
Total expenses	816.2	1 315.2	817.7	765.6	1 491.9	1 409.5	1 613.1	1 570.4		106.8%
Surplus/(Deficit)	—	(460.0)	(47.0)	3.0	(13.0)	71.0	(44.0)	(2.0)		—
Statement of financial position										
Carrying value of assets	252.6	339.7	263.3	335.1	288.3	354.1	242.7	309.8		127.9%
of which:										
Acquisition of assets	12.3	63.0	12.8	52.7	48.5	80.2	18.3	63.9		282.6%
Inventory	15.0	14.1	15.0	11.4	21.0	43.1	10.0	20.0		145.3%
Receivables and prepayments	10.0	17.3	9.8	17.3	13.5	22.9	13.5	18.0		161.3%
Cash and cash equivalents	175.4	37.8	32.5	79.4	30.0	153.1	30.0	214.8		181.1%
Non-current assets held for sale	—	3.9	—	3.1	—	—	—	—		—
Total assets	453.1	412.7	320.5	446.2	352.8	573.2	296.2	562.6		140.2%
Accumulated surplus/(deficit)	394.7	345.5	259.6	348.2	218.7	419.3	213.2	374.8		137.0%
Finance lease	—	—	10.2	—	—	—	—	—		—
Deferred income	—	4.2	0.3	5.4	0.3	—	—	—		1 773.4%
Trade and other payables	58.4	62.6	50.5	92.6	133.9	153.4	83.0	187.3		152.2%
Provisions	—	0.4	—	0.1	—	0.5	—	0.5		—
Total equity and liabilities	453.1	412.7	320.5	446.2	352.8	573.2	296.2	562.6		140.2%

Statements of estimates of financial performance and position

Table 5.12 Electoral Commission statements of estimates of financial performance and position

Statement of financial performance								Average growth rate (%)	Expenditure/ Total: Average (%)
R million	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate					
	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18		2014/15 - 2017/18	
Revenue									
Non-tax revenue	15.0	12.3%	1.0%	15.0	15.0	10.0	-12.7%		0.9%
Other non-tax revenue	15.0	12.3%	1.0%	15.0	15.0	10.0	-12.7%		0.9%
Transfers received	1 553.6	22.5%	99.0%	1 517.1	1 586.6	1 119.9	-10.3%		99.1%
Total revenue	1 568.6	22.4%	100.0%	1 532.1	1 601.6	1 129.9	-10.4%		100.0%
Expenses									
Current expenses	1 570.4	6.1%	100.0%	1 582.3	1 642.1	1 149.9	-9.9%		100.0%
Compensation of employees	555.1	10.4%	38.9%	680.2	638.2	602.7	2.8%		42.4%
Goods and services	949.5	3.9%	56.1%	838.8	947.8	498.5	-19.3%		53.6%
Depreciation	65.7	5.2%	5.0%	63.4	56.0	48.7	-9.5%		4.0%
Total expenses	1 570.4	6.1%	100.0%	1 582.3	1 642.1	1 149.9	-9.9%		100.0%
Surplus/(Deficit)	(2.0)	-83.7%	—	(50.0)	(40.0)	(20.0)	115.4%		—

Table 5.12 Electoral Commission statements of estimates of financial performance and position

Statement of financial position		Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	Revised estimate							
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Carrying value of assets	309.8	-3.0%	68.6%	293.5	245.7	211.2	-12.0%	56.1%
of which:								
Acquisition of assets	63.9	0.5%	13.1%	13.2	15.5	28.7	-23.4%	6.3%
Inventory	20.0	12.4%	4.3%	45.0	15.0	12.0	-15.7%	4.7%
Receivables and prepayments	18.0	1.4%	3.8%	25.0	18.0	18.0	–	4.2%
Cash and cash equivalents	214.8	78.4%	23.0%	162.6	142.6	140.6	-13.2%	34.9%
Total assets	562.6	10.9%	100.0%	526.1	421.3	381.8	-12.1%	100.0%
Accumulated surplus/(deficit)	374.8	2.8%	75.4%	372.6	327.8	298.3	-7.3%	73.3%
Trade and other payables	187.3	44.1%	24.0%	153.0	93.0	83.0	-23.8%	26.5%
Provisions	0.5	12.1%	0.1%	0.5	0.5	0.5	–	0.1%
Total equity and liabilities	562.6	10.9%	100.0%	526.1	421.3	381.8	-31.1%	100.0%

Personnel information

Table 5.13 Electoral Commission personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015			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 (%)	
			2013/14			2014/15			2015/16			2016/17			2017/18					2014/15 - 2017/18
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Electoral Commission			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	1 038	1 038	15 890	571.7	–	16 718	555.1	–	13 693	680.2	–	14 228	638.2	–	7 601	602.7	0.1	2.8%	100.0%	
1 – 6	139	139	15 093	159.3	–	15 819	115.0	–	12 794	177.0	–	13 329	105.0	–	6 702	45.7	–	-26.5%	92.5%	
7 – 10	805	805	716	308.8	0.4	805	334.0	0.4	805	378.3	0.5	805	401.8	0.5	805	418.5	0.5	7.8%	6.7%	
11 – 12	42	42	33	33.2	1.0	42	33.3	0.8	42	44.4	1.1	42	46.8	1.1	42	49.1	1.2	13.8%	0.4%	
13 – 16	47	47	43	61.4	1.4	47	63.1	1.3	47	70.7	1.5	47	74.1	1.6	47	78.3	1.7	7.5%	0.4%	
17 – 22	5	5	5	9.0	1.8	5	9.7	1.9	5	9.8	2.0	5	10.5	2.1	5	11.0	2.2	4.1%	–	

¹. Rand million.

Other public entities and agencies

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. The entity performs its mandate subject to policies prescribed by the Minister of Home Affairs. The entity does not receive a transfer payment from the department and uses own revenue.

Additional table: Summary of expenditure on infrastructure

Project name R million	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2014/15	Medium-term expenditure estimate		
				2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
Departmental infrastructure										
Sobokeng	Construction of new office building	Hand over	10.0	5.9	1.1	-	-	-	-	-
Phuthaditjhaba	Construction of new office building	Construction	26.0	11.1	1.1	18.1	26.0	6.4	2.2	-
Taung	Construction of new office building	Design	19.1	0.5	2.0	4.9	-	3.0	19.8	-
Hluhluwe	Construction of new office building	Feasibility	12.1	0.2	-	-	11.4	23.1	1.3	-
Stanger	Construction of new office building	Feasibility	11.9	-	-	-	11.4	13.8	4.6	-
Luskiski	Demolition of old prison and construction of new office building	Various	25.6	1.8	2.0	5.0	-	1.0	7.0	-
Randfontein	Demolition of old commando and construction of new office building	Various	22.4	1.0	-	5.0	-	15.9	9.5	18.0
Marabastad	Construction of new office building	Various	5.0	4.4	3.9	0.5	5.0	-	-	-
Repair and upgrade 2011	Renovations, repairs and maintenance of buildings to make them habitable	Hand over	30.1	13.8	4.7	-	-	-	-	-
Repair and upgrade 2012	Renovations, repairs and maintenance of buildings to make them habitable	Identification	45.4	-	6.0	31.2	3.2	-	-	-
New head office	Refurbishment of 13 th floor	Design	2.7	-	-	2.0	0.5	0.5	-	-
Ganyesa	Construction of new office building	Pre-feasibility	21.7	-	-	-	0.3	3.7	9.5	-
Bushbuckridge	Construction of new office building	Pre-feasibility	15.7	-	-	-	0.3	1.5	6.3	6.8
Modimolle	Construction of new office building	Pre-feasibility	15.7	-	-	-	0.3	(5.2)	6.3	6.8
Bochum	Construction of new office building	Pre-feasibility	15.7	-	-	-	-	0.3	0.3	6.3
Ministry	Rezoning	Pre-feasibility	10.0	-	-	-	-	20.0	-	-
Lebombo refugee reception centre	Construction of a refugee reception centre	Feasibility	10.0	-	-	-	10.0	-	11.0	12.0
Sea port of entry: New offices	Construction of new office building	Feasibility	10.0	-	-	-	10.0	-	10.0	11.0
Lebombo official residential accommodation	Residential accommodation for officials	Feasibility	13.8	-	-	-	10.0	-	10.0	11.0
Oshoek	Residential accommodation for officials	Feasibility	12.1	-	-	-	13.8	-	10.0	10.0
Maseru	Residential accommodation for officials	Feasibility	11.1	-	-	-	12.1	-	25.0	24.0
Beitbridge	Residential accommodation for officials	Feasibility	23.0	-	-	-	11.1	-	4.0	5.5
Sea Port of Entry New Offices	New offices	Feasibility	20.0	-	-	-	23.0	-	-	-
Planned maintenance	Upgrading and renovations, such as painting and new flooring	Construction	33.9	5.0	3.0	4.5	3.0	3.5	-	-
Maintenance	Installation of generators, earth wires and related services	Hand over	3.9	0.2	-	1.3	-	-	-	-
New corporation building	Elevators	Hand over	2.5	-	-	0.4	-	-	-	-
New corporation building	Upgrading and renovations, such as painting and new flooring	Hand over	12.0	-	-	5.2	-	-	-	-
Look and feel	Upgrading and renovations, such as painting and new flooring	Construction	58.8	35.0	3.7	-	-	-	-	-
Itsoeng	Upgrading and renovations, such as painting and new flooring	Construction	10.3	-	-	-	-	0.3	0.3	6.2
Christiana	Upgrading and renovations, such as painting and new flooring	Construction	6.8	-	-	-	-	0.3	0.3	6.2

Additional table: Summary of expenditure on infrastructure

Project name R million	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2014/15	Medium-term expenditure estimate		
				2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
Thohoyandou	Upgrading and renovations, such as painting and new flooring	Construction	6.8	-	-	-	-	0.3	0.3	6.2
Lichtenburg	Upgrading and renovations, such as painting and new flooring	Construction	5.3	-	-	-	-	0.3	5.0	-
Louis Trichardt	Upgrading and renovations, such as painting and new flooring	Construction	6.8	-	-	-	-	0.3	0.3	6.2
Phalaborwa and Mhala	Upgrading and renovations, such as painting and new flooring	Construction	2.8	-	-	-	-	0.1	2.7	-
New head office	Upgrading and renovations, such as painting and new flooring	Construction	68.0	-	-	-	-	1.5	1.5	30.0
Atamelang, Molopo 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	Upgrading and renovations, such as painting and new flooring	Construction	10.3	-	-	-	-	0.3	0.3	6.2
Ingwavuma	Upgrading and renovations, such as painting and new flooring	Construction	10.3	-	-	-	-	0.3	0.3	6.2
Komanga	Upgrading and renovations, such as painting and new flooring	Construction	10.3	-	-	-	-	0.3	0.3	6.2
Cowrie Place: Refurbishment	Upgrading and renovations, such as painting and new flooring	Construction	16.3	-	-	16.3	-	-	-	-
Cowrie 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			688.3	78.9	27.6	98.5	151.4	103.2	154.7	185.2

Vote 6

International Relations and Cooperation

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	1 418.5	1 167.0	1.2	250.3	1 468.7	1 535.3
International Relations	2 931.7	2 897.2	4.4	30.0	3 131.4	3 304.0
International Cooperation	466.9	464.9	–	2.1	483.5	512.2
Public Diplomacy and Protocol Services	246.3	244.4	0.3	1.6	256.4	270.7
International Transfers	635.2	–	635.2	–	603.5	921.1
Total expenditure estimates	5 698.6	4 773.5	641.2	284.0	5 943.6	6 543.3

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, public entities, donor funding, public private partnerships, conditional allocations 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, and 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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of structured bilateral mechanisms to promote national priorities (the African Agenda and the Agenda of the South) per year	International Relations	Outcome 11: Create a better South Africa, a better Africa and a better world	— ¹	— ¹	42	34	34	34	34
Number of tourism promotional events hosted per year ²	International Relations		— ¹	— ¹	— ¹	— ¹	67	67	67
Number of high level engagements coordinated to promote national priorities (the African Agenda and Agenda of the South) per year	International Relations		— ¹	— ¹	61	65	58	58	58
Number of economic diplomacy activities to attract investment, tourism and the development of cooperation per year: trade and investment seminars engagements with chambers of commerce	International Relations		— ¹	— ¹					
					154	273	112 ³	112 ³	112 ³
					57	155	125 ³	125 ³	125 ³
Number of bilateral meetings held with targeted government ministries and high level potential investors per year	International Relations		— ¹	— ¹	72	34	150	150	150
Number of development cooperation initiatives held per year	International Relations		— ¹	— ¹	31	115	— ⁴	— ⁴	— ⁴
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		— ¹	— ¹	5	4	4	4	4
Number NEPAD summits, working group meetings and processes supported with substance and logistics to enhance socioeconomic development on the continent per year	International Cooperation		— ¹	— ¹	4	4	4	4	4
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		— ¹	— ¹	5	8	10	10	10
Percentage of requests for protocol services responded to per year	Public Diplomacy and Protocol Services		— ⁵	— ⁵	100% ⁶	100%	100%	100%	100%
Percentage of requests for public diplomacy services responded to per year	Public Diplomacy and Protocol Services		— ⁵	— ⁵	100% (192) ⁷	100%	100%	100%	100%

1. Historical data is not available, as this is a new indicator.

2. 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.

3. The medium term performance targets were revised following the finalisation of the department's mid-term budget and performance review for 2014/15.

4. From 2015/16, reporting on this indicator will be integrated with the indicator above for bilateral meetings held with targeted government ministries and high level potential investors.

5. Historical data is not available, as this indicator was revised and expressed as a percentage from 2013/14.

6. Requests for protocol services responded to: 9 international conferences; 28 555 dignitaries at the 3 state protocol lounges; 107 incoming and 95 outgoing visits; 2 972 protocol ceremonial and hospitality services; and 214 incoming and outgoing international visits for provincial and local governments.

7. Requests for public diplomacy services responded to: 150 departmental activities and 42 media enquiries.

Expenditure analysis

The national development plan envisions South Africa as a globally competitive economy and an influential, leading member of the international community. The plan sees South Africa as promoting and contributing globally to sustainable development, democracy, the rule of law, human rights, and peace and security. Outcome 11 of government's 2014-2019 medium term strategic framework (create a better South Africa, a better Africa and a better world) further articulates this vision of South Africa in the regional, African and international arenas.

South Africa's foreign policy is aligned with these visions and objectives, and the Department of International Relations and Cooperation will continue over the medium term to sustain South Africa's international economic and political relations and to participate in global governance forums. The department will also be enhancing its operational capacity.

Sustaining economic and political relations and participating in global governance forums

The department will continue to participate in multilateral forums, including the African Union (AU) structures. Government's 2014-2019 medium term strategic framework tasks the department with increasing the uptake of South Africa's quota in AU structures over the medium term from 30 per cent (8 of 27 posts filled) to 60 per cent (16 posts filled).

The department remains committed to the consolidation of regional integration through participation in the Southern African Development Community (SADC) region, and will be involved over the medium term in reviewing the SADC regional indicative strategic development plan and in conceptualising the processes for establishing a free trade area, led by the Department of Trade and Industry.

The department also continues to promote post-conflict reconstruction and development and participate in political reform in the Great Lakes region. Over the medium term, this will include 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 SADC intervention brigade in the Democratic Republic of the Congo, working with the Department of Defence to operationalise the AU peace and security architecture, and participating in the political processes to restore order and stability in the Central African Republic, the Democratic Republic of the Congo, Libya, Somalia and South Sudan.

These and other such activities are funded over the medium term from R9.4 billion in the *International Relations* programme and 1.5 billion in the *International Cooperation* programmes.

Enhancing the department's operational capacity

Over the medium term, the department intends to redefine outgoing development cooperation. It has reviewed the current institutional and policy arrangements for outgoing development cooperation, and plans to table the Partnership Fund for Development Bill. The bill seeks to repeal the African Renaissance and International Cooperation Fund Act (2000) and provides the legislative framework for establishing the South African Development Partnership Agency to replace the fund. Cabinet approved budget reductions of R335.3 million in 2015/16, R467.1 million in 2016/17, and R168.5 million in 2017/18 are to be effected on non-essential goods and services, compensation of employees and the 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.

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 and intends to table the Foreign Services Bill over the medium term.

Both the outgoing development work and the work on the Foreign Services Bill are funded in the *Administration* programme.

The department's international property portfolio consists of 133 state owned properties and 800 rented properties. Presently, the department spends approximately R575 million per year on leases in countries where it does not own properties. High rental costs are exacerbated in countries where the lease property market is poorly regulated. Over the medium term, the department will conduct a feasibility study on the viability of developing an acquisition and disposal strategy, including risk assessment and cost benefit analysis elements. The feasibility study will promote a shift towards property ownership over rental, and will contemplate different funding models, including public private partnerships. The aim is to bring coordination and sustainability to the department's current acquisitions and disposals processes.

Over the medium term, the department will be completing the construction of chanceries and official residences in Tanzania, Malawi and the Netherlands. The department also intends to enter into public private partnerships for constructing chanceries on vacant state owned land in India, Saudi Arabia, Senegal, Mali, Botswana and Uruguay. Spending on infrastructure increased from R205.2 million in 2011/12 to R213.5 million in 2014/15, and is expected to increase to R223.7 million in 2017/18. The funding is earmarked for infrastructure development, the acquisition of land and buildings, and the renovation of refurbishment of state owned infrastructure.

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	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Programme 1	1 245.5	1 239.4	1 170.6	1 275.6	1 265.3	1 133.1	1 327.8	1 320.7	1 267.2	1 396.3	1 419.6	1 428.4	95.3%	95.3%
Programme 2	2 200.9	2 270.6	2 213.2	2 425.2	2 441.7	2 451.7	2 653.4	2 768.1	2 892.9	2 810.2	3 047.5	3 056.8	105.2%	100.8%
Programme 3	328.9	339.3	333.0	369.9	364.8	370.4	447.9	459.0	451.7	486.4	504.4	484.8	100.4%	98.3%
Programme 4	211.5	494.4	485.4	220.3	301.1	292.1	243.9	254.5	281.6	317.2	309.3	309.3	137.8%	100.7%
Programme 5	809.9	809.9	819.6	825.6	898.6	937.8	875.4	952.4	978.0	744.3	823.6	825.0	109.4%	102.2%
Total	4 796.8	5 153.6	5 021.8	5 116.6	5 271.5	5 185.1	5 548.4	5 754.6	5 871.3	5 754.3	6 104.3	6 104.3	104.6%	99.5%
Change to 2014										350.0				
Budget estimate														
Economic classification														
Current payments	3 703.1	4 147.2	3 788.9	4 044.1	4 001.6	3 937.9	4 300.3	4 403.3	4 682.5	4 582.6	4 996.6	4 990.4	104.6%	99.2%
Compensation of employees	1 704.5	1 843.6	1 934.2	1 851.5	2 118.3	2 153.2	2 238.8	2 354.3	2 433.7	2 461.8	2 581.8	2 609.3	110.6%	102.6%
Goods and services	1 998.6	2 193.1	1 854.7	2 072.6	1 883.3	1 784.7	2 061.5	2 013.2	2 248.8	2 120.8	2 414.8	2 381.1	100.2%	97.2%
of which:														
Computer services	124.5	147.2	119.3	112.4	133.1	87.1	111.7	111.7	120.2	128.0	106.8	145.9	99.1%	94.7%
Agency and support/outsourced services	8.0	50.4	8.8	58.7	79.8	6.3	61.5	12.9	47.1	15.1	161.2	160.4	155.5%	73.2%
Operating leases	882.4	803.3	565.1	775.4	652.8	623.1	748.2	753.3	908.2	763.3	882.9	889.6	94.2%	96.6%
Property payments	238.2	187.9	190.0	230.2	185.8	226.9	225.3	226.8	237.1	223.7	241.1	251.4	98.7%	107.6%
Travel and subsistence	225.6	351.4	365.5	269.3	268.7	349.7	318.8	325.9	395.5	341.9	324.2	299.1	122.0%	111.0%
Operating payments	92.1	92.1	151.1	221.3	168.9	158.9	210.8	202.6	177.9	216.6	230.1	220.0	95.6%	102.1%
Interest and rent on land	—	110.6	0.1	120.0	—	—	—	35.8	—	—	—	—	0.1%	0.1%
Transfers and subsidies	809.9	809.9	827.9	825.6	898.6	944.8	875.4	965.8	984.5	745.7	833.7	838.7	110.4%	102.5%
Departmental agencies and accounts	450.4	450.4	450.4	445.0	518.0	518.0	476.9	491.9	485.4	285.6	285.6	285.6	104.9%	99.6%
Foreign governments and international organisations	359.6	359.6	369.3	380.6	380.6	419.8	398.4	460.4	492.5	460.1	539.4	539.4	113.9%	104.7%
Public corporations and private enterprises	—	—	—	—	—	0.6	—	6.8	—	—	—	—	—	9.4%
Households	—	—	8.2	—	—	6.4	—	6.7	6.6	—	8.7	13.7	84912.2%	225.8%
Payments for capital assets	283.7	196.5	361.8	247.0	371.3	302.3	372.7	385.5	203.8	426.0	274.0	275.2	86.0%	93.1%
Buildings and other fixed structures	250.9	161.4	326.6	207.7	327.6	210.0	330.3	343.1	171.2	400.2	242.0	236.6	79.4%	87.9%
Machinery and equipment	32.8	35.0	35.2	39.3	43.7	21.5	42.4	42.4	32.6	25.8	32.0	38.7	91.2%	83.6%
Land and sub-soil assets	—	—	—	—	—	70.2	—	—	—	—	—	—	—	—
Software and other intangible assets	—	—	—	—	—	0.6	—	—	—	—	—	—	—	—
Payments for financial assets	—	—	43.2	—	—	—	—	—	0.5	—	—	—	—	—
Total	4 796.8	5 153.6	5 021.8	5 116.6	5 271.5	5 185.1	5 548.4	5 754.6	5 871.3	5 754.3	6 104.3	6 104.3	104.6%	99.5%

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 (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme 1	1 428.4	4.8%	23.1%	1 418.5	1 468.7	1 535.3	2.4%	24.1%
Programme 2	3 056.8	10.4%	47.5%	2 931.7	3 131.4	3 304.0	2.6%	51.1%
Programme 3	484.8	12.6%	7.5%	466.9	483.5	512.2	1.8%	8.0%
Programme 4	309.3	-14.5%	6.1%	246.3	256.4	270.7	-4.3%	4.5%
Programme 5	825.0	0.6%	15.8%	635.2	603.5	921.1	3.7%	12.3%
Total	6 104.3	5.8%	100.0%	5 698.6	5 943.6	6 543.3	2.3%	100.0%
Change to 2014 Budget estimate				(335.3)	(467.1)	(168.5)		
Economic classification								
Current payments	4 990.4	6.4%	77.8%	4 773.5	5 047.6	5 325.6	2.2%	82.9%
Compensation of employees	2 609.3	12.3%	40.9%	2 526.2	2 624.9	2 784.2	2.2%	43.4%
Goods and services	2 381.1	2.8%	37.0%	2 247.3	2 422.7	2 541.4	2.2%	39.5%
of which:								
Computer services	145.9	-0.3%	2.1%	130.8	124.6	131.5	-3.4%	2.2%
Agency and support/outsource services	160.4	47.1%	1.1%	181.8	182.8	191.9	6.2%	3.0%
Operating leases	889.6	3.5%	12.9%	861.3	1 036.3	1 095.9	7.2%	16.0%
Property payments	251.4	10.2%	4.1%	266.3	276.7	283.0	4.0%	4.4%
Travel and subsistence	299.1	-5.2%	6.1%	288.3	277.8	284.0	-1.7%	4.7%
Operating payments	220.0	33.7%	3.4%	190.5	195.3	206.6	-2.1%	3.3%
Interest and rent on land	—	-100.0%	—	—	—	—	—	—
Transfers and subsidies	838.7	1.2%	16.0%	641.2	610.0	928.0	3.4%	12.4%
Departmental agencies and accounts	285.6	-14.1%	7.9%	154.0	96.8	431.5	14.8%	4.0%
Foreign governments and international organisations	539.4	14.5%	7.9%	481.2	506.7	489.6	-3.2%	8.3%
Households	13.7	—	0.1%	6.0	6.4	6.9	-20.6%	0.1%
Payments for capital assets	275.2	11.9%	6.0%	284.0	285.9	289.7	1.7%	4.7%
Buildings and other fixed structures	236.6	13.6%	5.0%	233.1	246.7	248.3	1.6%	4.0%
Machinery and equipment	38.7	3.4%	0.6%	50.9	39.3	41.3	2.3%	0.7%
Payments for financial assets	—	—	0.2%	—	—	—	—	—
Total	6 104.3	5.8%	100.0%	5 698.6	5 943.6	6 543.3	2.3%	100.0%

Personnel information

Table 6.4 Vote personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. International Relations																			
3. International Cooperation																			
4. Public Diplomacy and Protocol Services																			
5. International Transfers																			
Number of posts estimated for 31 March 2015			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 (%)				
		2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost						
International Relations and Cooperation			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	4 588	23	4 320	2 436.7	0.6	4 552	2 609.3	0.6	4 552	2 526.2	0.6	4 571	2 624.9	0.6	4 592	2 784.2	0.6	0.3%	100.0%
1 – 6	382	4	365	67.5	0.2	382	80.0	0.2	382	87.7	0.2	384	91.1	0.2	387	98.0	0.3	0.4%	8.4%
7 – 10	1 490	9	1 284	439.7	0.3	1 465	592.3	0.4	1 465	595.5	0.4	1 478	627.4	0.4	1 487	664.9	0.4	0.5%	32.3%
11 – 12	436	7	411	266.2	0.6	436	296.1	0.7	436	314.2	0.7	440	334.0	0.8	442	353.6	0.8	0.5%	9.6%
13 – 16	309	3	281	263.4	0.9	298	258.8	0.9	298	281.6	0.9	298	300.6	1.0	305	327.6	1.1	0.8%	6.6%
Other	1 971	–	1 979	1 399.8	0.7	1 971	1 382.2	0.7	1 971	1 247.2	0.6	1 971	1 271.9	0.6	1 971	1 340.2	0.7	–	43.2%
Programme	4 588	23	4 320	2 436.7	0.6	4 552	2 609.3	0.6	4 552	2 526.2	0.6	4 571	2 624.9	0.6	4 592	2 784.2	0.6	0.3%	100.0%
Programme 1	946	22	855	330.3	0.4	946	375.3	0.4	946	377.1	0.4	958	387.7	0.4	961	412.9	0.4	0.5%	20.9%
Programme 2	2 831	–	2 761	1 714.6	0.6	2 795	1 813.3	0.6	2 795	1 728.2	0.6	2 795	1 789.3	0.6	2 797	1 896.5	0.7	–	61.2%
Programme 3	471	1	415	277.1	0.7	471	292.3	0.6	471	290.7	0.6	471	309.5	0.7	471	328.8	0.7	–	10.3%
Programme 4	340	–	289	114.7	0.4	340	128.4	0.4	340	130.2	0.4	347	138.4	0.4	363	146.0	0.4	2.2%	7.6%

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

² Rand million.

Departmental receipts

Table 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 (%)
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
Departmental receipts	82 928	46 694	36 569	46 189	47 865	-16.7%	100.0%	48 182	48 561	49 155	0.9%	100.0%
Sales of goods and services produced by department	586	682	870	818	854	13.4%	1.4%	908	954	1 001	5.4%	1.9%
Sales by market establishments	270	351	417	381	394	13.4%	0.7%	414	434	456	5.0%	0.9%
of which:												
Parking fee	270	351	417	381	394	13.4%	0.7%	414	434	456	5.0%	0.9%
Administrative fees	316	–	–	350	366	5.0%	0.3%	384	404	424	5.0%	0.8%
of which:												
Insurance fees	45	–	–	38	45	–	–	47	50	53	5.6%	0.1%
Garnishee fees	271	–	–	312	321	5.8%	0.3%	337	354	371	4.9%	0.7%
Other sales	–	331	453	87	94	–	0.4%	110	116	121	8.8%	0.2%
of which:												
Replacement of access cards and name tags	–	331	453	6	8	–	0.4%	8	9	9	4.0%	–
Sale of departmental documents and publications	–	–	–	–	1	–	–	1	1	1	–	–
Transport fees	–	–	–	81	85	–	–	101	106	111	9.3%	0.2%
Sales of scrap, waste, arms and other used current goods	1 003	182	–	–	–	-100.0%	0.6%	–	–	–	–	–
of which:												
Sales of scrap	1 003	182	–	–	–	-100.0%	0.6%	–	–	–	–	–
Fines, penalties and forfeits	188	2 554	37	–	40	-40.3%	1.3%	–	–	–	-100.0%	–
Interest, dividends and rent on land	1 436	582	1 384	1 582	1 308	-3.1%	2.2%	1 373	1 442	1 514	5.0%	2.9%
Interest	1 281	547	1 384	1 582	1 308	0.7%	2.1%	1 373	1 442	1 514	5.0%	2.9%
Rent on land	155	35	–	–	–	-100.0%	0.1%	–	–	–	–	–
Sales of capital assets	1 873	1 675	2 125	3 859	3 721	25.7%	4.4%	3 907	4 102	4 307	5.0%	8.3%
Transactions in financial assets and liabilities	77 842	41 019	32 153	39 930	41 942	-18.6%	90.1%	41 994	42 063	42 333	0.3%	86.9%
Total	82 928	46 694	36 569	46 189	47 865	-16.7%	100.0%	48 182	48 561	49 155	0.9%	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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Ministry	4.5	4.4	6.1	6.0	9.6%	0.4%	6.2	6.6	7.1	5.8%	0.4%
Departmental Management	12.6	14.0	14.3	15.6	7.4%	1.1%	16.4	17.5	18.6	6.1%	1.2%
Audit Services	13.2	14.2	17.0	21.1	16.9%	1.3%	19.8	20.4	21.6	0.7%	1.4%
Financial Management	108.9	104.5	122.2	124.4	4.5%	9.2%	131.0	134.6	142.4	4.6%	9.1%
Corporate Services	517.4	540.8	633.3	687.8	9.9%	47.7%	642.6	653.4	688.2	–	45.7%
Diplomatic Training, Research and Development	62.5	67.5	59.4	60.5	-1.0%	5.0%	66.5	71.7	76.5	8.1%	4.7%
Foreign Fixed Assets Management	216.8	194.5	154.4	221.3	0.7%	15.8%	223.8	235.7	235.7	2.1%	15.7%
Office Accommodation	234.7	193.4	260.4	282.9	6.4%	19.5%	312.2	328.7	345.2	6.8%	21.7%
Total	1 170.6	1 133.1	1 267.2	1 419.6	6.6%	100.0%	1 418.5	1 468.7	1 535.3	2.6%	100.0%
Change to 2014				23.3			25.2	27.6	29.1		
Budget estimate											

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 (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	
Current payments	831.1	847.6	1 089.8	1 160.4	11.8%	78.7%	1 167.0	1 201.7	1 266.4	3.0%	82.1%
Compensation of employees	310.1	328.3	330.3	365.4	5.6%	26.7%	377.1	387.7	412.9	4.2%	26.4%
Goods and services	520.9	519.3	759.5	795.1	15.1%	52.0%	789.9	814.0	853.5	2.4%	55.7%
of which:											
Computer services	79.5	85.2	110.8	106.0	10.1%	7.6%	130.5	124.3	131.1	7.3%	8.4%
Contractors	84.9	65.9	65.9	144.5	19.4%	7.2%	62.2	67.9	71.3	-21.0%	5.9%
Agency and support/outourced services	6.7	1.7	10.6	159.3	187.7%	3.6%	178.8	179.8	188.8	5.8%	12.1%
Operating leases	75.9	74.5	198.5	87.8	5.0%	8.7%	136.8	153.4	161.0	22.4%	9.2%
Travel and subsistence	88.8	118.6	102.0	89.7	0.3%	8.0%	90.7	90.7	95.3	2.1%	6.3%
Operating payments	77.6	71.7	73.7	81.2	1.5%	6.1%	65.7	68.4	71.8	-4.0%	4.9%
Interest and rent on land	0.1	–	–	–	-100.0%	–	–	–	–	–	–
Transfers and subsidies	1.0	2.2	1.1	3.7	56.7%	0.2%	1.2	1.3	1.4	-28.5%	0.1%
Public corporations and private enterprises	–	–	0.1	–	–	–	–	–	–	–	–
Households	1.0	2.1	1.0	3.7	56.7%	0.2%	1.2	1.3	1.4	-28.5%	0.1%
Payments for capital assets	338.2	283.4	176.3	255.4	-8.9%	21.1%	250.3	265.7	267.5	1.6%	17.8%
Buildings and other fixed structures	326.5	209.5	176.1	242.0	-9.5%	19.1%	233.1	246.7	248.3	0.9%	16.6%
Machinery and equipment	11.6	3.7	0.2	13.5	5.0%	0.6%	17.2	19.0	19.2	12.6%	1.2%
Land and sub-soil assets	–	70.2	–	–	–	1.4%	–	–	–	–	–
Payments for financial assets	0.4	–	–	–	-100.0%	–	–	–	–	–	–
Total	1 170.6	1 133.1	1 267.2	1 419.6	6.6%	100.0%	1 418.5	1 468.7	1 535.3	2.6%	100.0%
Proportion of total programme expenditure to vote expenditure	23.3%	21.9%	22.8%	23.3%	–	–	24.9%	24.7%	23.5%	–	–
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	1.0	2.1	1.0	3.7	56.7%	0.2%	1.2	1.3	1.4	-28.5%	0.1%
Employee social benefits	1.0	2.1	1.0	3.7	56.7%	0.2%	1.2	1.3	1.4	-28.5%	0.1%

Programme 2: International Relations

Programme purpose

Promote relations with foreign countries.

Objectives

- Strengthen political, economic and social relations through bilateral agreements with targeted countries to advance South Africa's national priorities by promoting South African national and international relations policies, strategies and programmes, 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.
- 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.
- 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.

Expenditure trends and estimates

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

Subprogramme				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome											
R million	2011/12	2012/13	2013/14	2014/15	2011/12	2014/15	2015/16	2016/17	2017/18	2014/15	2017/18
Africa	689.0	736.5	860.9	902.3	9.4%	30.1%	885.9	940.1	996.9	3.4%	30.0%
Asia and Middle East	577.4	643.2	751.7	780.9	10.6%	26.0%	734.8	801.6	848.7	2.8%	25.5%
Americas and Caribbean	346.9	404.5	492.2	530.9	15.2%	16.7%	501.1	537.4	578.0	2.9%	17.3%
Europe	600.0	667.4	788.1	833.3	11.6%	27.2%	809.8	852.3	880.4	1.8%	27.2%
Total	2 213.2	2 451.7	2 892.9	3 047.5	11.3%	100.0%	2 931.7	3 131.4	3 304.0	2.7%	100.0%
Change to 2014 Budget estimate				237.3			(70.6)	(94.0)	(106.9)		
Economic classification											
Current payments	2 144.9	2 432.2	2 873.2	3 025.9	12.2%	98.8%	2 897.2	3 110.9	3 281.4	2.7%	99.2%
Compensation of employees	1 318.0	1 480.0	1 714.6	1 796.9	10.9%	59.5%	1 728.2	1 789.3	1 896.5	1.8%	58.1%
Goods and services	826.9	952.2	1 158.6	1 229.0	14.1%	39.3%	1 169.0	1 321.6	1 385.0	4.1%	41.1%
of which:											
Communication	27.6	30.1	34.1	31.3	4.3%	1.2%	30.9	28.1	28.3	-3.4%	1.0%
Consumable supplies	—	—	25.7	8.4	—	0.3%	21.3	20.3	1.8	-40.1%	0.4%
Operating leases	435.2	498.3	649.1	718.5	18.2%	21.7%	662.1	812.4	852.3	5.9%	24.5%
Property payments	137.1	158.9	175.3	169.4	7.3%	6.0%	197.5	207.9	218.1	8.8%	6.4%
Travel and subsistence	85.2	100.7	105.9	100.4	5.6%	3.7%	90.3	82.2	82.9	-6.2%	2.9%
Operating payments	59.6	70.7	87.5	106.4	21.3%	3.1%	87.5	87.7	90.4	-5.3%	3.0%
Transfers and subsidies	7.0	4.0	4.1	5.5	-7.8%	0.2%	4.4	4.8	5.2	-1.8%	0.2%
Foreign governments and international organisations	0.1	—	—	1.4	140.6%	—	—	—	—	-100.0%	—
Households	6.9	4.0	4.1	4.1	-16.0%	0.2%	4.4	4.8	5.2	8.3%	0.1%
Payments for capital assets	14.4	15.4	15.6	16.1	3.7%	0.6%	30.0	15.7	17.4	2.5%	0.6%
Buildings and other fixed structures	0.1	0.6	—	—	-47.7%	—	—	—	—	6.3%	—
Machinery and equipment	14.3	14.3	15.6	16.1	3.9%	0.6%	30.0	15.7	17.3	2.5%	0.6%
Software and other intangible assets	—	0.6	—	—	—	—	—	—	—	—	—
Payments for financial assets	46.9	—	—	—	-100.0%	0.4%	—	—	—	—	—
Total	2 213.2	2 451.7	2 892.9	3 047.5	11.3%	100.0%	2 931.7	3 131.4	3 304.0	2.7%	100.0%
Proportion of total programme expenditure to vote expenditure	44.1%	47.3%	52.1%	49.9%	—	—	51.4%	52.7%	50.5%	—	—
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	6.9	4.0	4.1	4.1	-16.0%	0.2%	4.4	4.8	5.2	8.3%	0.1%
Employee social benefits	6.9	4.0	4.1	4.1	-16.0%	0.2%	4.4	4.8	5.2	8.3%	0.1%

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 by implementing the secretariat's job evaluation plan and assisting with the recruitment process on an ongoing basis.
- Contribute towards New Partnership for Africa's Development (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 Brazil-Russia-India-China-South Africa group of countries dialogue forum through continuous active participation in forum structures.
- Strengthen political solidarity, economic cooperation and sociocultural relations with Asian countries by participating in the New Asian-African Strategic Partnership structures over the medium term.
- Strengthen North-South economic and political relations and cooperation to advance the African Agenda through the ongoing financing of development initiatives and support to institutional and governance reforms.

Subprogrammes

- *Global System Governance* provides for multilateralism and a rules based international order. This entails participating and playing an active role in all forums of the United Nations (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				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)				Average growth rate (%)	Expenditure/ Total: Average (%)
	Audited outcome						Medium-term expenditure estimate				
R million	2011/12	2012/13	2013/14	2014/15	2011/12	2014/15	2015/16	2016/17	2017/18	2014/15	2017/18
Global System of Governance	196.0	221.8	249.4	266.3	10.8%	56.3%	253.3	264.4	291.2	3.0%	54.7%
Continental Cooperation	77.4	82.0	124.2	156.3	26.4%	26.5%	133.6	136.8	133.6	-5.1%	28.5%
South-South Cooperation	4.3	6.1	6.9	7.4	20.1%	1.5%	3.7	3.8	4.1	-18.0%	1.0%
North-South Dialogue	55.3	60.5	71.2	74.3	10.4%	15.7%	76.3	78.5	83.2	3.8%	15.9%
Total	333.0	370.4	451.7	504.4	14.8%	100.0%	466.9	483.5	512.2	0.5%	100.0%
Change to 2014				18.0			(74.3)	(76.7)	(80.1)		
Budget estimate											

Table 6.8 International Cooperation expenditure trends and estimates by subprogramme and economic classification

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome							2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15					2014/15 - 2017/18	
Current payments	334.1	367.7	441.1	503.3	14.6%	99.2%	464.9	480.5	509.1	0.4%	99.5%
Compensation of employees	210.5	238.8	277.1	294.5	11.8%	61.5%	290.7	309.5	328.8	3.7%	62.2%
Goods and services	123.6	128.9	163.9	208.8	19.1%	37.7%	174.1	171.1	180.3	-4.8%	37.3%
of which:											
Communication	4.7	4.6	4.8	3.8	-6.6%	1.1%	5.3	5.2	5.4	12.2%	1.0%
Entertainment	1.4	1.7	1.6	2.0	11.4%	0.4%	2.1	2.2	2.3	5.0%	0.4%
Operating leases	52.9	50.2	60.6	76.6	13.1%	14.5%	62.4	70.6	82.6	2.5%	14.9%
Property payments	8.2	7.6	9.0	11.4	11.5%	2.2%	7.5	7.9	1.5	-49.7%	1.4%
Travel and subsistence	32.3	39.2	58.0	55.1	19.4%	11.1%	51.5	47.8	45.9	-5.9%	10.2%
Operating payments	11.3	14.6	15.7	40.7	53.3%	5.0%	35.8	37.4	42.5	1.5%	8.0%
Transfers and subsidies	0.2	0.1	1.0	0.2	3.2%	0.1%	-	-	-	-50.1%	-
Households	0.2	0.1	1.0	0.2	3.2%	0.1%	-	-	-	-50.1%	-
Payments for capital assets	2.8	2.6	9.6	0.9	-32.4%	1.0%	2.1	2.9	3.1	52.8%	0.5%
Buildings and other fixed structures	-	-	0.9	-	-	0.1%	-	-	-	-	-
Machinery and equipment	2.8	2.6	8.7	0.9	-32.4%	0.9%	2.1	2.9	3.1	52.8%	0.5%
Payments for financial assets	(4.1)	-	-	-	-100.0%	-0.2%	-	-	-	-	-
Total	333.0	370.4	451.7	504.4	14.8%	100.0%	466.9	483.5	512.2	0.5%	100.0%
Proportion of total programme expenditure to vote expenditure	6.6%	7.1%	8.1%	8.3%	-	-	8.2%	8.1%	7.8%	-	-

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.

Objectives

- 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 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					Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	Audited outcome											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15			2015/16	2016/17	2017/18	2014/15 - 2017/18	
Public Diplomacy	49.0	68.2	74.0	62.8	8.6%	18.6%		62.3	65.1	69.0	3.2%	23.9%
Protocol Services	436.4	223.9	207.6	246.5	-17.3%	81.4%		183.9	191.3	201.7	-6.5%	76.1%
Total	485.4	292.1	281.6	309.3	-13.9%	100.0%		246.3	256.4	270.7	-4.3%	100.0%
Change to 2014				(8.0)				(4.0)	(9.4)	(10.2)		
Budget estimate												

Table 6.9 Public Diplomacy and Protocol Services 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 (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
R million											
Current payments	478.8	290.4	279.6	307.0	-13.8%	99.1%	244.4	254.5	268.7	-4.3%	99.3%
Compensation of employees	95.6	106.1	114.7	125.0	9.3%	32.3%	130.2	138.4	146.0	5.3%	49.8%
Goods and services	383.2	184.3	164.9	182.0	-22.0%	66.8%	114.2	116.1	122.7	-12.3%	49.4%
of which:											
Advertising	11.4	11.0	3.6	12.8	3.9%	2.8%	4.7	5.5	5.8	-23.0%	2.7%
Communication	30.9	5.6	8.4	3.9	-49.8%	3.6%	4.0	3.8	4.0	0.4%	1.4%
Consumables: Stationery, printing and office supplies	3.8	3.8	3.9	3.1	-6.5%	1.1%	4.6	4.8	5.0	17.0%	1.6%
Property payments	28.9	29.6	31.0	30.6	2.0%	8.8%	35.6	33.9	35.1	4.6%	12.5%
Travel and subsistence	159.2	91.2	101.9	79.0	-20.8%	31.5%	55.8	57.2	59.8	-8.8%	23.3%
Venues and facilities	95.7	20.1	5.9	23.6	-37.3%	10.6%	2.8	3.7	5.2	-39.6%	3.3%
Transfers and subsidies	0.1	0.7	0.2	0.7	87.7%	0.1%	0.3	0.3	0.3	-24.9%	0.1%
Public corporations and private enterprises	–	0.6	–	–	–	–	–	–	–	–	–
Households	0.1	0.1	0.2	0.7	87.7%	0.1%	0.3	0.3	0.3	-24.9%	0.1%
Payments for capital assets	6.5	1.0	1.8	1.6	-37.4%	0.8%	1.6	1.7	1.7	3.1%	0.6%
Machinery and equipment	6.5	1.0	1.8	1.6	-37.4%	0.8%	1.6	1.7	1.7	3.1%	0.6%
Total	485.4	292.1	281.6	309.3	-13.9%	100.0%	246.3	256.4	270.7	-4.3%	100.0%
Proportion of total programme expenditure to vote expenditure	9.7%	5.6%	5.1%	5.1%	–	–	4.3%	4.3%	4.1%	–	–
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	0.1	0.1	0.2	0.7	87.7%	0.1%	0.3	0.3	0.3	-24.9%	0.1%
Employee social benefits	0.1	0.1	0.2	0.7	87.7%	0.1%	0.3	0.3	0.3	-24.9%	0.1%

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				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome							2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Departmental agencies	450.4	518.0	485.4	285.6	-14.1%	48.9%	154.0	96.8	431.5	14.8%	32.4%
Membership contribution	369.2	419.8	492.5	538.0	13.4%	51.1%	481.2	506.7	489.6	-3.1%	67.6%
Total	819.6	937.8	978.0	823.6	0.2%	100.0%	635.2	603.5	921.1	3.8%	100.0%
Change to 2014				79.3			(211.6)	(314.5)	(0.4)		
Budget estimate											
Economic classification											
Transfers and subsidies	819.6	937.8	978.0	823.6	0.2%	100.0%	635.2	603.5	921.1	3.8%	100.0%
Departmental agencies and accounts	450.4	518.0	485.4	285.6	-14.1%	48.9%	154.0	96.8	431.5	14.8%	32.4%
Foreign governments and international organisations	369.2	419.8	492.5	538.0	13.4%	51.1%	481.2	506.7	489.6	-3.1%	67.6%
Total	819.6	937.8	978.0	823.6	0.2%	100.0%	635.2	603.5	921.1	3.8%	100.0%
Proportion of total programme expenditure to vote expenditure	16.3%	18.1%	17.6%	13.5%	-	-	11.1%	10.2%	14.1%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	450.4	518.0	485.4	285.6	-14.1%	48.9%	154.0	96.8	431.5	14.8%	32.4%
African Renaissance and International Cooperation Fund	450.4	518.0	485.4	277.6	-14.9%	48.6%	145.6	88.0	422.2	15.0%	31.3%
Southern African Development Partnership Agency	-	-	-	8.0	-	0.2%	8.4	8.8	9.2	4.9%	1.2%
Foreign governments and international organisations											
Current	369.2	419.8	492.5	538.0	13.4%	51.1%	481.2	506.7	489.6	-3.1%	67.6%
African Union	125.0	167.0	176.8	171.4	11.1%	18.0%	160.2	168.7	177.1	1.1%	22.7%
Group of 77	0.1	0.1	0.1	0.1	3.8%	-	0.1	0.1	0.1	5.2%	-
India-Brazil-South Africa Trust Fund	7.7	9.1	8.4	12.7	18.2%	1.1%	9.4	9.9	10.4	-6.3%	1.4%
New Partnership for Africa's Development	21.2	7.5	10.1	8.0	-27.8%	1.3%	8.3	8.8	9.2	5.0%	1.1%
African Peer Review Mechanism	10.0	2.5	1.0	2.7	-35.8%	0.5%	2.8	2.9	3.1	5.0%	0.4%
Organisation for Economic Cooperation and Development	0.4	0.3	0.4	0.3	-11.7%	-	0.3	0.3	0.3	4.8%	-
United Nations Development Programme	4.9	7.6	6.8	10.6	29.9%	0.8%	6.2	6.5	6.9	-13.6%	1.0%
African, Caribbean and Pacific Group of States	4.6	5.7	3.9	12.7	40.3%	0.8%	4.4	4.6	4.8	-27.5%	0.9%
Commonwealth of Nations	5.0	5.6	7.0	10.0	26.0%	0.8%	10.4	11.0	11.5	5.0%	1.4%
Southern African Development Community	42.6	52.4	66.9	74.1	20.3%	6.6%	50.4	53.0	55.7	-9.1%	7.8%
United Nations	114.1	129.5	152.7	158.1	11.5%	15.6%	146.3	154.1	161.8	0.8%	20.8%
United Nations Human Rights Council	0.4	1.1	-	0.4	-1.0%	0.1%	0.4	0.4	0.4	4.9%	0.1%
Biochemical and Toxin Weapons Convention	0.2	0.3	0.4	0.5	33.7%	-	0.6	0.6	0.6	4.9%	0.1%
Comprehensive Nuclear-Test-Ban Treaty	6.0	1.3	5.1	6.4	2.1%	0.5%	6.7	7.0	7.4	5.0%	0.9%
Humanitarian aid	24.0	24.7	28.2	27.0	4.0%	2.9%	29.4	30.9	32.4	6.3%	4.0%
Indian Ocean Rim Research Centre	-	-	0.2	0.2	-	-	0.2	0.2	0.2	5.1%	-
Perez-Guerrero Trust Fund	0.1	0.1	0.1	0.1	3.9%	-	0.1	0.1	0.1	5.3%	-
South Centre Capital Fund	1.2	1.2	-	1.3	2.3%	0.1%	1.3	1.4	1.5	5.0%	0.2%
United Nations Development Programme in Southern Africa	1.2	1.2	1.2	1.2	2.0%	0.1%	1.3	1.3	1.4	5.0%	0.2%
United Nations technical cooperation	0.3	-	-	0.1	-25.7%	-	0.1	0.1	0.1	5.2%	-
United Nations Voluntary Fund for Disability	0.1	0.1	-	0.1	2.1%	-	0.1	0.1	0.1	5.5%	-
United Nations Children's Fund	0.2	0.2	-	0.2	2.0%	-	0.3	0.3	0.3	4.9%	-
United Nations Convention on the Law of the Sea	-	0.3	-	0.6	-	-	0.6	0.7	0.7	5.0%	0.1%
African Union Commission	-	-	21.9	36.4	-	1.6%	38.3	40.4	3.5	-54.4%	4.0%
Other transfer payments	0.2	2.0	1.3	3.0	151.8%	0.2%	3.1	3.3	-	-100.0%	0.3%

Public entities and other agencies

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

- The **African Renaissance and International Cooperation Fund** provides cooperation funding for initiatives between South Africa and other countries that relate to the promotion of democracy and good governance, the prevention and resolution of conflicts, socioeconomic development and integration, humanitarian assistance and relief, human resource development, and infrastructural development. The fund's total budget for 2015/16 is R154 million.

Additional table: Summary of expenditure on infrastructure

Project name		Service delivery outputs	Current project stage	Total project cost	Audited outcome		Adjusted appropriation 2014/15	Medium-term expenditure estimate		
					2011/12	2012/13		2013/14	2015/16	2016/17
R million										
Departmental infrastructure										
Dar es Salaam: Construction of chancery	Functional and effective office accommodation	Construction	114.3	0.9	0.4	27.5	52.0	29.7	3.9	-
Lilongwe: Construction of chancery and staff housing	Functional and effective office accommodation and staff housing	Construction	117.9	0.1	0.1	11.6	55.4	45.5	5.2	-
Standard chancery and official residence design project concept	Once off project with an aim to design a standard concept for the chancery and official residence	Design	0.5	-	-	-	0.5	-	-	-
Kigali: Construction of chancery and official residence	Functional and effective office accommodation and official residence	Design	31.9	-	-	-	-	-	5.9	26.0
Mbabane: Construction of staff housing	Functional and effective staff housing	Feasibility	65.8	-	0.7	2.0	-	3.5	28.6	31.0
Mbabane: Construction of chancery	Functional and effective office accommodation	Feasibility	29.5	-	-	-	-	0.3	6.3	23.0
Montevideo: Construction of staff housing	Functional and effective staff housing	Feasibility	3.3	-	-	-	-	-	3.3	-
Luanda: Property acquisition	Functional and effective office accommodation	Identification	6.0	-	-	-	-	-	6.0	-
London: Refurbishment of official residence	Refurbishment of infrastructure	Tender	47.2	46.4	0.8	-	-	-	-	-
Washington: Refurbishment of chancery	Refurbishment of infrastructure	Construction	234.2	39.4	89.2	88.1	17.5	-	-	-
Copenhagen: Refurbishment of chancery and official residence	Refurbishment of infrastructure	Feasibility	29.0	0.2	-	0.3	2.5	-	11.5	14.5
Paris: Refurbishment of chancery and official residence	Refurbishment of infrastructure	Tender	91.0	0.2	0.4	1.0	-	5.0	43.4	41.0
The Hague: Refurbishment of chancery and official residence	Refurbishment of infrastructure	Feasibility	153.6	3.6	3.8	15.0	72.2	54.0	5.0	-
Madrid: Refurbishment of chancery and official residence	Refurbishment of infrastructure	Feasibility	4.5	-	-	-	-	4.5	-	-
Sao Paulo: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	2.7	-	1.4	1.1	-	0.2	-	-
Rome: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	4.7	-	-	-	-	3.0	1.7	-
London: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	51.0	-	-	-	-	7.5	28.0	15.5
Kinshasa: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	15.0	-	-	-	-	10.0	5.0	-
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	-	-	-	-	3.5	13.0	8.5
Harare: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	18.0	-	-	-	-	1.8	5.0	11.2
Maputo: Refurbishment of chancery, official residence and staff housing	Refurbishment of infrastructure	Feasibility	28.5	-	-	-	-	3.0	19.0	6.5
Lisbon: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	21.5	-	-	-	-	3.5	10.0	8.0
Tehran: Refurbishment of official residence	Refurbishment of infrastructure	Feasibility	8.5	-	-	-	-	2.5	2.5	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			
				2011/12	2012/13		2013/14	2015/16	2016/17	2017/18
R million										
Vienna: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	28.0	–	–	–	–	5.5	7.5	15.0
Abuja: Construction of chancery and official residence	Functional and effective office accommodation and official residence	On hold	11.9	10.8	1.1	–	–	–	–	–
Maseru: Office accommodation	Functional and effective office accommodation	Identification	1.5	0.4	0.1	1.0	–	–	–	–
Tokyo: Refurbishment of official residence	Refurbishment of infrastructure	Feasibility	50.7	1.2	13.0	35.6	1.0	–	–	–
Refurbishment at various missions	Refurbishment of infrastructure	Various	82.2	1.3	2.2	19.8	7.2	21.2	10.5	20.0
London: Acquisition of Cavendish Close	Refurbishment of infrastructure	Identification	5.8	5.8	–	–	–	–	–	–
Geneva: Acquisition of official residence	Refurbishment of infrastructure	Various	95.0	95.0	–	–	–	–	–	–
Mbabane: Refurbishment of official residence	Refurbishment of infrastructure	Tender	10.4	–	–	–	5.2	–	–	–
Total			1 393.9	205.2	113.0	202.9	213.5	211.8	223.7	223.7

Vote 7

National Treasury

Budget summary

R million	2015/16					2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
MTEF allocation							
Administration	366.7	353.8	3.6	9.2	–	379.5	398.8
Economic Policy, Tax, Financial Regulation and Research	133.9	105.9	27.6	0.5	–	142.6	153.8
Public Finance and Budget Management	257.0	215.1	40.6	1.3	–	275.8	294.8
Asset and Liability Management	3 116.9	92.3	–	0.6	3 024.0	98.1	104.5
Financial Accounting and Supply Chain Management Systems	751.4	664.6	82.0	4.7	–	825.4	883.0
International Financial Relations	1 247.4	48.9	851.8	0.1	346.7	1 314.4	1 380.2
Civil and Military Pensions, Contributions to Funds and Other Benefits	3 962.9	61.2	3 901.8	–	–	4 173.2	4 381.9
Technical Support and Development Finance	3 143.9	406.3	2 737.6	–	–	3 278.2	3 331.7
Revenue Administration	9 434.4	–	9 434.4	–	–	10 433.5	11 415.6
Financial Intelligence and State Security	4 542.8	–	4 542.8	–	–	4 793.0	5 033.7
Subtotal	26 957.3	1 948.1	21 622.1	16.4	3 370.7	25 713.8	27 378.2
Direct charge against the National Revenue Fund							
Provincial equitable share	382 673.5	–	382 673.5	–	–	405 264.6	428 892.5
Debt service costs	126 440.4	126 440.4	–	–	–	140 970.9	153 376.0
General fuel levy sharing with metropolitan municipalities	10 658.9	–	10 658.9	–	–	11 223.8	11 785.0
National Revenue Fund payments	121.0	–	–	–	121.0	–	–
Total expenditure estimates	546 851.1	128 388.5	414 954.5	16.4	3 491.7	583 173.1	621 431.7
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, public entities, donor funding, public private partnerships, conditional allocations 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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Net loan debt as a percentage of GDP	Asset and Liability Management	Outcome 4: Decent employment through inclusive economic growth	32.1% (R989.7bn)	35.5% (R1 181.6bn)	38.2% (R1 379.5bn)	40.8% (R1 584.0bn)	42.5% (R1 781.3bn)	43.1% (R1 958.1bn)	43.7% (R2 151.7bn)
Value of government gross annual borrowing	Asset and Liability Management		R163.7bn	R209.4bn	R201.3bn	R229.1bn	R204.5bn	R213.4bn	R246.5bn
Cost to service debt as a percentage of GDP	Asset and Liability Management		2.5% (R76.5bn)	2.6% (R88.1bn)	2.8% (R101.2bn)	3.0% (R115.0bn)	3.0% (R126.4bn)	3.1% (R140.9bn)	3.1% (R153.4bn)
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	46	72	24	40	43	43	43
Percentage of identified transversal contracts with strategic sourcing principles introduced per year	Financial Accounting and Supply Chain Management Systems		59% (19)	70% (14)	90% (18)	100% (15)	100% (19)	100% (14)	100% (23)
Number of individuals trained per year to assist with the implementation of financial management reforms	Financial Accounting and Supply Chain Management Systems		3 142	3 547	267	700	760	750	740
Number of neighbourhood development partnership grant projects under construction per year	Technical Support and Development Finance	Outcome 9: A responsive, accountable, effective and efficient developmental local government system	70	86	83	40	40	40	40
Total estimated third party investment leveraged ¹	Technical Support and Development Finance	Outcome 8: Sustainable human settlements and improved quality of household life	— ¹	R1.458bn	R1.868bn	R2.500bn	R3.000bn	R3.500bn	R4.000bn
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	— ¹	65 121	143 914	110 000	140 000	150 000	150 000
Number of long term urban regeneration programmes ² registered per year	Technical Support and Development Finance	Outcome 8: Sustainable human settlements and improved quality of household life	— ²	— ²	18	18	18	18	20
Number of training placements contracted for with active private companies in the Jobs Fund per year ¹	Technical Support and Development Finance	Outcome 4: Decent employment through inclusive economic growth	— ¹	105 499	160 651	140 000	160 000	160 000	160 000

1. Historical data is not available, as investments and projects began in 2012/13.

2. Historical data is not available, as the urban regeneration programme was launched in 2013/14.

Expenditure analysis

The national development plan charts a growth trajectory to reduce poverty and inequality, and envisages a country in which all citizens have the required capabilities to seize available opportunities. 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.

National Treasury will contribute to these objectives over the medium term by focusing on the following priorities: managing national budget processes to direct public funds towards inclusive economic growth and long term financial stability; promoting a tax policy and administration that ensures sustainable growth and job creation; facilitating infrastructure development and building economically integrated cities; supporting the creation of sustainable employment; improving, modernising and monitoring procurement across government to improve value for public money; and improving government financial management and financial systems to build capability at all levels of government.

The Treasury is responsible for the main statutory transfers to provincial governments. It provides for servicing government debt and is responsible for the distribution of the general fuel levy to metropolitan municipalities. These are regarded as a direct charge against the National Revenue Fund and collectively account for 95.3 per cent of the department's budget over the MTEF period. Cabinet approved budget reductions of R4.96 billion in 2015/16, R6.4 billion in 2016/17 and R5.2 billion in 2017/18 will be effected on the main statutory transfers to provincial governments. Cabinet approved additional allocations of R1.8 billion in 2016/17 and R6.6 billion in 2017/18 are for higher debt service costs.

Directing public funds towards inclusive growth and long term economic stability

Over the medium term, the Treasury will assess public expenditure and align the Budget to achieving the outcomes of the 2014-2019 medium term strategic framework. A comprehensive review of public expenditure is in progress and will be finalised over the medium term. The 20-year review of the South African fiscal policy framework has been completed, and its recommendations will be included in the 2015 Budget to ensure sustainable levels of spending. These activities are funded through the *Public Finance and Budget Management* programme. Spending over the medium term is projected at R827.5 million.

Tax policy and administration for sustainable growth and job creation

National Treasury promotes a tax policy framework and tax administration system that ensures sustainable growth and that is able to deliver on government's mandate to address the needs of all South Africans, including tax proposals that support environmental sustainability and youth employment. The department established the Davis Tax Committee in 2013 to enquire into the role of the tax system in the promotion of inclusive economic growth, employment creation, development and fiscal sustainability. The committee will make recommendations on the various tax streams, which may be incorporated into tax policy. Over the medium term, the department will continue to lead the process to develop a carbon tax intended to discourage or penalise environmentally unfriendly practices in the economy. The department will also monitor the implementation of the Employment Tax Incentive Act (2013), which came into effect on 1 January 2014. The act incentivises job creation, including youth employment. Spending on these activities is projected at R78.5 million over the medium term in the *Tax Policy* subprogramme in the *Economic Policy, Tax, Financial Regulation and Research* programme.

Sustainable employment

Over the medium term, National Treasury will support 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 offers once-off grants for enterprise development, infrastructure, support for work seekers and institutional capacity building. Project partners are required to share risk and costs by matching the grant. The total budget for the programme is R9 billion, of which R4 billion is allocated to the *Employment Creation Facilitation* subprogramme in the *Technical Support and Development Finance* programme. By 2016/17, the fund is expected to have increased approved projects from 89 to 129, and it is anticipated that the fund will have contracted 150 000 jobs when the projects are concluded. The Jobs Fund will be managed through the Government Technical Advisory Centre.

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. The support is channelled through the neighbourhood development partnership grant, the integrated cities development grant, and the infrastructure delivery improvement programme in the *Infrastructure Development Support* and the *Urban Development and Support* subprogrammes in the *Technical Support and Development*

Finance programme.

To provide catalytic infrastructure that attracts third-party investment and assists metropolitan municipalities to develop more inclusive and productive built environments, spending in the *Urban Development and Support* subprogramme of R2.8 billion over the medium term is projected for neighbourhood development planning and projects. 26 township urban hubs across 18 identified municipalities have been prioritised for strategic integrated development, and 18 spatial transformation zones will be identified for development by 2015/16. 20 integrated city development projects will be implemented over the medium term, and a further estimated R1.5 billion is expected to be leveraged over the medium term through third-party investment in targeted locations by catalytic investments through the neighbourhood development programmes.

Temporary specialist consultants provide technical assistance for planning infrastructure development and supporting implementation across government when it is not efficient for full time Treasury staff to perform these functions. The department's overall spending on consultants will increase from R550.1 million in 2015/16 to R600.2 million in 2017/18, mainly to provide for these consultants and also for forensic investigations in the Office of the Accountant-General, among others.

The infrastructure delivery improvement programme is a capacity building programme that aims to improve the delivery of public sector infrastructure through institutionalising best practice and building capacity. The programme supports provincial departments that deliver infrastructure. Over the medium term, R452.7 million in the *Infrastructure Development Support* subprogramme is projected to be spent to deploy 36 long term technical assistants to train provincial officials on the infrastructure delivery management toolkit.

Transforming government procurement

Over the medium term, National Treasury will focus on transforming government procurement to make it more cost effective, transparent and equitable, through the Office of the Chief Procurement Officer, established in 2013/14. Wide ranging changes will be made to procurement systems across government, including: developing generic structures for supply chain management functions in budget and treasury offices in municipalities; implementing the supply chain management education, training and development framework; reviewing the bid evaluation and adjudication minutes of key government contracts; visiting government projects to ensure delivery; and implementing a price referencing system on a nationally accessible platform so that strategic goods can be bought at the best price. Expenditure on these activities is projected at R155 million over the medium term in the *Financial Accounting and Supply Chain Management Systems* programme, including R18.6 million reprioritised from within the department.

Strengthening government financial management

The Treasury's medium term focus on improving government financial management and financial systems is reflected in projected spending of R1.5 billion over the medium term period in the *Financial Systems* subprogramme in the *Financial Accounting and Supply Chain Management Systems* programme. Activities include accelerating the deployment of the integrated financial management systems to all government departments. Local government will be supported to build their financial management capacity through the local government financial management grant and the municipal finance improvement programme in the *Local Government Financial Management Support* subprogramme in the *Technical Support and Development Finance* programme. Transfers are projected to grow from R449.1 million in 2014/15 to R502 million in 2017/18. Spending on goods and services is projected to grow from R98.8 million in 2014/15 to R148.9 million in 2017/18. Local governments will use the funds to train interns, and finance experts will be deployed to assist municipalities, including to address issues detected through auditing processes.

Expenditure trends

Table 7.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Economic Policy, Tax, Financial Regulation and Research														
3. Public Finance and Budget Management														
4. Asset and Liability Management														
5. Financial Accounting and Supply Chain Management Systems														
6. International Financial Relations														
7. Civil and Military Pensions, Contributions to Funds and Other Benefits														
8. Technical Support and Development Finance														
9. Revenue Administration														
10. Financial Intelligence and State Security														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Programme 1	281.1	281.1	254.5	318.3	321.1	296.7	341.7	356.4	319.6	343.1	372.4	369.1	96.6%	93.2%
Programme 2	120.4	228.4	140.5	149.0	122.5	111.2	145.9	133.9	124.1	138.9	134.4	127.1	90.8%	81.2%
Programme 3	198.9	209.9	205.4	227.5	247.3	232.8	252.3	231.3	227.6	262.8	259.9	252.4	97.5%	96.8%
Programme 4	822.6	825.9	821.9	286.6	282.8	278.2	2 995.2	2 994.0	2 990.9	3 342.1	3 343.4	3 091.4	96.5%	96.5%
Programme 5	658.2	648.2	504.9	686.3	686.3	639.3	724.6	734.7	707.8	761.6	770.0	756.1	92.1%	91.9%
Programme 6	812.4	818.7	857.8	1 038.2	1 040.5	1 003.1	1 112.5	1 092.0	1 067.7	1 179.8	1 199.7	1 192.6	99.5%	99.3%
Programme 7	3 139.8	3 776.9	3 313.2	3 348.3	3 345.9	3 343.6	3 497.0	3 497.0	3 523.1	3 717.8	3 717.8	3 717.8	101.4%	96.9%
Programme 8	3 066.5	3 552.2	1 765.6	2 404.8	1 999.6	1 982.6	2 777.8	2 483.9	2 437.3	3 712.2	3 099.8	2 684.8	74.2%	79.7%
Programme 9	8 653.6	8 653.6	8 653.6	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	99.9%	100.0%
Programme 10	3 755.0	3 755.0	3 755.0	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	100.5%	100.0%
Subtotal	21 508.5	22 749.8	20 272.4	21 551.1	21 177.6	21 019.0	25 556.0	25 232.3	25 107.1	27 265.0	26 703.9	25 997.8	96.4%	96.4%
Direct charge against the National Revenue Fund	371 536.7	375 064.7	376 049.0	405 210.0	408 574.9	410 488.7	445 415.7	446 793.2	447 809.7	485 012.5	484 907.8	485 439.0	100.7%	100.3%
Provincial equitable share	286 384.9	289 627.6	289 627.6	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	100.7%	100.0%
Debt service costs	76 578.7	76 864.0	76 460.0	89 388.1	88 794.5	88 121.1	99 741.4	100 484.5	101 184.7	114 900.5	114 485.0	115 016.2	100.0%	100.0%
General fuel levy sharing with metropolitan municipalities	8 573.1	8 573.1	8 573.1	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	100.0%	100.0%
National Revenue Fund payments	–	–	1 388.3	–	–	2 587.2	930.0	200.0	516.3	–	310.9	310.9	516.4%	940.1%
Total	393 045.2	397 814.5	396 321.4	426 761.2	429 752.5	431 507.7	470 971.7	472 025.5	472 916.7	512 277.5	511 611.8	511 436.8	100.5%	100.1%
Change to 2014 Budget estimate	(665.7)													
Economic classification														
Current payments	78 215.4	78 606.4	77 903.0	90 942.4	90 494.8	89 721.3	101 551.5	102 283.2	102 885.2	116 832.7	116 304.8	116 807.4	99.9%	99.9%
Compensation of employees	605.9	602.3	537.1	665.9	616.1	589.7	710.5	659.5	631.5	764.9	689.0	676.5	88.6%	94.9%
Goods and services of which:	1 030.8	1 140.1	905.9	888.4	1 084.2	1 010.5	1 099.5	1 139.2	1 069.0	1 167.2	1 130.8	1 114.7	97.9%	91.2%
Computer services	417.9	393.4	288.5	249.5	419.3	380.3	437.3	438.8	432.5	438.2	437.5	423.0	98.8%	90.3%
Consultants and professional services:	412.0	430.3	396.0	408.0	443.7	433.8	422.6	447.7	431.2	474.3	454.4	450.7	99.7%	96.4%
Business and advisory services														
Operating leases	34.2	33.3	38.6	36.2	34.7	41.0	48.7	47.7	41.4	48.8	61.8	61.8	108.9%	103.0%
Property payments	12.1	12.2	11.3	13.0	14.5	11.4	21.6	20.3	12.0	18.6	19.1	19.1	82.4%	81.5%
Travel and subsistence	49.7	49.9	40.1	52.9	50.4	48.1	49.9	56.3	48.7	50.9	48.8	48.4	91.1%	90.3%
Venues and facilities	9.4	10.8	7.6	11.1	11.7	8.1	10.0	9.5	13.1	9.9	9.4	9.4	94.5%	92.3%
Interest and rent on land	76 578.7	76 864.0	76 460.0	89 388.1	88 794.5	88 121.1	99 741.4	100 484.5	101 184.7	114 900.5	114 485.0	115 016.2	100.0%	100.0%
Transfers and subsidies	314 066.1	318 437.5	316 021.9	335 424.4	339 023.4	338 507.6	365 286.5	366 323.5	366 588.1	391 863.0	391 336.9	390 905.3	100.4%	99.8%
Provinces and municipalities	295 053.0	299 374.3	299 362.7	316 878.3	320 836.7	320 836.7	345 905.6	347 270.0	347 257.9	371 511.7	371 511.7	371 511.7	100.7%	100.0%
Departmental agencies and accounts	13 175.4	12 588.0	12 672.7	13 278.3	13 316.8	13 316.8	13 919.6	13 922.2	13 921.9	14 011.1	14 127.7	14 101.7	99.3%	100.1%
Higher education institutions	–	–	–	8.0	9.0	9.0	10.0	10.0	10.0	5.8	5.8	5.8	104.2%	100.0%
Foreign governments and international organisations	781.9	786.4	585.8	1 004.7	1 012.7	628.2	800.4	771.5	1 026.9	828.3	777.2	771.7	88.2%	90.0%
Public corporations and private enterprises	1 960.0	1 960.0	150.7	953.6	545.5	545.5	1 206.3	903.1	903.1	1 844.5	1 252.2	852.2	41.1%	52.6%
Non-profit institutions	0.1	0.1	0.1	0.1	0.1	–	–	–	–	–	–	–	43.0%	45.5%
Households	3 095.8	3 728.6	3 249.9	3 301.3	3 302.5	3 171.4	3 444.6	3 446.7	3 468.2	3 661.6	3 662.2	3 662.2	100.4%	95.8%

Table 7.2 Vote expenditure trends by programme and economic classification

Economic classification																															
	Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Revised estimate			Outcome/Annual budget Average (%)		Outcome/Adjusted appropriation Average (%)	
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15																		
Payments for capital assets	13.7	20.6	9.1	194.4	34.3	19.9	21.6	33.3	21.6	11.4	19.6	26.4	31.9%				71.4%														
Buildings and other fixed structures	3.6	3.6	–	5.3	5.0	0.6	5.0	5.0	–	–	–	–	4.4%				4.5%														
Machinery and equipment	10.1	17.0	9.1	189.1	29.3	19.3	16.6	28.3	21.6	11.4	19.6	26.4	33.6%				81.0%														
Payments for financial assets	750.0	750.0	2 387.5	200.0	200.0	3 258.9	4 112.0	3 385.5	3 421.8	3 570.5	3 950.5	3 697.7	147.9%				154.1%														
Total	393 045.2	397 814.5	396 321.4	426 761.2	429 752.5	431 507.7	470 971.7	472 025.5	472 916.7	512 277.5	511 611.8	511 436.8	100.5%				100.1%														

Expenditure estimates

Table 7.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration 2. Economic Policy, Tax, Financial Regulation and Research 3. Public Finance and Budget Management 4. Asset and Liability Management 5. Financial Accounting and Supply Chain Management Systems 6. International Financial Relations 7. Civil and Military Pensions, Contributions to Funds and Other Benefits 8. Technical Support and Development Finance 9. Revenue Administration 10. Financial Intelligence and State Security								
Programme	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme 1	369.1	9.5%	0.1%	366.7	379.5	398.8	2.6%	0.1%
Programme 2	127.1	-17.8%	–	133.9	142.6	153.8	6.6%	–
Programme 3	252.4	6.3%	0.1%	257.0	275.8	294.8	5.3%	–
Programme 4	3 091.4	55.3%	0.4%	3 116.9	98.1	104.5	-67.7%	0.3%
Programme 5	756.1	5.3%	0.1%	751.4	825.4	883.0	5.3%	0.1%
Programme 6	1 192.6	13.4%	0.2%	1 247.4	1 314.4	1 380.2	5.0%	0.2%
Programme 7	3 717.8	-0.5%	0.8%	3 962.9	4 173.2	4 381.9	5.6%	0.7%
Programme 8	2 684.8	-8.9%	0.5%	3 143.9	3 278.2	3 331.7	7.5%	0.5%
Programme 9	9 440.3	2.9%	2.0%	9 434.4	10 433.5	11 415.6	6.5%	1.8%
Programme 10	4 366.3	5.2%	0.9%	4 542.8	4 793.0	5 033.7	4.9%	0.8%
Subtotal	25 997.8	4.5%	5.1%	26 957.3	25 713.8	27 378.2	1.7%	4.7%
Direct charge against the National Revenue Fund	485 439.0	9.0%	94.9%	519 893.8	557 459.3	594 053.5	7.0%	95.3%
Provincial equitable share	359 921.8	7.5%	71.6%	382 673.5	405 264.6	428 892.5	6.0%	69.7%
Debt service costs	115 016.2	14.4%	21.0%	126 440.4	140 970.9	153 376.0	10.1%	23.7%
General fuel levy sharing with metropolitan municipalities	10 190.2	5.9%	2.1%	10 658.9	11 223.8	11 785.0	5.0%	1.9%
National Revenue Fund payments	310.9	–	0.3%	121.0	–	–	-100.0%	–
Total	511 436.8	8.7%	100.0%	546 851.1	583 173.1	621 431.7	6.7%	100.0%
Change to 2014 Budget estimate				(3 279.5)	(2 415.5)	4 877.6		
Economic classification								
Current payments	116 807.4	14.1%	21.4%	128 388.5	143 052.9	155 575.7	10.0%	24.0%
Compensation of employees	676.5	4.0%	0.1%	725.5	774.8	825.0	6.8%	0.1%
Goods and services	1 114.7	-0.8%	0.2%	1 222.6	1 307.1	1 374.8	7.2%	0.2%
of which:								
Computer services	423.0	2.4%	0.1%	445.4	496.7	523.3	7.4%	0.1%
Consultants and professional services: Business and advisory services	450.7	1.6%	0.1%	550.1	571.6	600.2	10.0%	0.1%
Operating leases	61.8	22.8%	–	56.1	57.8	60.9	-0.5%	–
Property payments	19.1	15.9%	–	13.8	15.6	16.7	-4.3%	–
Travel and subsistence	48.4	-1.1%	–	48.0	51.1	53.8	3.6%	–
Venues and facilities	9.4	-4.6%	–	16.6	16.5	16.9	21.7%	–
Interest and rent on land	115 016.2	14.4%	21.0%	126 440.4	140 970.9	153 376.0	10.1%	23.7%

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	2016/17	2017/18		
R million	2014/15	2011/12 - 2014/15					2014/15 - 2017/18	
Transfers and subsidies	390 905.3	7.1%	77.9%	414 954.5	439 761.9	465 477.7	6.0%	75.6%
Provinces and municipalities	371 511.7	7.5%	73.9%	394 767.6	417 975.0	442 275.9	6.0%	71.9%
Departmental agencies and accounts	14 101.7	3.9%	3.0%	15 420.4	16 747.2	17 913.2	8.3%	2.8%
Higher education institutions	5.8	—	—	—	—	—	-100.0%	—
Foreign governments and international organisations	771.7	-0.6%	0.2%	854.1	920.5	964.1	7.7%	0.2%
Public corporations and private enterprises	852.2	-24.2%	0.1%	11.4	12.0	12.6	-75.5%	—
Households	3 662.2	-0.6%	0.7%	3 900.9	4 107.3	4 311.9	5.6%	0.7%
Payments for capital assets	26.4	8.6%	—	16.4	12.8	13.2	-20.7%	—
Machinery and equipment	26.4	15.7%	—	16.4	12.8	13.2	-20.7%	—
Payments for financial assets	3 697.7	70.2%	0.7%	3 491.7	345.5	365.1	-53.8%	0.3%
Total	511 436.8	8.7%	100.0%	546 851.1	583 173.1	621 431.7	6.7%	100.0%

Personnel information

Table 7.4 Vote personnel numbers and cost by salary level and programme¹

Programmes

- Administration
- Economic Policy, Tax, Financial Regulation and Research
- Public Finance and Budget Management
- Asset and Liability Management
- Financial Accounting and Supply Chain Management Systems
- International Financial Relations
- Civil and Military Pensions, Contributions to Funds and Other Benefits
- Technical Support and Development Finance
- Revenue Administration
- Financial Intelligence and State Security

Number of posts estimated for 31 March 2015			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 (%)				
		2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost						
National Treasury			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Salary level	1 252	33	1 161	602.1	0.5	1 301	676.5	0.5	1 153	725.5	0.6	1 153	774.8	0.7	1 153	825.0	0.7	-3.9%	100.0%
1 – 6	66	4	77	13.7	0.2	71	14.8	0.2	69	15.0	0.2	69	16.1	0.2	69	17.2	0.2	-0.9%	5.8%
7 – 10	532	5	510	161.8	0.3	549	176.7	0.3	503	189.4	0.4	503	204.1	0.4	503	219.0	0.4	-2.9%	43.2%
11 – 12	351	6	301	179.2	0.6	347	202.5	0.6	298	209.3	0.7	298	225.5	0.8	298	242.1	0.8	-4.9%	26.1%
13 – 16	301	18	271	244.1	0.9	332	278.5	0.8	281	307.6	1.1	281	324.7	1.2	281	341.9	1.2	-5.4%	24.7%
Other	2	–	2	3.3	1.7	2	4.0	2.0	2	4.2	2.1	2	4.5	2.3	2	4.8	2.4	–	0.2%
Programme	1 252	33	1 161	602.1	0.5	1 301	676.5	0.5	1 153	725.5	0.6	1 153	774.8	0.7	1 153	825.0	0.7	-3.9%	100.0%
Programme 1	391	7	385	144.3	0.4	397	166.5	0.4	366	188.9	0.5	366	197.0	0.5	366	204.8	0.6	-2.7%	31.4%
Programme 2	131	–	96	66.7	0.7	131	69.8	0.5	106	79.1	0.7	106	85.1	0.8	106	91.4	0.9	-6.8%	9.4%
Programme 3	270	13	263	157.0	0.6	300	174.9	0.6	267	185.0	0.7	267	199.2	0.7	267	213.8	0.8	-3.8%	23.1%
Programme 4	116	1	112	62.8	0.6	117	70.6	0.6	111	73.6	0.7	111	79.2	0.7	111	85.0	0.8	-1.7%	9.5%
Programme 5	303	10	265	149.5	0.6	313	167.9	0.5	263	167.7	0.6	263	180.8	0.7	263	194.2	0.7	-5.6%	23.2%
Programme 6	41	2	40	21.8	0.5	43	26.8	0.6	40	31.4	0.8	40	33.5	0.8	40	35.8	0.9	-2.4%	3.4%

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

2. Rand million.

Departmental receipts

Table 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 (%)
R thousand	2011/12	2012/13	2013/14	2014/15		2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Departmental receipts	3 409 060	4 201 708	3 687 531	4 446 637	5 569 517	17.8%	31.1%	4 057 867	4 208 230	4 183 930	-9.1%	48.9%
Sales of goods and services produced by department	71 687	53 840	73 026	40 744	50 449	-11.1%	0.5%	19 834	16 306	10 791	-40.2%	0.3%
Sales by market establishments	91	99	96	99	99	2.8%	—	100	100	110	3.6%	—
of which:												
Rental parking:	91	96	96	96	96	1.8%	—	100	100	110	4.6%	—
Covered and open	—	3	—	3	3	—	—	—	—	—	-100.0%	—
Access to information	—	—	—	—	—	—	—	—	—	—	—	—
Administrative fees	5	4	—	5	5	—	—	10	10	10	26.0%	—
of which:												
Required information:	5	4	—	5	5	—	—	10	10	10	26.0%	—
Duplicate certificate	—	—	—	—	—	—	—	—	—	—	—	—
Other sales	71 591	53 737	72 930	40 640	50 345	-11.1%	0.5%	19 724	16 196	10 671	-40.4%	0.3%
of which:												
Commission: Insurance	63	68	73	74	74	5.5%	—	60	60	70	-1.8%	—
Directors fees	196	176	307	260	260	9.9%	—	215	228	242	-2.4%	—
Replacement of security cards	2	2	7	10	10	71.0%	—	3	3	4	-26.3%	—
Fees for government guarantee insurance	71 274	53 429	72 467	40 293	49 998	-11.1%	0.5%	19 443	15 902	10 352	-40.8%	0.3%
Sales of assets less than R5 000	56	62	76	3	3	-62.3%	—	3	3	3	—	—
Sales of scrap, waste, arms and other used current goods	26	26	61	12	12	-22.7%	—	13	13	13	2.7%	—
of which:												
Waste paper	14	11	5	12	12	-5.0%	—	12	12	12	—	—
Scrap	—	—	24	—	—	—	—	—	—	—	—	—
Departmental publications	12	15	32	—	—	-100.0%	—	1	1	1	—	—
Interest, dividends and rent on land	2 861 771	3 245 937	2 586 428	3 404 139	4 517 314	16.4%	24.4%	2 958 020	3 111 911	3 083 126	-12.0%	37.1%
Interest	2 735 115	3 089 037	2 479 141	3 284 362	4 311 537	16.4%	23.3%	2 813 670	2 955 802	2 917 934	-12.2%	35.3%
Dividends	126 656	156 900	107 287	119 777	205 777	17.6%	1.1%	144 350	156 109	165 192	-7.1%	1.8%
of which:												
South African Reserve Bank	126 656	156 900	107 287	—	—	-100.0%	0.7%	10 000	10 000	10 000	—	0.1%
South African Special Risks Insurance Association	—	—	—	119 777	205 777	—	0.4%	134 350	146 109	155 192	-9.0%	1.7%
Sales of capital assets	—	261	111	—	—	—	—	—	—	—	—	—
Transactions in financial assets and liabilities	475 576	901 644	1 027 905	1 001 742	1 001 742	28.2%	6.3%	1 080 000	1 080 000	1 090 000	2.9%	11.5%
National Revenue Fund receipts	5 200 951	11 533 610	11 663 544	7 972 000	8 942 000	19.8%	68.9%	2 000 000	5 400 000	2 500 000	-34.6%	51.1%
of which:												
Revaluation profits on foreign currency transactions	640 938	939 005	5 670 623	3 930 000	4 250 000	87.9%	21.2%	2 000 000	5 400 000	2 500 000	-16.2%	38.4%
Premiums on loan transactions	3 483 031	10 541 967	5 510 307	4 000 000	4 650 000	10.1%	44.6%	—	—	—	-100.0%	12.6%
Liquidation of South African Special Risks Insurance Association investment	227 987	50 000	75 000	40 000	40 000	-44.0%	0.7%	—	—	—	-100.0%	0.1%
Saambou Bank curatorship	30 000	—	—	—	—	-100.0%	0.1%	—	—	—	—	—
Profits from gold and foreign exchange contingency reserve	794 283	—	—	—	—	-100.0%	1.5%	—	—	—	—	—
account: Penalties on retail bonds	—	—	—	—	—	—	—	—	—	—	—	—
Other (mainly penalties on retail bonds)	24 712	2 638	8 346	2 000	2 000	-56.7%	0.1%	—	—	—	-100.0%	—
Proceeds from foreign exchange amnesty	—	—	399 268	—	—	—	0.7%	—	—	—	—	—
Total	8 610 011	15 735 318	15 351 075	12 418 637	14 511 517	19.0%	100.0%	6 057 867	9 608 230	6 683 930	-22.8%	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				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		
Ministry	3.0	3.1	3.3	4.0	10.4%	1.1%	4.2	4.5	4.8	6.1%	1.2%
Departmental Management	31.1	37.8	42.2	46.3	14.2%	12.7%	44.9	45.9	48.9	1.8%	12.3%
Corporate Services	80.3	89.0	90.5	109.8	11.0%	29.7%	104.6	109.5	117.0	2.1%	29.1%
Enterprise Wide Risk Management	17.5	25.6	32.0	27.3	16.0%	8.2%	24.5	25.9	27.8	0.6%	7.0%
Financial Administration	30.1	32.2	35.7	40.9	10.8%	11.2%	56.5	54.1	52.7	8.8%	13.5%
Legal Services	12.4	15.7	16.4	16.7	10.4%	4.9%	16.8	17.9	18.9	4.3%	4.6%
Internal Audit	9.5	15.7	22.0	18.6	25.3%	5.3%	18.4	19.7	20.9	3.8%	5.1%
Communications	7.1	9.6	8.8	10.2	12.5%	2.9%	10.6	11.4	12.1	6.1%	2.9%
Office Accommodation	63.4	68.0	68.7	98.4	15.8%	24.0%	86.1	90.6	95.7	-0.9%	24.4%
Total	254.5	296.7	319.6	372.4	13.5%	100.0%	366.7	379.5	398.8	2.3%	100.0%
Change to 2014 Budget estimate				29.2			6.2	(2.7)	(4.9)		
Economic classification											
Current payments	245.6	279.8	298.6	356.7	13.2%	95.0%	353.8	370.6	389.9	3.0%	96.9%
Compensation of employees	116.5	132.5	144.3	169.3	13.3%	45.3%	188.9	197.0	204.8	6.5%	50.1%
Goods and services	129.1	147.3	154.3	187.4	13.2%	49.7%	165.0	173.6	185.1	-0.4%	46.9%
of which:											
Computer services	21.2	23.1	18.4	26.5	7.7%	7.2%	21.0	21.8	23.5	-3.9%	6.1%
Consultants and professional services:	7.2	12.0	18.9	13.9	24.3%	4.2%	10.3	11.6	13.4	-1.2%	3.2%
Business and advisory services											
Consultants and professional services: Legal costs	7.3	9.9	10.7	11.4	15.9%	3.2%	11.3	11.9	12.6	3.3%	3.1%
Operating leases	37.5	39.6	39.5	59.7	16.8%	14.2%	53.7	55.3	58.1	-0.9%	14.9%
Property payments	11.3	11.4	12.0	19.1	19.0%	4.3%	13.8	15.6	16.7	-4.3%	4.3%
Travel and subsistence	11.4	15.8	15.2	11.6	0.5%	4.3%	11.9	12.5	13.2	4.5%	3.2%
Transfers and subsidies	2.4	2.6	3.5	4.2	19.8%	1.0%	3.6	3.7	3.8	-2.7%	1.0%
Departmental agencies and accounts	0.5	0.5	1.9	2.4	69.8%	0.4%	2.1	2.1	2.1	-4.1%	0.6%
Households	1.9	2.1	1.7	1.8	-2.4%	0.6%	1.5	1.6	1.8	-0.8%	0.4%
Payments for capital assets	6.5	14.3	17.2	11.5	21.1%	4.0%	9.2	5.3	5.2	-23.4%	2.1%
Buildings and other fixed structures	-	0.6	-	-	-	-	-	-	-	-	-
Machinery and equipment	6.5	13.7	17.2	11.5	21.1%	3.9%	9.2	5.3	5.2	-23.4%	2.1%
Payments for financial assets	-	-	0.3	-	-100.0%	-	-	-	-	-	-
Total	254.5	296.7	319.6	372.4	13.5%	100.0%	366.7	379.5	398.8	2.3%	100.0%
Proportion of total programme expenditure to vote expenditure	1.3%	1.4%	1.3%	1.4%	-	-	1.4%	1.5%	1.5%	-	-
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	1.4	1.8	1.4	1.6	4.4%	0.5%	1.5	1.6	1.8	3.8%	0.4%
Bursaries for non-employees	1.4	1.5	1.4	1.6	4.4%	0.5%	1.5	1.6	1.8	3.8%	0.4%
Advocate Zubeida Barmania	-	0.3	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	0.5	0.5	1.9	2.4	69.8%	0.4%	2.1	2.1	2.1	-4.1%	0.6%
Finance and Accounting Services Sector	0.5	0.5	1.9	2.3	69.4%	0.4%	2.1	2.1	2.1	-4.2%	0.6%
Education and Training Authority											

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 the country through 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 (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	Expenditure/ Total: Average (%)	2015/16	2016/17	2017/18	2014/15 - 2017/18	Expenditure/ Total: Average (%)
R million											
Programme Management for Economic Policy, Tax, Financial Regulation and Research	19.7	19.4	20.2	21.1	2.2%	15.8%	22.8	24.3	25.7	6.9%	16.6%
Research	9.7	7.5	16.7	10.7	3.2%	8.7%	12.6	13.3	14.0	9.3%	9.0%
Financial Sector Policy	61.5	21.4	25.1	33.6	-18.3%	27.7%	30.3	32.6	35.0	1.4%	23.3%
Tax Policy	23.0	24.2	23.4	23.7	1.0%	18.5%	24.3	26.2	28.1	5.8%	18.1%
Economic Policy	17.2	22.8	22.5	28.5	18.4%	17.8%	27.6	29.7	31.8	3.8%	20.8%
Cooperative Banks Development Agency	9.3	16.0	16.2	16.8	21.8%	11.4%	16.2	16.5	19.3	4.6%	12.2%
Total	140.5	111.2	124.1	134.4	-1.5%	100.0%	133.9	142.6	153.8	4.6%	100.0%
Change to 2014 Budget estimate				(4.6)			(12.4)	(13.1)	(10.9)		

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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Current payments	119.6	84.5	97.1	106.2	-3.9%	79.8%	105.9	113.6	121.4	4.6%	79.2%
Compensation of employees	56.2	62.2	66.7	75.3	10.3%	51.1%	79.1	85.1	91.4	6.7%	58.6%
Goods and services	63.4	22.3	30.4	30.8	-21.4%	28.8%	26.8	28.5	30.0	-0.9%	20.6%
of which:											
Communication	0.3	0.4	0.4	0.5	12.8%	0.3%	0.4	0.5	0.5	2.5%	0.3%
Consultants and professional services:	11.1	8.3	17.1	15.2	11.0%	10.1%	13.9	14.6	15.4	0.4%	10.5%
Business and advisory services											
Consumables: Stationery, printing and office supplies	0.7	0.9	0.9	1.1	18.5%	0.7%	0.9	1.0	1.1	-2.1%	0.7%
Travel and subsistence	5.1	5.7	5.4	6.4	7.7%	4.4%	6.5	7.1	7.5	5.4%	4.9%
Training and development	0.6	0.6	0.6	0.6	4.9%	0.5%	0.7	0.7	0.8	6.2%	0.5%
Operating payments	1.3	3.1	4.0	3.9	44.5%	2.4%	2.2	2.5	2.7	-11.7%	2.0%
Transfers and subsidies	20.5	26.2	26.5	27.7	10.5%	19.8%	27.6	28.5	31.9	4.8%	20.5%
Departmental agencies and accounts	9.3	16.0	16.2	16.8	21.8%	11.4%	16.2	16.5	19.3	4.6%	12.2%
Public corporations and private enterprises	11.0	10.0	9.9	10.8	-0.7%	8.2%	11.4	12.0	12.6	5.3%	8.3%
Households	0.2	0.2	0.4	—	-42.9%	0.2%	—	—	—	-100.0%	—
Payments for capital assets	0.4	0.5	0.4	0.6	10.7%	0.4%	0.5	0.6	0.6	1.5%	0.4%
Machinery and equipment	0.4	0.5	0.4	0.6	10.7%	0.4%	0.5	0.6	0.6	1.5%	0.4%
Total	140.5	111.2	124.1	134.4	-1.5%	100.0%	133.9	142.6	153.8	4.6%	100.0%
Proportion of total programme expenditure to vote expenditure	0.7%	0.5%	0.5%	0.5%	—	—	0.5%	0.6%	0.6%	—	—
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	9.3	16.0	16.2	16.8	21.8%	11.4%	16.2	16.5	19.3	4.6%	12.2%
Cooperative Banks Development Agency	9.3	16.0	16.2	16.8	21.8%	11.4%	16.2	16.5	19.3	4.6%	12.2%
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	11.0	10.0	9.9	10.8	-0.7%	8.2%	11.4	12.0	12.6	5.3%	8.3%
Economic Research Southern Africa	11.0	10.0	9.9	10.8	-0.7%	8.2%	11.4	12.0	12.6	5.3%	8.3%

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, Estimates of National Expenditure and 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.
- Provide a mechanism for accessing private sector finance and expertise to support the development and implementation of services infrastructure in all spheres of government by assessing all major infrastructure initiatives and employing the appropriate financing mechanism on an annual 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.

- Promote and support public private partnerships by improving capacity in capital projects planning and oversight through:
 - providing advisory support to all public private partnership and large capital projects in development and implementation over the medium term
 - facilitating compliance with regulations, to ensure adherence by the state organs to financial management frameworks and infrastructure planning and implementation, as and when requested
 - mobilising public and private sector investment in community and economic infrastructure by supporting 40 projects in the neighbourhood development partnership programme 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 infrastructure support for government with the aim of promoting the improved planning and management of the service delivery targets for the 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 (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
Programme Management for Public Finance and Budget Management	14.6	33.8	17.3	22.1	14.7%	9.5%	19.7	21.2	22.5	0.6%	7.9%
Public Finance	45.1	46.6	47.5	54.8	6.7%	21.0%	56.7	61.1	65.4	6.1%	21.9%
Budget Office and Coordination	43.3	47.6	52.4	59.0	10.9%	21.9%	59.9	64.4	69.1	5.4%	23.2%
Intergovernmental Relations	69.4	67.5	70.8	79.5	4.7%	31.0%	80.1	86.5	92.6	5.2%	31.2%
Financial and Fiscal Commission	33.0	37.3	39.6	44.5	10.4%	16.7%	40.6	42.6	45.2	0.5%	15.9%
Total	205.4	232.8	227.6	259.9	8.2%	100.0%	257.0	275.8	294.8	4.3%	100.0%
Change to 2014 Budget estimate				(2.9)			(19.8)	(19.3)	(17.8)		

Table 7.8 Public Finance and Budget 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	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
R million											
Current payments	171.4	193.2	185.3	213.7	7.6%	82.5%	215.1	231.7	248.0	5.1%	83.5%
Compensation of employees	142.8	152.2	157.0	180.9	8.2%	68.4%	185.0	199.2	213.8	5.7%	71.6%
Goods and services	28.6	41.0	28.3	32.7	4.6%	14.1%	30.1	32.6	34.2	1.5%	11.9%
of which:											
Bursaries: Employees	0.4	0.7	0.6	1.0	33.1%	0.3%	1.0	0.9	0.8	-6.4%	0.3%
Communication	0.7	0.8	0.8	0.7	4.2%	0.3%	0.8	0.9	0.9	6.5%	0.3%
Computer services	0.6	0.2	0.7	1.4	33.4%	0.3%	0.9	1.0	1.0	-10.9%	0.4%
Consultants and professional services:	7.2	19.7	8.5	8.0	3.5%	4.7%	7.8	8.5	9.2	4.6%	3.1%
Business and advisory services											
Consumables: Stationery, printing and office supplies	5.9	7.2	5.7	7.2	7.2%	2.8%	6.1	6.8	6.9	-1.5%	2.5%
Travel and subsistence	8.8	9.6	8.6	9.5	2.8%	3.9%	9.0	9.6	10.2	2.4%	3.5%
Transfers and subsidies	33.3	38.1	41.4	44.6	10.2%	17.0%	40.6	42.6	45.2	0.5%	15.9%
Departmental agencies and accounts	33.0	37.3	39.6	44.5	10.4%	16.7%	40.6	42.6	45.2	0.5%	15.9%
Households	0.3	0.8	1.8	0.1	-33.7%	0.3%	-	-	-	-100.0%	-
Payments for capital assets	0.7	1.4	0.9	1.6	34.1%	0.5%	1.3	1.5	1.6	-0.9%	0.6%
Machinery and equipment	0.7	1.4	0.9	1.6	34.1%	0.5%	1.3	1.5	1.6	-0.9%	0.6%
Payments for financial assets	-	0.1	-	-	-100.0%	-	-	-	-	-	-
Total	205.4	232.8	227.6	259.9	8.2%	100.0%	257.0	275.8	294.8	4.3%	100.0%
Proportion of total programme expenditure to vote expenditure	1.0%	1.1%	0.9%	1.0%	-	-	1.0%	1.1%	1.1%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	33.0	37.3	39.6	44.5	10.4%	16.7%	40.6	42.6	45.2	0.5%	15.9%
Financial and Fiscal Commission	33.0	37.3	39.6	44.5	10.4%	16.7%	40.6	42.6	45.2	0.5%	15.9%

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 to enable the achievement of government's policy objectives in a financially sustainable manner by:
 - reviewing the corporate plans and annual financial statements of state owned enterprises regularly
 - coordinating state owned entities' borrowing programmes on an ongoing basis
 - tracking progress on capital expenditure programmes on an ongoing basis
 - reviewing applications for funding, guarantees and borrowing limits in terms of the Public Finance Management Act (1999), and monitoring progress on an ongoing basis.
- Finance government's gross borrowing requirement of R198.9 billion by sourcing such funds from the domestic and international markets by March 2016.
- Ensure that government's liquidity requirements are consistently met through effective cash management and sound cash forecasts 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, manages cash in all spheres of government, invests government surplus cash, supplies reliable systems and provides 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	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme Management for Asset and Liability Management	12.9	14.9	16.4	11.3	-4.2%	0.7%	10.4	9.5	9.8	-4.6%	0.6%
State Owned Entity Financial Management and Governance	21.8	23.7	26.3	29.8	10.9%	1.4%	32.0	34.5	37.0	7.5%	2.0%
Government Debt Management	14.9	15.7	17.3	19.2	8.7%	0.9%	20.6	22.2	23.5	7.0%	1.3%
Financial Operations	14.8	15.9	17.2	20.8	12.1%	0.9%	20.4	21.8	23.2	3.8%	1.3%
Strategy and Risk Management	7.5	8.0	8.6	10.3	11.1%	0.5%	9.5	10.2	10.9	1.9%	0.6%
Financial Investments	750.0	200.0	2 905.0	3 252.0	63.1%	95.6%	3 024.0	—	—	-100.0%	94.2%
Total	821.9	278.2	2 990.9	3 343.4	59.6%	100.0%	3 116.9	98.1	104.5	-68.5%	100.0%
Change to 2014 Budget estimate				1.3			(1.0)	(1.6)	(1.1)		
Economic classification	71.5	77.7	85.4	91.0	8.4%	4.4%	92.3	97.4	103.8	4.5%	5.8%
Current payments	53.5	58.2	62.8	70.6	9.7%	3.3%	73.6	79.2	85.0	6.4%	4.6%
Compensation of employees	18.0	19.5	22.6	20.4	4.2%	1.1%	18.7	18.2	18.8	-2.7%	1.1%
Goods and services of which:											
Audit costs: External	0.6	0.6	0.7	0.6	2.9%	—	0.7	0.8	0.8	10.2%	—
Bursaries: Employees	0.3	0.3	0.5	0.9	47.5%	—	0.8	0.8	0.9	0.7%	0.1%
Computer services	5.2	8.1	10.5	8.1	16.1%	0.4%	8.8	8.6	9.0	3.5%	0.5%
Consultants and professional services:	8.1	6.5	6.0	4.7	-16.9%	0.3%	2.9	2.0	2.0	-24.6%	0.2%
Business and advisory services											
Travel and subsistence	2.0	1.8	2.8	3.1	15.3%	0.1%	2.9	3.2	3.2	1.5%	0.2%
Training and development	0.4	0.5	0.4	0.8	26.9%	—	0.7	0.8	0.8	1.0%	—
Transfers and subsidies	0.1	—	0.1	0.2	17.7%	—	—	—	—	-100.0%	—
Households	0.1	—	0.1	0.2	17.7%	—	—	—	—	-100.0%	—
Payments for capital assets	0.3	0.5	0.4	0.2	-8.0%	—	0.6	0.6	0.7	44.2%	—
Machinery and equipment	0.3	0.5	0.4	0.2	-8.0%	—	0.6	0.6	0.7	44.2%	—
Payments for financial assets	750.0	200.0	2 905.0	3 252.0	63.1%	95.6%	3 024.0	—	—	-100.0%	94.2%
Total	821.9	278.2	2 990.9	3 343.4	59.6%	100.0%	3 116.9	98.1	104.5	-68.5%	100.0%
Proportion of total programme expenditure to vote expenditure	4.1%	1.3%	11.9%	12.5%	—	—	11.6%	0.4%	0.4%	—	—

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, asset, 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 begin 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 in 2015/16
 - 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					Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome				2015/16				2016/17	2017/18			
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18		
Programme Management for Financial Accounting and Supply Chain Management Systems												
	8.3	7.3	18.4	16.1	24.7%	1.9%	14.7	20.6	22.3	11.4%	2.3%	
Office of the Chief Procurement Officer	34.1	34.1	33.3	46.9	11.2%	5.7%	48.1	51.5	55.4	5.7%	6.3%	
Financial Systems	279.1	369.6	424.1	429.6	15.5%	57.3%	443.6	496.1	522.8	6.8%	58.6%	
Financial Reporting for National Accounts	78.1	79.4	85.4	88.1	4.1%	12.6%	85.3	88.0	103.1	5.4%	11.3%	
Financial Management Policy and Compliance Improvement	75.4	118.6	105.6	147.8	25.1%	17.1%	117.6	124.7	133.0	-3.5%	16.2%	
Audit Statutory Bodies	29.9	30.3	40.8	41.2	11.3%	5.4%	41.9	44.1	46.3	3.9%	5.4%	
Service Charges: Commercial Banks	–	0.2	0.1	0.3	–	–	0.2	0.3	0.3	-2.8%	–	
Total	504.9	639.3	707.8	770.0	15.1%	100.0%	751.4	825.4	883.0	4.7%	100.0%	
Change to 2014 Budget estimate				8.4			(39.2)	(40.4)	(28.7)			
Economic classification												
Current payments	429.7	563.6	621.1	678.3	16.4%	87.4%	664.6	737.1	780.4	4.8%	88.6%	
Compensation of employees	125.7	135.6	149.5	165.4	9.6%	22.0%	167.7	180.8	194.2	5.5%	21.9%	
Goods and services	304.0	428.0	471.5	512.9	19.1%	65.5%	496.9	556.3	586.2	4.6%	66.6%	
of which:												
Audit costs: External	2.8	4.1	3.7	4.0	12.5%	0.6%	4.8	5.1	5.3	10.1%	0.6%	
Computer services	261.4	348.5	402.9	401.3	15.4%	53.9%	414.7	465.2	489.8	6.9%	54.8%	
Consultants and professional services:	18.9	50.6	41.9	75.3	58.6%	7.1%	47.4	53.7	57.0	-8.8%	7.2%	
Business and advisory services												
Travel and subsistence	6.3	6.8	7.0	12.0	24.0%	1.2%	10.9	11.7	12.3	0.8%	1.5%	
Training and development	3.9	6.1	2.4	2.8	-10.3%	0.6%	3.6	3.6	3.8	10.3%	0.4%	
Venues and facilities	4.6	5.4	7.1	6.6	12.4%	0.9%	6.3	6.8	7.1	2.6%	0.8%	
Transfers and subsidies	73.4	72.9	84.5	86.2	5.5%	12.1%	82.0	83.6	97.6	4.2%	10.8%	
Departmental agencies and accounts	73.2	72.0	83.8	86.0	5.5%	12.0%	82.0	83.6	97.6	4.3%	10.8%	
Households	0.2	0.9	0.6	0.2	-4.4%	0.1%	–	–	–	-100.0%	–	
Payments for capital assets	0.8	2.8	2.1	5.5	89.8%	0.4%	4.7	4.7	5.0	-3.4%	0.6%	
Machinery and equipment	0.8	2.8	2.1	5.5	89.8%	0.4%	4.7	4.7	5.0	-3.4%	0.6%	
Payments for financial assets	0.9	–	0.2	–	-100.0%	–	–	–	–	–	–	
Total	504.9	639.3	707.8	770.0	15.1%	100.0%	751.4	825.4	883.0	4.7%	100.0%	
Proportion of total programme expenditure to vote expenditure	2.5%	3.0%	2.8%	2.9%	–	–	2.8%	3.2%	3.2%	–	–	
Details of selected transfers and subsidies												
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	73.2	72.0	83.8	86.0	5.5%	12.0%	82.0	83.6	97.6	4.3%	10.8%	
Accounting Standards Board	8.6	9.5	10.1	10.3	6.2%	1.5%	10.2	10.5	11.7	4.6%	1.3%	
Independent Regulatory Board for Auditors	34.7	32.2	32.9	34.6	-0.1%	5.1%	30.0	29.0	39.6	4.6%	4.1%	
Auditor-General of South Africa	29.9	30.3	40.8	41.2	11.3%	5.4%	41.9	44.1	46.3	3.9%	5.4%	

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 on an ongoing basis through the lobbying of regional groupings
 - securing the third board chair for the International Monetary Fund for the benefit of sub-Saharan Africa by 2015/16.
- Enhance South Africa's participation in strategic regional, continental and global governance institutions by seconding South Africans into strategic positions of these institutions, 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 in 2015/16
 - 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 African Development Bank, the United Nations Economic Commission for Africa, the New Partnership for Africa's Development, the G20, and the Brazil-India-China-South Africa group of countries.
- *African Integration and Support* is mainly for transfers towards 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.
- *International Development Funding Institutions* provides for subscriptions and contributions to international development funding institutions and banks. This subprogramme transfers funds to the African Development Bank and African Development Fund for the purpose of buying shares and subscriptions, and for accelerated encashment schedules to support African development; and the World Bank Group for providing concessional loans and grants to low income countries and contribution to the general and selective capital increases of the authorised capital of the World Bank.
- *International Projects* transfers funds to international projects and interventions to various causes such as building capacity, and providing medical support to disaster hit and impoverished areas. 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 Alliance, 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 (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	Expenditure/ Total: Average (%)	2015/16	2016/17	2017/18	2014/15 - 2017/18	Expenditure/ Total: Average (%)
R million											
Programme Management for International Financial Relations	6.6	9.0	19.1	9.2	11.8%	1.1%	17.8	17.6	18.2	25.6%	1.2%
International Economic Cooperation	19.3	21.0	23.8	27.9	13.0%	2.2%	31.2	33.3	35.4	8.2%	2.5%
African Integration and Support	451.5	492.3	558.8	644.4	12.6%	52.0%	717.6	775.9	814.7	8.1%	57.4%
International Development Funding	369.0	467.5	450.0	501.9	10.8%	43.3%	463.8	470.2	493.8	-0.5%	37.5%
Institutions											
International Projects	11.3	13.2	16.0	16.3	13.0%	1.4%	17.0	17.3	18.2	3.7%	1.3%
Total	857.8	1 003.1	1 067.7	1 199.7	11.8%	100.0%	1 247.4	1 314.4	1 380.2	4.8%	100.0%
Change to 2014 Budget estimate				19.9			12.3	12.1	12.5		
Economic classification											
Current payments	25.8	29.8	42.6	37.0	12.8%	3.3%	48.9	50.7	53.5	13.1%	3.7%
Compensation of employees	17.6	20.8	21.8	27.5	15.9%	2.1%	31.4	33.5	35.8	9.2%	2.5%
Goods and services	8.1	8.9	20.8	9.5	5.3%	1.1%	17.5	17.2	17.7	23.0%	1.2%
of which:											
Bursaries: Employees	0.3	0.1	0.1	0.2	-17.1%	—	0.2	0.2	0.2	4.1%	—
Communication	0.5	0.6	0.5	0.6	2.3%	0.1%	0.6	0.6	0.6	3.6%	—
Consultants and professional services:	0.2	0.3	1.9	0.3	18.0%	0.1%	0.4	0.4	0.4	11.8%	—
Business and advisory services											
Travel and subsistence	4.5	6.8	7.6	6.1	10.9%	0.6%	6.7	6.9	7.3	5.8%	0.5%
Training and development	0.1	0.1	—	0.2	25.7%	—	0.2	0.2	0.2	3.2%	—
Venues and facilities	2.1	0.4	4.5	1.1	-17.8%	0.2%	9.1	8.4	8.4	94.6%	0.5%
Transfers and subsidies	584.0	626.7	710.3	775.0	9.9%	65.3%	851.8	918.0	961.5	7.5%	68.2%
Foreign governments and international organisations	583.9	626.6	710.2	775.0	9.9%	65.3%	851.8	918.0	961.5	7.5%	68.2%
Households	0.1	0.1	0.1	—	-100.0%	—	—	—	—	—	—
Payments for capital assets	0.1	0.1	0.3	0.2	16.3%	—	0.1	0.2	0.2	0.2%	—
Machinery and equipment	0.1	0.1	0.3	0.2	16.3%	—	0.1	0.2	0.2	0.2%	—
Payments for financial assets	248.0	346.4	314.6	387.7	16.1%	31.4%	346.7	345.5	365.1	-2.0%	28.1%
Total	857.8	1 003.1	1 067.7	1 199.7	11.8%	100.0%	1 247.4	1 314.4	1 380.2	4.8%	100.0%
Proportion of total programme expenditure to vote expenditure	4.2%	4.8%	4.3%	4.5%	—	—	4.6%	5.1%	5.0%	—	—
Details of selected transfers and subsidies											
Foreign governments and international organisations											
Current	462.8	505.6	574.8	666.7	12.9%	53.5%	734.6	793.2	832.9	7.7%	58.9%
Common Monetary Area Compensation	450.3	490.7	554.4	640.8	12.5%	51.7%	705.0	763.2	801.4	7.7%	56.6%
Collaborative Africa Budget Reform Initiative	1.2	1.3	1.3	1.4	5.5%	0.1%	1.5	1.6	1.6	5.0%	0.1%
Commonwealth Fund for Technical Cooperation	3.8	4.5	5.3	5.3	11.3%	0.5%	5.5	5.8	6.1	5.0%	0.4%
International Finance Facility for Immunisation	7.5	8.8	10.7	11.0	13.8%	0.9%	11.5	11.5	12.0	3.0%	0.9%
African Institute for Economic Development and Planning	—	—	1.7	0.8	—	0.1%	0.8	0.8	0.8	1.6%	0.1%
Africa Regional Technical Assistance Centre for Southern Africa	—	0.4	0.4	0.4	—	—	0.4	0.4	0.4	4.9%	—
Infrastructure Consortium for Africa	—	—	1.0	1.0	—	—	—	—	—	-100.0%	—
African Export-Import Bank	—	—	—	6.0	—	0.1%	—	—	—	-100.0%	0.1%
African Risk Capacity	—	—	—	—	—	—	10.0	10.0	10.5	—	0.6%
Capital	121.1	121.1	135.4	108.3	-3.7%	11.8%	117.2	124.8	128.7	5.9%	9.3%
African Development Bank and African Development Fund	40.2	40.2	40.2	17.6	-24.0%	3.3%	26.5	34.1	33.5	23.8%	2.2%
World Bank Group	80.9	80.9	95.2	90.7	3.9%	8.4%	90.7	90.7	95.2	1.6%	7.1%

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 by continuing to:
 - process member applications and make payments punctually as required by applicable legislation
 - process 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
 - accurately processing and paying injury on duty benefits to civil servants within 45 days of receiving complete documentation
 - ensure 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), the Associated Institution Pension Fund Act (1963); and 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, 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 (1989); 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				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome											
R million	2011/12	2012/13	2013/14	2014/15	2011/12	2014/15	2015/16	2016/17	2017/18	2014/15	2017/18
Government Pensions Administration Agency	63.9	174.8	57.5	55.6	-4.5%	2.5%	61.2	65.0	69.2	7.5%	1.5%
Civil Pensions and Contributions to Funds	3 068.3	2 621.7	2 673.5	2 721.9	-3.9%	79.8%	3 079.9	3 254.3	3 425.7	8.0%	76.9%
Military Pensions and Other Benefits	180.9	547.1	792.1	940.3	73.2%	17.7%	821.8	853.9	887.1	-1.9%	21.6%
Total	3 313.2	3 343.6	3 523.1	3 717.8	3.9%	100.0%	3 962.9	4 173.2	4 381.9	5.6%	100.0%
Economic classification											
Current payments	63.9	49.7	57.5	55.6	-4.5%	1.6%	61.2	65.0	69.2	7.5%	1.5%
Goods and services	63.9	49.7	57.5	55.6	-4.5%	1.6%	61.2	65.0	69.2	7.5%	1.5%
of which:											
Consultants and professional services:	63.9	49.7	57.5	55.6	-4.5%	1.6%	61.2	65.0	69.2	7.5%	1.5%
Business and advisory services											

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

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome							2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12	2014/15	2015/16	2016/17	2017/18	2014/15	2017/18
Transfers and subsidies	3 249.1	3 168.8	3 465.6	3 662.2	4.1%	97.5%	3 901.8	4 108.2	4 312.7	5.6%	98.5%
Foreign governments and international organisations	2.0	1.5	2.1	2.2	4.4%	0.1%	2.3	2.4	2.6	5.0%	0.1%
Non-profit institutions	0.1	–	–	–	-100.0%	–	–	–	–	–	–
Households	3 247.1	3 167.2	3 463.5	3 660.0	4.1%	97.4%	3 899.4	4 105.8	4 310.2	5.6%	98.4%
Payments for financial assets	0.2	125.1	–	–	-100.0%	0.9%	–	–	–	–	–
Total	3 313.2	3 343.6	3 523.1	3 717.8	3.9%	100.0%	3 962.9	4 173.2	4 381.9	5.6%	100.0%
Proportion of total programme expenditure to vote expenditure	16.3%	15.9%	14.0%	13.9%	–	–	14.7%	16.2%	16.0%	–	–
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	3 247.1	3 167.2	3 463.5	3 660.0	4.1%	97.4%	3 899.4	4 105.8	4 310.2	5.6%	98.4%
Contribution to provident funds for associated institutions	0.5	0.4	0.4	0.4	-3.0%	–	0.3	0.3	0.3	-8.6%	–
Other benefits	69.8	75.0	77.8	79.1	4.2%	2.2%	89.1	89.1	89.1	4.0%	2.1%
Injury on duty	498.9	478.7	500.7	533.0	2.2%	14.5%	560.2	591.7	621.2	5.2%	14.2%
Post-retirement medical scheme	1 785.7	1 413.0	1 441.4	1 562.7	-4.3%	44.6%	1 599.1	1 698.0	1 795.9	4.7%	41.0%
Special pensions	480.7	434.8	435.4	460.5	-1.4%	13.0%	550.6	579.8	608.8	9.8%	13.5%
Political Office-Bearers Pension Fund	224.7	211.1	208.2	72.0	-31.6%	5.2%	268.8	283.1	297.2	60.4%	5.7%
Pension benefits: President of South Africa	5.9	7.1	7.5	12.1	26.8%	0.2%	9.5	10.0	10.5	-4.5%	0.3%
Military pensions: Ex-servicemen	31.4	28.6	26.5	27.6	-4.3%	0.8%	29.3	30.9	32.4	5.5%	0.7%
South African citizen force	122.8	126.8	139.0	146.8	6.1%	3.9%	155.7	169.2	177.6	6.6%	4.0%
Other benefits: Ex-servicemen	26.6	21.8	26.6	28.6	2.5%	0.7%	31.1	34.3	37.8	9.7%	0.8%
Non-statutory forces	–	370.0	600.0	737.3	–	12.3%	605.8	619.5	639.2	-4.6%	16.0%
Foreign governments and international organisations											
Current	2.0	1.5	2.1	2.2	4.4%	0.1%	2.3	2.4	2.6	5.0%	0.1%
United Kingdom tax	2.0	1.5	2.1	2.2	4.4%	0.1%	2.3	2.4	2.6	5.0%	0.1%
Non-profit institutions											
Current	0.1	–	–	–	-100.0%	–	–	–	–	–	–
South African Legion	0.1	–	–	–	-100.0%	–	–	–	–	–	–

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.
- Strengthen public finance management capacity in municipalities and support provincial treasury oversight of local government financial management.
- Promote public and private investment in city development, integrated urban networks and neighbourhood development initiatives.
- Promote innovative and partnership-based approaches to employment creation, work seeker support and enterprise development.
- Support infrastructure planning and implementation in provinces and infrastructure skills development in municipalities.

Subprogrammes

- *The Government Technical Advisory Centre* provides management support for programme 8 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.

- *Local Government Financial Management Support* provides for transfers to municipalities to support 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 cities 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.
- *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		Medium-term expenditure estimate			Average growth rate	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
R million											
Local Government Financial Management Support	523.7	512.7	546.3	547.9	1.5%	22.9%	587.2	607.1	651.0	5.9%	18.6%
Urban Development and Support	808.4	658.1	680.9	904.5	3.8%	32.9%	884.2	913.0	983.3	2.8%	28.7%
Employment Creation Facilitation	272.5	589.9	952.9	1 338.9	70.0%	34.0%	1 318.0	1 387.9	1 312.3	-0.7%	41.7%
Government Technical Advisory Centre	62.1	61.4	69.7	79.8	8.7%	2.9%	83.6	88.0	89.9	4.1%	2.7%
Infrastructure Development Support	99.0	160.5	187.5	228.7	32.2%	7.3%	270.9	282.2	295.4	8.9%	8.4%
Total	1 765.6	1 982.6	2 437.3	3 099.8	20.6%	100.0%	3 143.9	3 278.2	3 331.7	2.4%	100.0%
Change to 2014 Budget estimate				(612.4)			(63.1)	(105.8)	(72.4)		
Economic classification											
Current payments	275.2	283.3	275.2	307.4	3.7%	12.3%	406.3	415.8	433.6	12.2%	12.2%
Goods and services	275.2	283.3	275.2	307.4	3.7%	12.3%	406.3	415.8	433.6	12.2%	12.2%
of which:											
Consultants and professional services:	275.2	283.3	275.2	307.4	3.7%	12.3%	406.3	415.8	433.6	12.2%	12.2%
Business and advisory services											
Transfers and subsidies	1 490.4	1 699.3	2 162.1	2 792.4	23.3%	87.7%	2 737.6	2 862.4	2 898.0	1.2%	87.8%
Provinces and municipalities	1 162.0	1 056.3	1 149.2	1 399.7	6.4%	51.3%	1 435.3	1 486.5	1 598.3	4.5%	46.1%
Departmental agencies and accounts	188.7	98.4	109.6	145.4	-8.3%	5.8%	1 302.3	1 375.9	1 299.8	107.5%	32.1%
Higher education institutions	—	9.0	10.0	5.8	—	0.3%	—	—	—	-100.0%	—
Public corporations and private enterprises	139.7	535.5	893.2	1 241.4	107.1%	30.3%	—	—	—	-100.0%	9.7%
Total	1 765.6	1 982.6	2 437.3	3 099.8	20.6%	100.0%	3 143.9	3 278.2	3 331.7	2.4%	100.0%
Proportion of total programme expenditure to vote expenditure	8.7%	9.4%	9.7%	11.6%	—	—	11.7%	12.7%	12.2%	—	—

Table 7.13 Technical Support and Development Finance 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	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12	2014/15	2015/16	2016/17	2017/18	2014/15 -	2017/18
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	423.6	478.2	523.3	553.6	9.3%	21.3%	577.0	595.7	642.8	5.1%	18.4%
Local government financial management grant	423.6	402.8	424.8	449.1	2.0%	18.3%	452.5	465.3	502.0	3.8%	14.5%
Infrastructure skills development grant	–	75.5	98.5	104.4	–	3.0%	124.5	130.5	140.8	10.5%	3.9%
Capital	738.4	578.1	625.9	846.2	4.6%	30.0%	858.3	890.8	955.5	4.1%	27.6%
Integrated city development grant	–	–	40.0	255.0	–	3.2%	251.3	266.8	292.1	4.6%	8.3%
Neighbourhood development partnership grant	738.4	578.1	585.9	591.2	-7.1%	26.9%	607.0	624.0	663.4	3.9%	19.3%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	188.4	98.2	109.3	138.4	-9.8%	5.8%	1 301.8	1 375.2	1 299.0	111.0%	32.0%
Government Technical Advisory Centre	188.4	98.2	109.3	138.4	-9.8%	5.8%	1 301.8	1 375.2	1 299.0	111.0%	32.0%
Capital	0.3	0.2	0.3	7.1	184.7%	0.1%	0.5	0.7	0.7	-52.9%	0.1%
Government Technical Advisory Centre	0.3	0.2	0.3	7.1	184.7%	0.1%	0.5	0.7	0.7	-52.9%	0.1%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	139.7	535.5	893.2	1 241.4	107.1%	30.3%	–	–	–	-100.0%	9.7%
Development Bank of Southern Africa	139.7	535.5	893.2	1 241.4	107.1%	30.3%	–	–	–	-100.0%	9.7%
Higher education institutions											
Current	–	9.0	10.0	5.8	–	0.3%	–	–	–	-100.0%	–
University of Cape Town	–	9.0	10.0	5.8	–	0.3%	–	–	–	-100.0%	–

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
 - achieving an uptake in electronic declarations (Southern African Customs Union) of 95 per cent.
- Manage migration, customs and land borderline control services and efficiently coordinate other departments in the ports of entry by:
 - establishing a border management agency over the medium term
 - achieving a 100 per cent success rate in investigative audits, seizures of counterfeit cigarettes, counterfeit CDs and DVDs, clothing, drug cases, and medicament continually.
- Manage the South African Revenue Service's R60 billion plus debtors book efficiently by establishing and employing an integrated debt management solution.

Subprogrammes

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

Expenditure trends and estimates

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

Subprogramme				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome							2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
South African Revenue Service	8 653.6	9 149.4	9 534.4	9 440.3	2.9%	100.0%	9 434.4	10 433.5	11 415.6	6.5%	100.0%
Total	8 653.6	9 149.4	9 534.4	9 440.3	2.9%	100.0%	9 434.4	10 433.5	11 415.6	6.5%	100.0%
Change to 2014							(464.3)	(75.4)	381.3		
Budget estimate											
Economic classification											
Transfers and subsidies	8 653.6	9 149.4	9 534.4	9 440.3	2.9%	100.0%	9 434.4	10 433.5	11 415.6	6.5%	100.0%
Departmental agencies and accounts	8 653.6	9 149.4	9 534.4	9 440.3	2.9%	100.0%	9 434.4	10 433.5	11 415.6	6.5%	100.0%
Total	8 653.6	9 149.4	9 534.4	9 440.3	2.9%	100.0%	9 434.4	10 433.5	11 415.6	6.5%	100.0%
Proportion of total programme expenditure to vote expenditure	42.7%	43.5%	38.0%	35.4%	–	–	35.0%	40.6%	41.7%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	7 855.0	8 299.7	8 676.3	8 596.2	3.1%	90.9%	8 491.0	9 390.2	10 274.1	6.1%	90.2%
South African Revenue Service	7 855.0	8 299.7	8 676.3	8 596.2	3.1%	90.9%	8 491.0	9 390.2	10 274.1	6.1%	90.2%
Capital	798.6	849.7	858.1	844.1	1.9%	9.1%	943.4	1 043.4	1 141.6	10.6%	9.8%
South African Revenue Service	798.6	849.7	858.1	844.1	1.9%	9.1%	943.4	1 043.4	1 141.6	10.6%	9.8%

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 in 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 means 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 (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Financial Intelligence Centre	136.5	197.3	241.0	198.1	13.2%	4.7%	234.5	256.4	270.2	10.9%	5.1%
Secret Services	3 618.5	3 784.8	3 933.6	4 168.2	4.8%	95.3%	4 308.3	4 536.7	4 763.5	4.6%	94.9%
Total	3 755.0	3 982.1	4 174.6	4 366.3	5.2%	100.0%	4 542.8	4 793.0	5 033.7	4.9%	100.0%
Change to 2014 Budget estimate							18.0	20.0	22.0		
Economic classification											
Transfers and subsidies	3 755.0	3 982.1	4 174.6	4 366.3	5.2%	100.0%	4 542.8	4 793.0	5 033.7	4.9%	100.0%
Departmental agencies and accounts	3 755.0	3 982.1	4 174.6	4 366.3	5.2%	100.0%	4 542.8	4 793.0	5 033.7	4.9%	100.0%
Total	3 755.0	3 982.1	4 174.6	4 366.3	5.2%	100.0%	4 542.8	4 793.0	5 033.7	4.9%	100.0%
Proportion of total programme expenditure to vote expenditure	18.5%	18.9%	16.6%	16.4%	–	–	16.9%	18.6%	18.4%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	3 401.1	3 710.0	3 660.3	4 068.1	6.2%	91.2%	4 199.8	4 428.6	4 653.4	4.6%	92.6%
Financial Intelligence Centre	85.7	124.8	175.0	186.7	29.6%	3.5%	221.7	239.6	254.9	11.0%	4.8%
Secret Services	3 315.4	3 585.1	3 485.3	3 881.4	5.4%	87.6%	3 978.2	4 189.0	4 398.5	4.3%	87.8%
Capital	354.0	272.2	514.2	298.2	-5.6%	8.8%	343.0	364.4	380.3	8.4%	7.4%
Financial Intelligence Centre	50.8	72.5	66.0	11.4	-39.2%	1.2%	12.8	16.7	15.3	10.1%	0.3%
Secret Services	303.2	199.7	448.3	286.7	-1.8%	7.6%	330.2	347.7	365.0	8.4%	7.1%

Public entities and other agencies

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			
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Cost to income ratio (bank wide)	Administration		39.9%	48.9%	28.4%	42.5%	37.7%	33.1%	28.9%
Total value of disbursements to infrastructure related projects per year	Development finance	Outcome 12: An efficient, effective and development oriented public service	R8bn	R9.2bn	R12.7bn	R15.4bn	R17.8bn	R22bn	R22.6bn
Value of bank wide net profit/(loss) per year	Development finance		R370.8m	R825.9m	R787m ²	R833m	R1.1bn	R1.5bn	R2bn
Number of schools completed for which the bank has provided financial support (accelerated schools infrastructure delivery initiative) per year	Non-financing development activities	Outcome 1: Quality basic education	3	17	20	71	71	71	71
Number of houses completed for which the bank has provided financial support (Elliotdale housing scheme) per year	Non-financing development activities		Outcome 8: Sustainable human settlements and improved quality of household life	200	110	770	1 000	1 000	1 000

1. As the responsibility for the Employment Creation Facilitation Fund has moved from the bank, the related outputs have been removed and will be reflected in the National Treasury table.

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

3. Historical data is not available, as the project started in 2012/13.

Expenditure analysis

The Development Bank of Southern Africa'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. Infrastructure support for the rest of Africa targets clients supporting state owned enterprises and public private partnerships. This is in line with the national development plan's vision of strengthened financial services, and outcome 12 of government's 2014-2019 medium term strategic framework (an efficient, effective and development oriented public service).

In line with the plan's vision, the bank 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. Through providing planning and implementation support for the initiation of infrastructure projects in selected under-capacitated municipalities, the bank will complement these funding activities by setting aside between R80 million and R100 million per year over the medium term. The bank will also work with National Treasury and other government departments to improve key infrastructure assets (such as schools, health institutions, roads and railways) as part of the cities support programme, and will focus on improving infrastructure in rural districts. 3 000 houses and 213 schools are projected to be completed over the medium term as a result of financial support provided by the bank.

The bank generated an average of 94.8 per cent of its total revenue between 2011/12 and 2014/15 from interest income from loans and borrowing. Due to the nature of dividend income and income from foreign exchange gains, the revenue trend between 2011/12 and 2013/14 fluctuated significantly. It is due to the uncertainty of income that revenue is projected to increase for the period between 2014/15 and 2017/18, as interest income is directly related to the value of disbursements. Revenue is expected to increase from R5.7 billion in 2014/15 to R9.1 billion in 2017/18. This growth will be driven by an expected increase in the repayments of developmental loan disbursements and the planned effective management of the non-performing loan book, which is expected to affect net loan impairments. Expenditure on interest is projected to increase to R4.7 billion over the medium term. The bank was recapitalised with R7.9 billion from 2013/14 to 2015/16.

Expenditure on compensation of employees decreased between 2011/12 and 2014/15, mainly as a result of the strategy and organisational reviews undertaken by the bank in that period. The outcome of the reviews was a reduction in the approved headcount from 839 posts in 2011/12 to 497 in 2014/15, as well as a reduction of 129 contract posts. The number of personnel is projected to remain stable over the medium term.

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 (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	Expenditure/ Total: Average (%)	2015/16	2016/17	2017/18	2014/15 - 2017/18	Expenditure/ Total: Average (%)
Administration	1 320.0	1 691.1	1 433.5	951.1	-10.3%	27.1%	802.2	839.8	882.4	-2.5%	15.8%
Development finance	3 463.2	3 861.9	3 126.3	3 804.9	3.2%	71.7%	3 857.7	4 805.6	6 037.2	16.6%	81.6%
Non-financing development activities	—	—	88.0	139.4	—	1.2%	144.5	150.1	156.0	3.8%	2.7%
Total	4 783.2	5 553.0	4 647.8	4 895.4	0.8%	100.0%	4 804.3	5 795.5	7 075.6	13.1%	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									
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/Budget Average (%)
R million	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15
Revenue									
Non-tax revenue	4 830.0	4 412.3	4 517.2	4 727.1	4 605.0	5 434.9	5 261.3	5 729.2	105.7%
Sale of goods and services other than capital assets	111.6	41.2	199.0	188.0	154.0	334.6	163.5	326.5	141.8%
of which:									
Sales by market establishment	111.6	41.2	199.0	188.0	154.0	334.6	163.5	326.5	141.8%
Other non-tax revenue	4 718.3	4 371.1	4 318.2	4 539.1	4 450.9	5 100.2	5 097.9	5 402.7	104.5%
Transfers received	—	—	300.0	—	—	—	—	—	—
Total revenue	4 830.0	4 412.3	4 817.2	4 727.1	4 605.0	5 434.9	5 261.3	5 729.2	104.0%
Expenses									
Current expenses	3 965.6	4 458.8	3 814.7	5 398.4	4 006.0	4 609.9	4 700.6	4 761.7	116.6%
Compensation of employees	569.7	580.9	608.5	654.3	564.3	561.6	628.2	656.3	103.5%
Goods and services	818.8	1 572.8	645.5	2 282.8	688.3	1 542.0	1 132.9	1 109.8	198.1%
Depreciation	21.9	19.6	24.0	19.4	19.6	18.6	23.8	27.0	94.8%
Interest, dividends and rent on land	2 555.3	2 285.6	2 536.8	2 441.9	2 733.7	2 487.8	2 915.5	2 968.6	94.8%
Transfers and subsidies	93.9	324.3	292.0	154.6	79.6	37.9	117.3	133.7	111.6%
Total expenses	4 059.5	4 783.2	4 106.7	5 553.0	4 085.6	4 647.8	4 817.9	4 895.4	116.5%
Surplus/(Deficit)	770.0	(371.0)	710.0	(826.0)	519.0	787.0	443.0	834.0	—
Statement of financial position									
Carrying value of assets	649.2	567.7	792.9	556.8	567.7	544.7	578.4	610.1	88.1%
of which:									
Acquisition of assets	127.2	—	762.2	10.1	19.6	—	23.8	85.6	10.2%
Investments	10 361.4	8 932.4	9 132.5	9 388.1	9 155.8	8 150.9	8 190.3	7 360.8	91.8%
Loans	—	40 418.3	44 256.4	42 619.8	52 538.2	50 849.0	56 862.6	61 390.7	127.1%
Receivables and prepayments	246.2	305.7	108.0	148.4	314.9	145.3	305.7	139.6	75.8%
Cash and cash equivalents	2 884.6	2 113.2	436.9	1 252.1	5 413.9	4 135.7	796.9	4 640.7	127.4%
Total assets	14 141.4	52 337.2	54 726.7	53 965.2	67 990.5	63 825.5	66 733.9	74 141.9	120.0%
Accumulated surplus/(deficit)	—	11 967.2	766.3	11 031.6	10 867.8	11 496.4	11 681.1	12 211.5	200.3%
Capital and reserves	19 173.5	5 560.3	17 913.0	5 674.1	5 360.3	6 004.2	5 360.3	2 341.1	41.0%
Capital reserve fund	—	—	—	—	7 752.2	2 400.0	5 100.0	8 893.3	87.9%
Borrowings	43 952.3	33 611.8	31 156.1	36 159.2	43 015.2	42 887.2	43 597.4	49 787.3	100.4%
Deferred income	—	—	4 000.0	—	—	—	—	—	—
Trade and other payables	1 022.0	837.8	628.4	796.6	995.0	813.7	837.8	719.7	90.9%
Provisions	271.7	354.9	262.8	299.4	—	221.0	152.0	185.8	154.6%
Derivatives financial instruments	—	5.2	—	4.3	—	3.1	5.2	3.1	303.4%
Total equity and liabilities	64 419.5	52 337.2	54 726.7	53 965.2	67 990.5	63 825.5	66 733.9	74 141.9	96.2%

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								
	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/Total: Average (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Revenue								
Non-tax revenue	5 729.2	9.1%	100.0%	5 895.0	7 295.4	9 073.8	16.6%	100.0%
Sale of goods and services other than capital assets	326.5	99.3%	4.2%	199.4	196.1	224.1	-11.8%	3.6%
of which:								
Sales by market establishment	326.5	99.3%	4.2%	199.4	196.1	224.1	-11.8%	3.6%
Other non-tax revenue	5 402.7	7.3%	95.8%	5 695.6	7 099.3	8 849.7	17.9%	96.4%
Total revenue	5 729.2	9.1%	100.0%	5 895.0	7 295.4	9 073.8	16.6%	100.0%
Expenses								
Current expenses	4 761.7	2.2%	96.7%	4 628.3	5 609.5	6 879.6	13.0%	96.9%
Compensation of employees	656.3	4.2%	12.4%	682.5	709.8	738.2	4.0%	12.6%
Goods and services	1 109.8	-11.0%	32.5%	1 117.5	1 265.0	1 424.5	8.7%	22.0%
Depreciation	27.0	11.2%	0.4%	26.9	26.9	26.9	-0.1%	0.5%
Interest, dividends and rent on land	2 968.6	9.1%	51.5%	2 801.4	3 607.7	4 690.0	16.5%	61.9%
Transfers and subsidies	133.7	-25.6%	3.3%	176.0	186.0	196.0	13.6%	3.1%
Total expenses	4 895.4	0.8%	100.0%	4 804.3	5 795.5	7 075.6	13.1%	100.0%
Surplus/(Deficit)	834.0	-231.0%	—	1 091.0	1 500.0	1 998.0	33.8%	—
Statement of financial position								
Carrying value of assets	610.1	2.4%	0.9%	521.6	513.2	504.8	-6.1%	0.6%
of which:								
Acquisition of assets	85.6	—	—	18.5	18.5	18.5	-40.0%	—
Investments	7 360.8	-6.2%	14.3%	9 032.4	10 475.1	11 937.7	17.5%	10.6%
Loans	61 390.7	14.9%	79.7%	72 036.4	84 709.3	96 567.7	16.3%	86.1%
Receivables and prepayments	139.6	-23.0%	0.3%	120.0	120.0	120.0	-4.9%	0.1%
Cash and cash equivalents	4 640.7	30.0%	4.8%	1 195.3	1 286.2	1 402.5	-32.9%	2.6%
Total assets	74 141.9	12.3%	100.0%	82 905.7	97 103.7	110 532.8	14.2%	100.0%

Table 7.20 Development Bank of Southern Africa 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			2015/16	2016/17	2017/18		
R million	2014/15	2011/12 - 2014/15					2014/15 - 2017/18	
Accumulated surplus/(deficit)	12 211.5	0.7%	19.4%	13 690.9	15 137.3	17 137.6	12.0%	16.0%
Capital and reserves	2 341.1	-25.0%	8.4%	6 000.4	6 000.4	5 758.9	35.0%	5.4%
Capital reserve fund	8 893.3	–	3.9%	8 100.0	8 100.0	8 100.0	-3.1%	9.4%
Borrowings	49 787.3	14.0%	66.4%	54 063.1	66 814.7	78 484.9	16.4%	68.0%
Trade and other payables	719.7	-4.9%	1.3%	900.0	900.0	900.0	7.7%	0.9%
Provisions	185.8	-19.4%	0.5%	147.1	147.1	147.1	-7.5%	0.2%
Derivatives financial instruments	3.1	-15.6%	–	4.3	4.3	4.3	11.5%	–
Total equity and liabilities	74 141.9	12.3%	100.0%	82 905.7	97 103.7	110 532.8	72.0%	100.0%

Personnel information

Table 7.21 Development Bank of Southern Africa personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015		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 (%)				
		2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost	Unit Cost
Development Bank of Southern Africa																			
Salary level	497	497	423	561.6	1.3	497	656.3	1.3	497	682.5	1.4	497	709.8	1.4	497	738.2	1.5	4.0%	100.0%
1 – 6	20	20	20	3.0	0.2	20	3.5	0.2	20	3.7	0.2	20	3.8	0.2	20	4.0	0.2	4.0%	4.0%
7 – 10	131	131	131	294.5	2.2	131	344.2	2.6	131	358.0	2.7	131	372.3	2.8	131	387.2	3.0	4.0%	26.4%
11 – 12	30	30	30	17.8	0.6	30	20.8	0.7	30	21.6	0.7	30	22.4	0.7	30	23.3	0.8	4.0%	6.0%
13 – 16	307	307	233	225.5	1.0	307	263.5	0.9	307	274.0	0.9	307	285.0	0.9	307	296.4	1.0	4.0%	61.8%
17 – 22	9	9	9	20.8	2.3	9	24.3	2.7	9	25.3	2.8	9	26.3	2.9	9	27.4	3.0	4.0%	1.8%

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; 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 7.22 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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Cost to income ratio	Administration	Outcome 7: Comprehensive rural development and land reform	77.1%	67.7%	59.5%	67.4%	67.7%	68.8%	67.5%
Capital adequacy ratio	Administration		30.1%	24.4%	26.0%	24.6%	23.7%	21.7%	20.3%
Value of development loan book disbursements	Administration		R752.2m	R654.6m	R819.3m	R898.8m	R770m	R924m	R1.1bn
Value of business and corporate banking loans	Financing of agri-related businesses		R17.8m	R22.6m	R24.6m	R31.5m	R34.7m	R37.3m	R40.2m
Value of development loan book disbursements	Financing of agri-related businesses		R528.1m	R373.7m	R595.9m	R415.8m	R356.2m	R427.4m	R510.7m
Value of retail commercial banking loans	Retail commercial banking		R4.5m	R4.5m	R4.9m	R6.1m	R6.7m	R7.3m	R7.8m
Value of development loan book disbursements	Retail commercial banking		R122.4m	R373.7m	R134.4m	R273m	R233.9m	R280.7m	R335.3m
Value of retail emerging markets loans	Retail emerging markets		R101.7m	R247.5m	R391.2m	R508m	R653m	R798m	R860.9m

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 is expected to play a pivotal role in advancing agriculture and rural development. This is in line with the national development plan's vision of creating more jobs through agricultural development, and outcome 7 of government's 2014-2019 medium term strategic framework (comprehensive rural development and land reform).

The bank's focus over the medium term will be on consolidating its market share to have more influence in the agricultural sector, and thereby influence agricultural production and ensure a meaningful contribution towards food security, national development and employment creation. In line with the plan's vision, the bank is further expected to play a vital role in advancing agriculture and rural development through lending to emerging farmers and providing subsidised interest rates through the wholesale financing facility in the retail emerging markets division.

Due to an expected increase in revenue to R3.7 billion in 2017/18, the bank will be enabled to deliver on its development projects through disbursing short, medium and long term loans to the agricultural sector in support of farmers, especially emerging farmers. Total expenses are set to grow to R3.6 billion in 2017/18, driven mainly by expected increases in funding liabilities. Other operating expenses are projected to increase in line with inflationary adjustments. The bank is expected to have disbursed R6 billion by 2017/18. The bank was recapitalised with R1.8 billion from 2011/12 to 2014/15.

The bank has built internal capacity and reduced its dependence on external consultants, leading to an expected reduction of R29.3 million in spending on consultants over the medium term. Before the completion of the turnaround strategy to improve the bank's balance sheet, spending on consultants was directed towards complementing the efforts of staff, and this helped the bank to create a conducive environment to attract skilled personnel. Currently, spending on consultants is only in specialised areas in which the bank does not have expertise, such as for ICT projects and activities for loan book acquisitions. Despite the reductions in the budget allocated for consultant services, expenditure on these items is expected to increase to R41.5 million over the medium term due to more due diligence fees for strategic acquired books, fees related to raising bonds to fund loan book growth, and in areas in which the bank does not have sufficient internal capacity to address any identified operational issues.

At the end of November 2014, the bank had 569 funded posts, all of which were filled. The number of personnel is expected to remain constant over the medium term.

Programmes/objectives/activities

Table 7.23 Land and Agricultural Development Bank of South Africa expenditure trends and estimates by programme/objective/ activity

	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	Expenditure/ Total: Average (%)	2015/16	2016/17	2017/18	2014/15 - 2017/18	Expenditure/ Total: Average (%)
R million											
Administration	468.0	508.7	415.1	363.3	-8.1%	22.2%	381.5	404.4	428.7	5.7%	12.4%
Business and Corporate Banking	686.4	1 055.4	1 336.6	1 922.9	41.0%	57.2%	2 087.2	2 267.4	2 473.8	8.8%	68.3%
Retail commercial banking	333.9	394.2	425.8	493.5	13.9%	19.8%	609.1	597.2	631.5	8.6%	18.2%
Retail emerging markets	2.9	18.0	20.8	24.7	104.4%	0.7%	35.3	38.0	40.1	17.6%	1.1%
Total	1 491.1	1 976.3	2 198.3	2 804.3	23.4%	100.0%	3 113.1	3 307.0	3 574.1	8.4%	100.0%

Statements of historical financial performance and position

Table 7.24 Land and Agricultural Development Bank of South Africa statements of historical financial performance and position

Statement of financial performance									
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/Budget Average (%)
R million	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15
Revenue									
Non-tax revenue	1 701.2	1 652.5	1 799.0	2 280.9	2 247.5	2 592.6	2 641.8	2 989.2	113.4%
Sale of goods and services other than capital assets	37.7	54.5	68.2	21.8	37.3	24.4	38.2	(96.1)	2.5%
of which:									
Administrative fees	37.7	22.0	54.6	—	26.6	—	26.9	(106.7)	-58.2%
Sales by market establishment	—	32.5	13.6	21.8	10.8	24.4	11.4	10.7	250.0%
Other non-tax revenue	1 663.5	1 598.0	1 730.8	2 259.1	2 210.2	2 568.2	2 603.6	3 085.3	115.9%
Total revenue	1 701.2	1 652.5	1 799.0	2 280.9	2 247.5	2 592.6	2 641.8	2 989.2	113.4%
Expenses									
Current expenses	1 496.9	1 470.0	1 729.1	1 952.9	1 967.2	2 170.8	2 454.8	2 779.0	109.5%
Compensation of employees	292.6	346.6	388.9	359.8	393.7	381.3	399.0	376.3	99.3%
Goods and services	186.9	277.0	218.4	325.5	205.9	213.2	201.9	181.6	122.7%
Depreciation	8.3	23.7	22.3	25.0	25.3	16.1	26.8	23.8	107.0%
Interest, dividends and rent on land	1 009.1	822.8	1 099.5	1 242.6	1 342.3	1 560.2	1 827.0	2 197.3	110.3%
Total expenses	1 519.7	1 491.1	1 757.5	1 976.3	1 994.7	2 198.3	2 482.9	2 804.3	109.2%
Surplus/(Deficit)	181.0	161.0	42.0	305.0	253.0	394.0	159.0	185.0	—
Statement of financial position									
Carrying value of assets	265.2	237.5	326.9	227.5	144.6	238.0	227.4	205.5	94.2%
of which:									
Acquisition of assets	12.8	13.3	94.9	11.8	(256.7)	12.8	(1.7)	13.5	-34.1%
Investments	327.8	1 140.7	1 240.0	1 326.2	332.1	1 355.0	1 428.1	684.6	135.4%
Inventory	—	144.2	276.1	143.9	181.4	174.1	183.5	—	72.1%
Loans	—	83.1	—	6.3	—	—	—	—	—
Receivables and prepayments	14 582.5	21 782.9	19 036.0	27 129.3	28 355.4	30 448.9	33 147.8	36 074.3	121.4%
Cash and cash equivalents	2 726.3	1 941.4	1 300.0	1 891.4	2 000.0	2 500.0	2 898.8	2 500.0	99.0%
Non-current assets held for sale	—	15.5	129.9	52.3	136.1	26.2	—	51.8	54.8%
Derivatives financial instruments	—	6.0	—	5.2	—	—	—	9.0	—
Total assets	17 901.8	25 351.4	22 308.9	30 782.0	31 149.7	34 742.2	37 885.6	39 525.2	119.4%
Accumulated surplus/(deficit)	4 743.6	5 514.2	4 797.9	5 995.6	6 156.0	6 426.1	6 879.1	5 862.9	105.4%
Capital and reserves	131.5	112.2	122.9	135.4	112.2	135.4	135.4	137.1	103.6%
Borrowings	11 694.1	18 014.7	15 958.0	23 003.5	24 000.9	27 194.4	29 824.5	—	83.7%
Finance lease	—	—	619.4	—	—	—	—	—	—
Trade and other payables	75.4	1 018.2	205.7	935.3	185.8	196.5	207.1	131.6	338.5%
Provisions	511.3	676.6	604.9	712.2	685.8	740.7	791.7	776.1	112.0%
Managed funds (e.g. poverty alleviation fund)	720.2	—	—	—	—	—	—	—	—
Derivatives financial instruments	25.8	15.4	—	—	9.0	49.0	47.7	32 617.5	39 639.5%
Total equity and liabilities	17 901.8	25 351.4	22 308.9	30 782.0	31 149.7	34 742.2	37 885.6	39 525.2	119.4%

Statements of estimates of financial performance and position

Table 7.25 Land and Agricultural Development Bank of South Africa statements of estimates of financial performance and position

Statement of financial performance								
	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/Total: Average (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Revenue								
Non-tax revenue	2 989.2	21.8%	100.0%	3 296.1	3 469.0	3 718.8	7.6%	100.0%
Sale of goods and services other than capital assets	(96.1)	-220.8%	0.5%	(142.4)	(153.2)	(160.5)	18.7%	-4.1%
of which:								
Administrative fees	(106.7)	-269.4%	-0.6%	(158.2)	(169.9)	(178.2)	18.6%	-4.5%
Sales by market establishment	10.7	-31.0%	1.1%	15.8	16.7	17.7	18.5%	0.4%
Other non-tax revenue	3 085.3	24.5%	99.5%	3 438.5	3 622.2	3 879.3	7.9%	104.1%
Total revenue	2 989.2	21.8%	100.0%	3 296.1	3 469.0	3 718.8	7.6%	100.0%
Expenses								
Current expenses	2 779.0	23.6%	98.8%	3 080.0	3 269.7	3 534.5	8.3%	100.0%
Compensation of employees	376.3	2.8%	18.1%	385.4	405.9	426.2	4.2%	12.5%
Goods and services	181.6	-13.1%	12.8%	196.9	221.3	238.8	9.6%	6.5%
Depreciation	23.8	0.2%	1.1%	14.5	13.2	13.9	-16.3%	0.5%
Interest, dividends and rent on land	2 197.3	38.7%	66.8%	2 483.3	2 629.3	2 855.6	9.1%	79.4%
Total expenses	2 804.3	23.4%	100.0%	3 113.1	3 307.0	3 574.1	8.4%	100.0%
Surplus/(Deficit)	185.0	4.7%	—	183.0	162.0	145.0	-7.8%	—

Table 7.25 Land and Agricultural Development Bank of South Africa statements of estimates of financial performance and position

Statement of financial position		Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	Revised estimate			2015/16	2016/17	2017/18		
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Carrying value of assets	205.5	-4.7%	0.7%	207.2	212.8	218.8	2.1%	0.5%
of which:								
Acquisition of assets	13.5	0.4%	–	8.5	4.0	4.4	-31.3%	–
Investments	684.6	-15.7%	3.6%	806.1	863.7	922.6	10.5%	2.0%
Receivables and prepayments	36 074.3	18.3%	88.2%	36 716.6	38 545.3	40 273.5	3.7%	93.2%
Cash and cash equivalents	2 500.0	8.8%	6.8%	1 365.1	1 433.4	1 497.9	-15.7%	4.2%
Non-current assets held for sale	51.8	49.6%	0.1%	41.6	37.4	33.7	-13.4%	0.1%
Derivatives financial instruments	9.0	14.4%	–	–	–	–	-100.0%	–
Total assets	39 525.2	16.0%	100.0%	39 136.5	41 092.7	42 946.5	2.8%	100.0%
Accumulated surplus/(deficit)	5 862.9	2.1%	18.6%	6 641.5	6 803.4	6 948.1	5.8%	16.1%
Capital and reserves	137.1	6.9%	0.4%	137.1	137.1	137.1	–	0.3%
Trade and other payables	131.6	-49.4%	2.0%	227.1	239.8	251.9	24.2%	0.5%
Provisions	776.1	4.7%	2.3%	606.4	631.3	657.5	-5.4%	1.6%
Derivatives financial instruments	32 617.5	1 183.6%	20.7%	31 524.5	33 281.0	34 951.8	2.3%	81.4%
Total equity and liabilities	39 525.2	16.0%	100.0%	39 136.5	41 092.7	42 946.5	27.0%	100.0%

Personnel information

Table 7.26 Land and Agricultural Development Bank of South Africa personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015			Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number				
Land and Agricultural Development Bank of South Africa	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Salary level	569	569	490	381.3	0.8	569	376.3	0.7	569	385.4	0.7	569	405.9	0.7	569	426.2	0.7	4.2%	100.0%
1 – 6	46	46	41	102.2	2.5	46	98.9	2.2	46	90.4	2.0	46	93.3	2.0	46	89.9	2.0	-3.2%	8.1%
7 – 10	404	404	342	181.0	0.5	404	170.3	0.4	404	183.7	0.5	404	194.7	0.5	404	206.4	0.5	6.6%	71.0%
11 – 12	89	89	76	55.6	0.7	89	58.4	0.7	89	64.8	0.7	89	68.7	0.8	89	72.8	0.8	7.6%	15.6%
13 – 16	24	24	26	30.2	1.2	24	31.8	1.3	24	28.7	1.2	24	30.4	1.3	24	37.4	1.6	5.5%	4.2%
17 – 22	6	6	5	12.4	2.5	6	16.8	2.8	6	17.8	3.0	6	18.8	3.1	6	19.7	3.3	5.4%	1.1%

1. Rand million.

South African Revenue Service

Mandate

The South African Revenue Service's mandate 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 through collecting the resources needed by government to meet its policy and delivery priorities.

Selected performance indicators

Table 7.27 South African Revenue Service performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Customs revenue collected	Operations	Outcome 12: An efficient, effective and development- oriented public service	R136bn	R151.1bn	R180.2bn	R202.2bn	– 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		21.3% (2.8 million)	23.8% (20.7 million)	20% (20.7 million)	21% (20.7 million)	30% (20.7 million)	35% (20.7 m million)	35% (20.7 million)
Revenue collected excluding customs revenue	Operations		R604.7bn	R672bn	R714.8bn	R791.5bn	– ¹	– ¹	– ¹

Table 7.27 South African Revenue Service performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Percentage compliance of personal income tax filing (number of personal income tax returns submitted in tax year due, versus the total number of personal income tax returns required in tax year) per year	Large business centre	Outcome 12: An efficient, effective and development-oriented public service	83.2% (4.2 million)	86.15% (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)

1. Projections are not available, as the amount of revenue collected over the medium term is subject to the fiscal framework.

Expenditure analysis

The South African Revenue Service's focus 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, as well as outcome 12 of government's 2014-2019 medium term strategic framework (an efficient, effective and development oriented public service). Further objectives include 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.

Total revenue is expected to increase to R11.8 billion in 2017/18. A significant portion of spending over the medium term is expected to be on finalising the mainstream modernisation programmes, which mainly include the design, development, testing and implementation of tax related ICT systems, as well as updates and upgrades. Spending will further concentrate on recruiting 400 graduate trainees in 2014/15 (growing to 500 over the medium term) to create a pipeline to ensure that the organisation is adequately resourced to deliver an effective and efficient service, recruiting personnel to fill critical vacant posts, and refurbishing and relocating branches as part of the organisation's strategy to expand its footprint. Total expenditure is expected to mirror the increase in revenue, rising to R11.5 billion over the same period.

At the end of November 2014, the organisation had 14 542 funded posts, of which 675 were vacant. Vacancies are mainly due to delays in acquiring key specialised skills in the large business centre and the legal, ICT and audit divisions. The organisation expects to have filled all vacant posts by the end of 2015/16. The South African Revenue Service is focusing on an organisational strategic review and the outcome will be assessed over the medium term.

Programmes/objectives/activities

Table 7.28 South African Revenue Service expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
Administration	3 750.5	2 693.4	2 709.0	3 210.6	-5.0%	33.8%	3 399.3	3 598.5	3 808.6	5.9%	33.2%
Tax and customs enforcement investigations	314.6	333.4	390.3	809.1	37.0%	5.0%	865.7	925.9	989.7	6.9%	8.5%
Operations	4 925.1	5 210.6	5 107.5	5 035.2	0.7%	55.7%	5 377.6	5 740.8	6 124.5	6.7%	52.7%
Large business centre	305.4	323.7	340.4	351.6	4.8%	3.6%	376.4	402.9	431.0	7.0%	3.7%
Modernisation and impactful initiatives	128.5	136.2	141.2	217.0	19.1%	1.7%	186.1	121.1	114.4	-19.2%	1.5%
African Tax Administration Forum	-	-	8.0	22.8	-	0.1%	24.1	25.5	26.8	5.5%	0.2%
Tax ombud	-	-	2.4	14.7	-	-	15.6	16.6	17.6	6.3%	0.2%
Tax committee	-	-	2.5	8.5	-	-	9.0	9.5	9.9	5.4%	0.1%
Total	9 424.1	8 697.3	8 701.2	9 669.6	0.9%	100.0%	10 253.7	10 840.7	11 522.5	6.0%	100.0%

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		Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Revised estimate	2014/15			2015/16	2016/17	2017/18		
R million	2014/15	2011/12 - 2014/15					2014/15 - 2017/18	
Revenue								
Non-tax revenue	437.1	0.7%	4.6%	360.3	353.5	356.7	-6.5%	3.6%
Sale of goods and services other than capital assets	263.2	-0.3%	2.7%	265.9	268.5	271.2	1.0%	2.5%
of which:								
Administrative fees	263.2	-0.3%	2.7%	265.9	268.5	271.2	1.0%	2.5%
Other non-tax revenue	173.9	2.4%	1.9%	94.5	85.0	85.5	-21.1%	1.1%
Transfers received	9 440.3	2.9%	95.4%	9 434.4	10 433.5	11 415.6	6.5%	96.4%
Total revenue	9 877.5	2.8%	100.0%	9 794.7	10 787.1	11 772.4	6.0%	100.0%
Expenses								
Current expenses	9 669.6	5.6%	96.8%	10 253.7	10 840.7	11 522.5	6.0%	100.0%
Compensation of employees	6 357.4	4.9%	64.6%	6 813.6	7 301.1	7 825.8	7.2%	66.9%
Goods and services	2 723.3	6.5%	26.4%	2 839.5	2 926.9	3 071.8	4.1%	27.4%
Depreciation	588.8	9.6%	5.8%	600.6	612.6	624.8	2.0%	5.8%
Interest, dividends and rent on land	0.1	-84.4%	0.1%	0.1	0.1	0.1	5.4%	0.0%
Total expenses	9 669.6	0.9%	100.0%	10 253.7	10 840.7	11 522.5	6.0%	100.0%
Surplus/(Deficit)	208.0	-184.6%	-	(459.0)	(54.0)	250.0	6.3%	-
Statement of financial position								
Carrying value of assets	3 124.5	18.3%	49.3%	3 413.9	3 544.0	3 652.0	5.3%	59.6%
of which:								
Acquisition of assets	981.4	11.8%	17.7%	874.9	722.9	717.4	-9.9%	14.3%
Loans	72.4	-1.3%	1.4%	71.6	70.9	71.4	-0.4%	1.2%
Receivables and prepayments	128.0	-1.0%	2.6%	140.2	144.1	143.6	3.9%	2.4%
Cash and cash equivalents	2 716.9	3.2%	46.7%	1 983.6	1 819.7	1 977.0	-10.1%	36.7%
Total assets	6 041.8	9.8%	100.0%	5 609.3	5 578.7	5 844.0	-1.1%	100.0%
Accumulated surplus/(deficit)	4 359.8	30.2%	62.4%	3 900.9	3 847.3	4 097.1	-2.1%	70.2%
Capital and reserves	136.9	30.5%	1.9%	152.0	171.8	187.2	11.0%	2.8%
Finance lease	21.0	-48.3%	1.2%	20.3	18.7	17.9	-5.2%	0.3%
Deferred income	0.1	-34.4%	-	0.1	0.2	0.3	39.7%	-
Trade and other payables	876.4	-1.6%	17.1%	927.7	955.0	988.9	4.1%	16.3%
Provisions	647.5	-17.9%	14.2%	608.3	585.7	552.6	-5.1%	10.4%
Total equity and liabilities	6 041.8	9.8%	100.0%	5 609.3	5 578.7	5 844.0	42.4%	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 2015			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 (%)				
		2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost	Unit Cost
South African Revenue Service		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	14 542	14 542	14 167	5 841.9	0.4	13 867	6 357.4	0.5	14 541	6 813.6	0.5	14 541	7 301.1	0.5	14 541	7 825.8	0.5	7.2%	100.0%
1 – 6	583	583	338	96.2	0.3	232	119.7	0.5	583	128.3	0.2	583	137.5	0.2	583	147.3	0.3	7.2%	3.4%
7 – 10	9 932	9 932	10 092	2 951.9	0.3	9 855	2 846.9	0.3	9 932	3 051.2	0.3	9 932	3 269.5	0.3	9 932	3 504.5	0.4	7.2%	69.0%
11 – 12	2 229	2 229	2 084	1 115.9	0.5	2 082	1 520.2	0.7	2 229	1 629.3	0.7	2 229	1 745.9	0.8	2 229	1 871.4	0.8	7.2%	15.3%
13 – 16	1 788	1 788	1 644	1 645.4	1.0	1 689	1 846.7	1.1	1 788	1 979.2	1.1	1 788	2 120.8	1.2	1 788	2 273.2	1.3	7.2%	12.3%
17 – 22	10	10	9	32.5	3.6	9	23.9	2.7	9	25.6	2.8	9	27.4	3.0	9	29.4	3.3	7.2%	0.1%

1. Rand million.

Other public entities and agencies

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 2015/16 is R10.3 million.

- The **Cooperative Banks Development Agency** was established in terms of the Cooperative Banks Act (2007), as amended, with the South African Reserve Bank as the sole supervisor of cooperative banks. The agency is mandated to provide for the registration and supervision of deposit taking financial services cooperatives and savings and credit cooperatives, collectively referred to as cooperative financial institutions. The agency also facilitates, promotes and funds the education and training of these institutions. The agency's total budget for 2015/16 is R17.3 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 2015/16 is R40.7 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 2015/16 is R221.6 million.
- The **Financial Services Board** is an independent institution established by statute to oversee the South African non-banking financial services industry in the public interest. The board's legislative mandate is primarily derived from the Financial Services Board Act (1990). The board's total budget for 2015/16 is R642.2 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), the Associated Institutions Pension Fund Act (1963). The agency's total budget for 2015/16 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 2015/16 is R1.9 million.
- The **Independent Regulatory Board for Auditors** develops and maintains auditing and ethical standards that are internationally comparable, provides an appropriate framework for the education and training of properly qualified auditors, inspects and reviews the work of registered auditors, and investigates and takes appropriate action against registered auditors who do not comply with standards and are guilty of improper conduct. The board's total budget for 2015/16 is R96.4 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 2015/16 is R38.8 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 2015/16 is R51.6 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 2015/16 is R880.2 million.
- **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 2015/16 is R36.8 billion.

- The **South African Special Risk Insurance Agency** 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. The agency's total budget for 2015/16 is R1.4 billion.

Additional table: Summary of expenditure on infrastructure

Annexure 1: Summary of expenditure on infrastructure										
Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
Departmental infrastructure										
R million										
38 Church Square	Refurbishment of office accommodation to create a better working environment	Various	5.0	-	-	-	-	-	-	-
Infrastructure transfers to other spheres, agencies and departments										
Neighbourhood development partnership grant	Long term township regeneration planning, catalytic and third party nodal development	Various	9 000.0	738.4	578.1	598.0	591.2	607.0	624.0	663.4
Total			9 005.0	738.4	578.1	598.0	591.2	607.0	624.0	663.4

Vote 8

Planning, Monitoring and Evaluation

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	69.8	67.8	–	2.0	74.1	78.5
Outcomes Monitoring and Evaluation	85.6	85.2	–	0.4	88.2	92.7
Institutional Performance Monitoring and Evaluation	59.6	59.1	–	0.5	63.5	67.6
National Planning	88.2	88.2	–	–	102.1	103.3
National Youth Development	414.5	4.7	409.8	0.1	410.8	442.4
Total expenditure estimates	717.7	305.0	409.8	2.9	738.6	784.6

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

Accounting officer Director General of Planning, Monitoring and Evaluation

Website address www.thepresidency-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, public entities, donor funding, public private partnerships, conditional allocations 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 development of plans or 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, and monitor frontline service delivery
- manage the presidential hotline
- carry out evaluations
- promote good 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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of outcome monitoring reports for each outcome prepared and submitted to Cabinet ¹	Outcomes Monitoring and Evaluation	All outcomes	4	4	4	1	3	3	3
Number of local government improvement model scorecards completed per year			– ²	– ²	9	20	25	25	25
Number of data forum meetings convened promoting sectoral coordination and data quality related to outcomes ¹			40	40	33	31	31	31	31
Number of evaluation reports approved by evaluation steering committees per year ³			– ³	1	7	8	8	8	8

Table 8.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of consolidated management performance assessment tool reports submitted to Cabinet	Institutional Performance Monitoring and Evaluation	Outcome 12: An efficient, effective and development-oriented public service	1	1	1	1	1	1	1
Number of new service delivery facilities monitored resulting in a site monitoring report per year	Institutional Performance Monitoring and Evaluation		60	215	196	90	90	90	90
Number of revisited service delivery facilities for which improvement monitoring was conducted per year	Institutional Performance Monitoring and Evaluation		— ³	29	81	120	120	120	120
Number of sector research reports, on major and cross-cutting macro social implications developed per year	National Planning		— ⁴	3	5	8	8	8	8
Number of households surveyed on income, consumption and expenditure in the national income dynamics study	National Planning		— ⁵	10 500	— ⁵	12 500	— ⁵	13 000	— ⁵

1. This indicator has been revised to align with government's 2015-2019 strategic plan or to read consistently with the annual performance plan and annual report.

2. Historical data is not available, as this was a new indicator from 2013/14.

3. Historical data is not available. Indicators were introduced in phases between 2010/11 and 2011/12 following the establishment of the department from 1 January 2010.

4. Historical data is not available, as the indicator was introduced in 2011/12.

5. The national income dynamics survey is conducted every 2 years.

Expenditure analysis

Developing monitoring and evaluation systems, improving management practices and monitoring frontline service delivery are essential for reducing poverty, unemployment and inequality. The Department of Planning, Monitoring and Evaluation is thus a key enabler for achieving the national development plan's objectives, particularly those targeted at improving coordination, managing performance, and strengthening accountability. Government's 2014-2019 medium term strategic framework enables Cabinet and the public to monitor the implementation of the national development plan. The department is responsible for providing progress reports on all the outcomes of the framework.

The 2014 national macro organisation of the state abolished some national departments, created some new national departments, and facilitated the restructuring of certain functions between departments. Through this process, a newly configured Department of Planning, Monitoring and Evaluation was established. The functions of national planning and youth oversight, including the National Youth Development Agency, were transferred from the Presidency, increasing the size of the department and changing the composition of its expenditure over the medium term. The number of posts in the department has increased by 38 to reach 307, and expenditure on compensation of employees now accounts for 24.2 per cent of the department's budget over the medium term. Transfers to the National Youth Development Agency account for 55.9 per cent of the total budget over this period. To strengthen administrative and corporate support services, including ICT infrastructure, for the additional functions, spending in the *Administration* programme is set to increase from R72.8 million in 2014/15 to R78.5 million in 2017/18.

Cabinet approved budget reductions of R131.7 million over the medium term will be effected on non-core service delivery items in goods and services (R47.2 million), capital expenditure (R5.0 million) and transfers to the National Youth Development Agency (R81.9 million).

Over the medium term, the department will focus on integrated planning, monitoring and evaluation, and on speeding up delivery on some priorities of the national development plan.

Integrated planning, monitoring and evaluation

The Department of Planning, Monitoring and Evaluation plays a direct, guiding role in government's long term planning, strategic planning and annual performance planning. This role requires providing evidence based input on cross-cutting issues that have long term implications for development. The revised Green Paper on the National Planning Commission identifies 13 thematic areas requiring a concerted government effort, including employment, food security, energy security and water security. The department will produce 24 sector research reports and discussion papers on these issues over the medium term, funded in the *Research and Policy Services* subprogramme in the *National Planning* programme. The national income dynamics survey, a longitudinal study implemented in 2008 to monitor human development and poverty transitions in South Africa, is another example of how research is used to inform policy. The survey is conducted every 2 years and is currently in its fourth phase, funded in the *Research and Policy Services* subprogramme. The preparatory work and field work

for the fifth phase is expected to start in 2015/16. The number of households surveyed is expected to increase from 12 500 in 2014/15 to 13 000 in 2016/17.

The 2014-2019 medium term strategic framework identifies the increased responsiveness of public servants and accountability to citizens as a priority. The department contributes to this by making unannounced visits to service delivery facilities to monitor and evaluate service delivery, including in response to calls to the presidential hotline. The department's reports highlight successful areas and make recommendations for interventions in areas that need to improve. Over the medium term, expenditure in the *Presidential Frontline Service Delivery Monitoring and Support* subprogramme is projected to increase from R36.7 million in 2014/15 to R45 million in 2017/18 to support visits and revisits to service delivery facilities.

The 2011 national evaluation policy framework sets out the minimum system of evaluation across government. In terms of the framework, the Department of Planning, Monitoring and Evaluation is responsible for carrying out evaluations of government's planning, organisation and performance in relation to national priorities, including presenting findings and making recommendations. The evaluations are made through partnerships and co-funding arrangements with the relevant departments. The Department of Planning, Monitoring and Evaluation plans 8 evaluation reports per year over the medium term, funded in the *Outcomes Monitoring and Evaluation* programme.

Speeding up delivery priorities

Over the medium term, the department will support Operation Phakisa, government's recent initiative to speed up delivery on some of the priorities of the national development plan. The department will oversee the implementation of all Operation Phakisa projects. It will monitor and report on the progress of the lead departments, and the progress reports will inform Cabinet on the changes needed to speed up prioritised service delivery. Operation Phakisa is funded in the *Outcomes Monitoring and Evaluation* programme, and expenditure is expected to increase from R89.7 million in 2014/15 to R92.7 million in 2017/18.

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	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Programme 1	22.5	22.5	33.1	59.8	60.5	53.8	56.9	58.0	64.0	63.8	72.8	72.8	110.2%	104.6%
Programme 2	24.7	24.7	31.0	37.5	48.5	48.6	61.2	71.6	68.3	78.2	89.7	89.7	117.8%	101.3%
Programme 3	28.5	28.5	31.5	76.8	65.1	57.8	74.6	63.1	63.8	66.2	61.6	61.6	87.3%	98.3%
Programme 4	83.8	85.1	69.6	95.6	89.9	72.6	77.7	77.3	57.8	107.8	97.4	97.4	81.5%	85.0%
Programme 5	390.9	390.9	382.1	376.0	385.9	389.4	392.7	392.7	392.7	412.3	412.3	412.3	100.3%	99.7%
Total	550.5	551.8	547.3	645.7	649.9	622.2	663.1	662.8	646.6	728.2	733.8	733.8	98.5%	98.1%
Change to 2014 Budget estimate										5.6				
Economic classification														
Current payments	161.6	162.8	166.7	256.2	248.0	225.9	260.8	260.2	240.1	311.4	315.1	315.1	95.7%	96.1%
Compensation of employees	86.6	82.4	75.6	119.8	111.2	109.8	129.4	131.0	123.0	162.1	156.9	156.9	93.5%	96.6%
Goods and services of which:	75.1	80.4	91.0	136.4	136.9	116.1	131.3	129.3	117.1	149.4	158.2	158.2	98.0%	95.6%
Communication	2.8	10.6	8.4	9.4	4.6	3.4	5.1	4.4	4.0	3.9	4.7	4.7	96.9%	84.1%
Computer services	2.7	7.3	15.5	20.9	17.6	19.6	17.2	18.5	19.9	18.0	20.8	20.8	129.0%	118.0%
Consultants and professional services:	38.3	34.0	35.7	62.3	68.6	54.8	48.6	53.4	49.8	72.1	68.4	68.4	94.3%	93.1%
Business and advisory services														
Operating leases	0.6	1.3	0.5	1.2	0.9	0.5	2.1	1.3	-	7.1	7.1	7.1	73.4%	76.2%
Travel and subsistence	15.1	13.9	15.9	17.8	20.4	21.0	29.0	27.3	23.4	29.0	26.8	26.8	95.7%	98.6%
Operating payments	0.6	1.0	5.7	2.0	3.9	3.1	7.5	6.5	7.4	5.2	7.6	7.6	154.8%	125.1%

Table 8.2 Vote expenditure trends by programme and economic classification

Economic classification	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget average (%)	Outcome/Adjusted appropriation average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Transfers and subsidies	385.9	385.9	374.7	376.0	386.2	386.1	392.9	392.9	392.9	408.2	410.2	410.2	100.1%	99.3%
Departmental agencies and accounts	385.9	385.9	374.7	376.0	385.9	385.9	392.7	392.7	392.7	408.2	408.2	410.2	100.0%	99.4%
Non-profit institutions	–	–	–	–	0.1	–	–	–	–	–	–	–	–	–
Households	–	–	–	–	0.2	0.2	0.2	0.2	0.2	–	2.0	–	298.0%	18.9%
Payments for capital assets	3.0	3.1	5.9	13.5	15.7	10.2	9.5	9.6	13.6	8.6	8.6	8.6	110.5%	103.1%
Machinery and equipment	2.4	2.5	4.8	11.0	11.6	8.3	6.6	7.8	11.7	7.0	7.0	7.0	117.6%	110.1%
Software and other intangible assets	0.6	0.6	1.1	2.5	4.2	1.9	2.9	1.8	1.9	1.6	1.6	1.6	84.9%	78.4%
Total	550.5	551.8	547.3	645.7	649.9	622.2	663.1	662.8	646.6	728.2	733.8	733.8	98.5%	98.1%

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 (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme 1	72.8	47.8%	8.8%	69.8	74.1	78.5	2.6%	9.9%
Programme 2	89.7	53.6%	9.3%	85.6	88.2	92.7	1.1%	12.0%
Programme 3	61.6	29.3%	8.4%	59.6	63.5	67.6	3.1%	8.5%
Programme 4	97.4	4.6%	11.7%	88.2	102.1	103.3	2.0%	13.1%
Programme 5	412.3	1.8%	61.8%	414.5	410.8	442.4	2.4%	56.5%
Total	733.8	10.0%	100.0%	717.7	738.6	784.6	2.3%	100.0%
Change to 2014 Budget estimate				(27.0)	(56.1)	(48.6)		
Economic classification								
Current payments	315.1	24.6%	37.2%	305.0	330.1	345.1	3.1%	43.5%
Compensation of employees	156.9	24.0%	18.2%	173.6	185.4	199.8	8.4%	24.1%
Goods and services	158.2	25.3%	18.9%	131.4	144.7	145.3	-2.8%	19.5%
of which:								
Communication	4.7	-23.7%	0.8%	4.1	4.4	4.6	-0.8%	0.6%
Computer services	20.8	41.8%	3.0%	20.3	21.5	22.5	2.6%	2.9%
Consultants and professional services: Business and advisory services	68.4	26.2%	8.2%	65.0	73.5	70.9	1.2%	9.3%
Operating leases	7.1	74.0%	0.3%	5.6	5.9	6.3	-3.8%	0.8%
Travel and subsistence	26.8	24.5%	3.4%	18.1	19.0	19.9	-9.4%	2.8%
Operating payments	7.6	97.7%	0.9%	2.4	4.6	4.8	-14.0%	0.7%
Transfers and subsidies	410.2	2.1%	61.3%	409.8	405.8	437.2	2.1%	55.9%
Departmental agencies and accounts	410.2	2.1%	61.3%	409.8	405.8	437.2	2.1%	55.9%
Payments for capital assets	8.6	40.3%	1.5%	2.9	2.7	2.3	-35.8%	0.6%
Machinery and equipment	7.0	41.0%	1.2%	2.4	2.3	1.8	-36.3%	0.5%
Software and other intangible assets	1.6	37.2%	0.2%	0.5	0.5	0.5	-33.8%	0.1%
Total	733.8	10.0%	100.0%	717.7	738.6	784.6	2.3%	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 posts estimated for 31 March 2015			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 (%)	
			2013/14			2014/15			2015/16			2016/17			2017/18					2014/15 - 2017/18
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Planning, Monitoring and Evaluation			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	314	–	247	125.2	0.5	307	156.9	0.5	314	173.6	0.6	315	185.4	0.6	315	199.8	0.6	0.9%	100.0%	
1 – 6	40	–	26	4.2	0.2	40	6.5	0.2	39	6.8	0.2	39	7.4	0.2	39	8.0	0.2	-0.8%	12.5%	
7 – 10	101	–	83	28.5	0.3	100	35.4	0.4	99	37.3	0.4	99	40.3	0.4	99	43.6	0.4	-0.3%	31.7%	
11 – 12	71	–	52	29.2	0.6	70	43.4	0.6	73	46.7	0.6	73	49.9	0.7	73	53.8	0.7	1.4%	23.1%	
13 – 16	83	–	80	63.2	0.8	78	70.7	0.9	84	81.9	1.0	85	86.8	1.0	85	93.5	1.1	2.9%	26.5%	
Other	19	–	6	0.1	–	19	0.9	–	19	0.9	–	19	1.0	0.1	19	1.0	0.1	–	6.1%	
Programme	314	–	247	125.2	0.5	307	156.9	0.5	314	173.6	0.6	315	185.4	0.6	315	199.8	0.6	0.9%	100.0%	
Programme 1	109	–	78	30.4	0.4	109	38.2	0.4	111	42.3	0.4	111	45.8	0.4	111	49.5	0.4	0.6%	35.3%	
Programme 2	93	–	67	39.4	0.6	88	55.8	0.6	91	64.0	0.7	91	65.9	0.7	91	70.8	0.8	1.1%	28.9%	
Programme 3	71	–	66	36.6	0.6	71	40.2	0.6	71	38.3	0.5	71	41.4	0.6	71	44.7	0.6	–	22.7%	
Programme 4	37	–	33	17.2	0.5	35	21.1	0.6	37	27.3	0.7	38	30.5	0.8	38	32.9	0.9	2.8%	11.8%	
Programme 5	4	–	3	1.7	0.6	4	1.7	0.4	4	1.6	0.4	4	1.8	0.4	4	1.9	0.5	–	1.3%	

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

2. Rand million.

Departmental receipts

Table 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 (%)
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
Departmental receipts	119	113	69	92	92	-8.2%	100.0%	92	101	105	4.5%	100.0%
Sales of goods and services produced by department	16	28	46	48	48	44.2%	35.1%	52	55	63	9.5%	55.9%
Sales by market establishments	7	14	13	12	12	19.7%	11.7%	14	16	18	14.5%	15.4%
of which:												
Parking	7	14	13	12	12	19.7%	11.7%	14	16	18	14.5%	15.4%
Other sales	9	14	33	36	36	58.7%	23.4%	38	39	45	7.7%	40.5%
of which:												
Commission	9	14	33	24	24	38.7%	20.4%	25	25	30	7.7%	26.7%
Transport	–	–	–	12	12	–	3.1%	13	14	15	7.7%	13.8%
Interest, dividends and rent on land	–	–	1	4	4	–	1.3%	2	2	2	-20.6%	2.6%
Interest	–	–	1	–	–	–	0.3%	2	2	2	–	1.5%
Dividends	–	–	–	4	4	–	1.0%	–	–	–	-100.0%	1.0%
of which:												
List item	–	–	–	4	4	–	1.0%	–	–	–	-100.0%	1.0%
Sales of capital assets	–	–	1	–	–	–	0.3%	–	–	–	–	–
Transactions in financial assets and liabilities	103	85	21	40	40	-27.0%	63.4%	38	44	40	–	41.5%
Total	119	113	69	92	92	-8.2%	100.0%	92	101	105	4.5%	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 (%)
	2011/12	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million												
Departmental Management	11.0	13.5	11.5	15.8	12.6%	21.2%		9.8	10.5	11.3	-10.5%	15.6%
Corporate and Financial Services	11.9	18.1	21.9	36.3	44.9%	36.2%		36.4	38.3	40.9	4.1%	49.9%
Information Technology Support	11.7	27.2	28.6	26.9	31.9%	38.8%		20.2	21.7	22.5	-5.7%	30.0%
Internal Audit and Enterprise Risk Management	3.2	1.3	1.6	3.0	-2.7%	3.7%		3.4	3.6	3.8	8.9%	4.5%
Total	37.9	60.2	63.5	81.9	29.3%	100.0%		69.8	74.1	78.5	-1.4%	100.0%
Change to 2014				18.1				7.1	7.3	7.9		
Budget estimate												
Economic classification												
Current payments	32.4	50.9	52.3	75.2	32.4%	86.6%		67.8	72.2	77.2	0.9%	96.1%
Compensation of employees	17.9	25.5	30.4	38.2	28.8%	46.0%		42.3	45.8	49.5	9.0%	57.8%
Goods and services	14.5	25.4	21.9	37.0	36.5%	40.6%		25.5	26.4	27.7	-9.2%	38.3%
of which:												
Audit costs: External	1.5	2.6	2.5	2.9	24.2%	3.9%		2.6	2.7	2.8	-1.2%	3.6%
Computer services	1.9	9.2	8.4	9.1	69.5%	11.7%		7.6	8.3	8.7	-1.3%	11.1%
Contractors	0.2	0.4	0.4	2.7	147.5%	1.5%		1.2	1.2	1.3	-22.2%	2.1%
Operating leases	0.1	0.1	0.2	7.1	295.8%	3.1%		5.6	5.9	6.3	-3.8%	8.2%
Property payments	–	1.4	0.1	1.6	–	1.3%		0.9	1.0	1.0	-14.5%	1.5%
Travel and subsistence	1.2	2.7	2.1	1.8	12.6%	3.2%		1.4	1.5	1.6	-4.0%	2.1%
Payments for capital assets	5.5	9.3	11.1	6.7	6.9%	13.4%		2.0	1.9	1.4	-40.9%	3.9%
Machinery and equipment	4.4	8.0	10.8	5.9	10.3%	11.9%		2.0	1.9	1.4	-38.5%	3.7%
Software and other intangible assets	1.0	1.3	0.3	0.8	-10.6%	1.4%		–	–	–	-100.0%	0.2%
Total	37.9	60.2	63.5	81.9	29.3%	100.0%		69.8	74.1	78.5	-1.4%	100.0%
Proportion of total programme expenditure to vote expenditure	6.9%	9.7%	9.8%	11.2%	–	–		9.7%	10.0%	10.0%	–	–

Programme 2: Outcomes Monitoring and Evaluation

Programme purpose

Advance 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:
 - facilitating the development of plans or delivery agreements for priority outcomes with government departments, monitoring and evaluating the implementation of the delivery agreements, and making recommendations for corrective actions, on an ongoing basis
 - providing advice and technical support to the political principals in the Presidency by developing and monitoring ministerial performance agreements and supporting executive monitoring visits, on an ongoing basis
 - establishing and supporting an effective national evaluation system to inform government's work, on an ongoing basis.

Subprogrammes

- *Programme Management for Outcomes Monitoring and Evaluation* provides management and administrative support to the programme.

- *Outcomes Support* coordinates and manages the outcomes system and supports departments and other spheres of government, clusters and Cabinet committees to identify and address blockages in achieving government's outcomes.
- *Evaluation and Research* conducts evaluations of government policies and programmes, 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 (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
Programme Management for Outcomes Monitoring and Evaluation	2.0	3.4	6.6	2.8	11.4%	6.1%	2.6	2.8	3.0	2.2%	3.2%
Outcomes Support	27.0	31.9	38.7	62.2	32.0%	65.9%	60.9	62.5	67.0	2.5%	70.9%
Evaluation and Research	2.0	18.1	23.1	24.7	132.5%	28.0%	22.1	22.9	22.7	-2.8%	25.9%
Total	31.0	53.4	68.4	89.7	42.5%	100.0%	85.6	88.2	92.7	1.1%	100.0%
Change to 2014 Budget estimate				11.5			2.4	(0.1)	2.8		
Economic classification	30.8	53.0	67.2	89.1	42.5%	99.0%	85.2	87.8	92.3	1.2%	99.5%
Current payments											
Compensation of employees	25.5	30.3	39.4	55.8	29.8%	62.2%	64.0	65.9	70.8	8.3%	72.0%
Goods and services	5.3	22.7	27.8	33.3	84.8%	36.7%	21.3	21.9	21.5	-13.5%	27.5%
of which:											
Administrative fees	0.2	0.3	0.3	0.3	17.9%	0.4%	0.3	0.3	0.4	10.8%	0.4%
Communication	0.4	0.5	0.6	0.6	13.5%	0.9%	0.7	0.8	0.8	8.6%	0.8%
Consultants and professional services:	0.6	14.7	18.6	19.8	222.2%	22.1%	11.7	11.7	10.7	-18.6%	15.1%
Business and advisory services											
Travel and subsistence	3.1	4.3	5.1	8.0	37.5%	8.5%	5.7	6.3	6.7	-5.6%	7.5%
Operating payments	0.1	0.7	1.8	0.7	72.3%	1.4%	0.6	0.6	0.6	-3.4%	0.7%
Venues and facilities	0.1	1.1	0.6	3.4	284.5%	2.1%	1.5	1.5	1.6	-23.1%	2.3%
Transfers and subsidies	-	0.2	-	0.1	-	0.1%	-	-	-	-100.0%	-
Households	-	0.2	-	0.1	-	0.1%	-	-	-	-100.0%	-
Payments for capital assets	0.2	0.2	1.2	0.6	35.9%	0.9%	0.4	0.4	0.4	-11.7%	0.5%
Machinery and equipment	0.2	0.2	0.2	0.2	-9.8%	0.3%	0.2	0.2	0.2	4.6%	0.2%
Software and other intangible assets	-	-	1.0	0.4	-	0.6%	0.2	0.2	0.2	-20.6%	0.3%
Total	31.0	53.4	68.4	89.7	42.5%	100.0%	85.6	88.2	92.7	1.1%	100.0%
Proportion of total programme expenditure to vote expenditure	5.7%	8.6%	10.6%	12.2%	-	-	11.9%	11.9%	11.8%	-	-

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 by:
 - conducting annual monitoring of compliance and quality of management practices in all national and provincial departments
 - conducting onsite monitoring of the quality of frontline service delivery over the medium term and report on findings
 - utilising the presidential hotline as an effective monitoring tool and strengthen government wide citizen based monitoring, on an ongoing basis.

Subprogrammes

- *Programme Management for Institutional Performance Monitoring and Evaluation* provides management and administrative support to the programme.
- *Management Performance Monitoring and Support* coordinates and facilitates performance monitoring and evaluation in government through the development, implementation and maintenance of a management performance assessment tool for measuring performance at the strategic and operational levels 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 an improved quality of frontline services throughout the public sector system.
- *Marco 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 (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	Expenditure/ Total: Average (%)	2015/16	2016/17	2017/18	2014/15 - 2017/18	Expenditure/ Total: Average (%)
R million											
Programme Management for Institutional Performance Monitoring and Evaluation	1.7	0.5	2.0	2.4	11.4%	3.2%	2.9	3.1	3.3	11.5%	4.7%
Management Performance Monitoring and Support	3.5	14.4	15.9	15.3	63.5%	23.7%	10.4	11.1	11.8	-8.2%	19.2%
Presidential Frontline Service Delivery Performance Monitoring and Support	25.3	30.2	37.2	36.7	13.2%	62.4%	39.9	42.5	45.0	7.1%	65.1%
Macro Monitoring and Evaluation Policy and Capacity Building	0.9	6.0	8.0	7.3	97.9%	10.7%	6.4	6.9	7.4	0.5%	11.1%
Total	31.5	51.2	63.1	61.6	25.1%	100.0%	59.6	63.5	67.6	3.1%	100.0%
Change to 2014				(4.5)			(14.3)	(14.1)	(14.5)		
Budget estimate											
Economic classification											
Current payments	31.4	50.5	62.4	61.0	24.8%	99.0%	59.1	63.0	67.1	3.3%	99.2%
Compensation of employees	11.9	29.2	36.6	40.2	50.0%	56.8%	38.3	41.4	44.7	3.7%	65.3%
Goods and services	19.4	21.3	25.8	20.8	2.3%	42.1%	20.8	21.6	22.4	2.5%	33.9%
of which:											
Communication	7.0	1.7	2.2	1.9	-35.1%	6.2%	2.2	2.3	2.5	8.9%	3.5%
Computer services	9.7	9.6	11.4	11.0	4.2%	20.1%	12.0	12.5	13.0	5.7%	19.2%
Consultants and professional services:	0.4	3.1	5.1	1.0	33.9%	4.6%	1.0	1.0	1.0	–	1.6%
Business and advisory services											
Travel and subsistence	0.9	4.0	5.2	4.5	72.8%	7.0%	3.9	4.0	4.1	-3.1%	6.5%
Operating payments	0.1	0.3	0.3	0.5	87.1%	0.6%	0.4	0.5	0.5	-4.4%	0.8%
Venues and facilities	0.6	1.4	0.7	1.3	28.9%	2.0%	0.8	0.8	0.9	-13.5%	1.5%
Transfers and subsidies	–	–	0.1	0.1	–	0.1%	–	–	–	-100.0%	–
Households	–	–	0.1	0.1	–	0.1%	–	–	–	-100.0%	–
Payments for capital assets	0.1	0.6	0.7	0.6	67.6%	0.9%	0.5	0.4	0.4	-7.9%	0.8%
Machinery and equipment	0.1	0.1	0.1	0.2	14.5%	0.2%	0.2	0.2	0.2	5.0%	0.3%
Software and other intangible assets	–	0.5	0.5	0.4	242.0%	0.7%	0.3	0.3	0.3	-14.5%	0.5%
Total	31.5	51.2	63.1	61.6	25.1%	100.0%	59.6	63.5	67.6	3.1%	100.0%
Proportion of total programme expenditure to vote expenditure	5.8%	8.2%	9.8%	8.4%	–	–	8.3%	8.6%	8.6%	–	–

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

- Improve long term planning and development to ensure the achievement of the national development plan's Vision 2030 by:
 - periodically reviewing the plan and ensuring its implementation by various stakeholders through facilitating partnerships and collaboration on specific initiatives by different sectors annually
 - leading the implementation and coordination of government's 2014-2019 medium term strategic framework, the delivery of related priority outcomes and the programme of action by setting planning standards and performing quality assurance systems processes, on an ongoing basis
 - advising on the sequencing of policies over the next 19 years to achieve government's goals
 - improving the oversight role over the planning cycle and integrated planning of government; supporting presidential councils and commissions; and reviewing sectoral priorities and departmental plans annually
 - monitoring the level of human development and poverty transitions by conducting the longitudinal study on national income dynamics every 2 years.
- Support the implementation of the national development plan by conducting sector specific research and producing cross-cutting sectoral reports on an annual basis on matters that are likely to impact on South Africa's development path over the long term.

Subprogrammes

- *Programme Management for National Planning* provides 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 development 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 the 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	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	Expenditure/ Total: Average (%)	2015/16	2016/17	2017/18	2014/15 - 2017/18	Expenditure/ Total: Average (%)
R million											
Programme Management for National Planning	54.7	27.8	25.3	34.7	-14.0%	51.7%	29.5	32.3	33.2	-1.5%	34.0%
Research and Policy Services	10.1	40.3	29.3	49.1	69.2%	46.7%	51.4	61.9	61.7	7.9%	58.7%
Government Performance Information	–	–	–	4.5	–	1.6%	7.3	7.8	8.3	23.0%	7.3%
Total	64.8	68.1	54.6	88.3	10.9%	100.0%	88.2	102.1	103.3	5.4%	100.0%
Change to 2014 Budget estimate				(25.1)			(9.5)	(10.0)	(14.9)		
Economic classification											
Current payments	64.8	67.9	54.1	85.8	9.8%	98.8%	88.2	102.1	103.3	6.4%	99.3%
Compensation of employees	17.0	18.0	17.2	21.1	7.4%	26.6%	27.3	30.5	32.9	16.0%	29.3%
Goods and services	47.8	49.9	36.9	64.7	10.7%	72.3%	60.9	71.6	70.4	2.8%	70.1%
of which:											
Advertising	–	–	–	–	-10.6%	–	1.0	1.0	1.0	364.2%	0.8%
Computer services	0.1	0.2	–	0.6	105.8%	0.3%	0.6	0.6	0.6	-0.5%	0.6%
Consultants and professional services:	33.2	36.4	25.6	45.5	11.1%	51.0%	49.2	57.6	56.0	7.2%	54.6%
Business and advisory services											
Travel and subsistence	10.5	8.8	9.4	12.3	5.5%	14.9%	6.8	7.0	7.2	-16.3%	8.7%
Operating payments	1.4	3.0	0.6	3.6	37.3%	3.1%	1.0	3.1	3.2	-3.8%	2.9%
Venues and facilities	0.1	0.1	0.1	0.2	13.7%	0.2%	0.7	0.7	0.7	48.1%	0.6%
Transfers and subsidies	–	0.1	–	1.8	533.8%	0.7%	–	–	–	-100.0%	0.5%
Non-profit institutions	–	0.1	–	–	–	–	–	–	–	–	–
Households	–	–	–	1.8	567.2%	0.7%	–	–	–	-100.0%	0.5%
Payments for capital assets	–	–	0.5	0.7	162.1%	0.5%	–	–	–	-100.0%	0.2%
Machinery and equipment	–	–	0.5	0.7	162.1%	0.5%	–	–	–	-100.0%	0.2%
Total	64.8	68.1	54.6	88.3	10.9%	100.0%	88.2	102.1	103.3	5.4%	100.0%
Proportion of total programme expenditure to vote expenditure	11.8%	10.9%	8.4%	12.0%	–	–	12.3%	13.8%	13.2%	–	–

Programme 5: National Youth Development

Programme purpose

Provide oversight on youth development policy and implementation management, 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 continuously
 - 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	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Youth Development	7.3	3.5	4.4	4.0	-18.0%	1.2%	4.8	5.0	5.3	9.1%	1.1%
National Youth Development Agency	374.7	385.9	392.7	408.2	2.9%	98.8%	409.8	405.8	437.2	2.3%	98.9%
Total	382.1	389.4	397.1	412.3	2.6%	100.0%	414.5	410.8	442.4	2.4%	100.0%
Change to 2014				–			(12.8)	(39.2)	(30.0)		
Budget estimate											
Economic classification											
Current payments	7.3	3.4	4.3	4.0	-18.2%	1.2%	4.7	5.0	5.2	9.1%	1.1%
Compensation of employees	3.3	1.2	1.7	1.7	-19.5%	0.5%	1.6	1.8	1.9	3.6%	0.4%
Goods and services	4.0	2.2	2.6	2.3	-17.2%	0.7%	3.1	3.2	3.3	12.9%	0.7%
of which:											
Communication	0.1	–	–	0.1	-2.5%	–	0.1	0.1	0.1	–	–
Consultants and professional services:	–	–	–	2.0	–	0.1%	2.8	2.8	2.9	13.2%	0.6%
Business and advisory services											
Travel and subsistence	0.2	0.4	0.8	0.2	-1.8%	0.1%	0.2	0.3	0.3	14.5%	0.1%
Transfers and subsidies	374.7	385.9	392.7	408.2	2.9%	98.8%	409.8	405.8	437.2	2.3%	98.9%
Departmental agencies and accounts	374.7	385.9	392.7	408.2	2.9%	98.8%	409.8	405.8	437.2	2.3%	98.9%
Payments for capital assets	–	0.1	0.1	–	–	–	0.1	0.1	0.1	9.8%	–
Machinery and equipment	–	0.1	0.1	–	–	–	0.1	0.1	0.1	9.8%	–
Total	382.1	389.4	397.1	412.3	2.6%	100.0%	414.5	410.8	442.4	2.4%	100.0%
Proportion of total programme expenditure to vote expenditure	69.8%	62.6%	61.4%	56.2%	–	–	57.8%	55.6%	56.4%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	374.7	385.9	392.7	408.2	2.9%	98.8%	409.8	405.8	437.2	2.3%	98.9%
National Youth Development Agency	374.7	385.9	392.7	408.2	2.9%	98.8%	409.8	405.8	437.2	2.3%	98.9%

Public entities and other agencies

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 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 budget for 2015/16 is R409.8 million.

Vote 9

Public Enterprises

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	158.6	154.9	0.1	3.6	155.5	164.1
Legal and Governance	23.8	23.8	–	–	26.2	27.6
Portfolio Management and Strategic Partnerships	85.1	85.1	–	–	92.6	98.2
Total expenditure estimates	267.5	263.8	0.1	3.6	274.3	289.8

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, public entities, donor funding, public private partnerships, conditional allocations 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 within 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 enhancing equity and transformation.

The state owned companies within 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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of shareholder compacts signed per year	Portfolio Management and Strategic Partnerships	Outcome 6: An efficient, competitive and responsive economic infrastructure network	7	7 ¹	7	7	6	6	6
Number of corporate plans reviewed per year	Portfolio Management and Strategic Partnerships		8	5 ²	8	7	6	6	6

Table 9.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of quarterly financial reviews per year	Portfolio Management and Strategic Partnerships	Outcome 6: An efficient, competitive and responsive economic infrastructure network	31	32	32	28	24	24	24
Number of departmental projects provided with technical and financial support per year	Portfolio Management and Strategic Partnerships		6	— ³	— ³	— ³	— ³	— ³	— ³

1. The targets for the South African Airways shareholder compact for 2012/13 could not be agreed 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 agreed targets for the fleet renewal programme, due to changes in the economic operating environment

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

3. Projections are not available, as this process stopped in 2012/13 when the department realigned its programmes.

Expenditure analysis

The mandate of the Department of Public Enterprises is to provide oversight of state owned companies so that they serve government's strategic objectives. Through this mandate, the department contributes to the national development plan's objectives for the economy and the state, and to outcome 4 (decent employment through inclusive economic growth) and outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium term strategic framework. Over the medium term, the department has oversight of Alexkor, Denel, Eskom, the South African Forestry Company, South African Express Airways and Transnet. Its oversight function of South African Airways has shifted to National Treasury, and of Broadband Infraco to the Department of Telecommunications and Postal Services.

The department's medium term focus will be on facilitating a conducive environment for repositioning state owned companies to advance their developmental mandate. It will also prioritise enhancing the efficiency of strategic transport corridors and the implementation of government's support package to Eskom.

The department's core functions require significant administrative support, and a substantial portion (57.5 per cent over the medium term) of the department's budget is in the *Administration* programme, which has cross-cutting subprogrammes providing for intergovernmental and international relations, strategic planning, monitoring and evaluation, and communications. Oversight functions are specialised and labour intensive, hence the majority of the department's spending (55.9 per cent over the medium term) is on compensation of employees. Over the medium term, the number of personnel is expected to remain constant at 223, excluding interns and graduates.

Oversight also requires significant travel. Over the medium term, spending on travel and subsistence is set to decrease as a result of Cabinet budget reductions, but remains one of the largest spending items, with consultants, in goods and services. The department requires consultants to conduct highly technical research. To manage the impact of the R23.6 million Cabinet approved budget reduction over the medium term, the department intends to rationalise the use of consultants, as well as draw on internal capacity. Other reductions to the budget are the result of the transfer of the shareholder oversight function of Broadband Infraco to the Department of Telecommunications and Postal Services.

The department underspent its allocation by R21.7 million in 2013/14, largely on goods and services and compensation of employees. Underspending on compensation of employees was as a result of unfilled vacancies due to a scarcity of specialist skills. Underspending on goods and services arose partly due to delays in projects, such as the telecommunications benchmarking study. Different projects have been prioritised so as not to affect the department's overall performance, and the department has put measures in place to deal with future underspending, such as consequence management from the level of deputy director general downwards.

Facilitating a conducive environment for state owned companies

Over the medium term, the department will focus on facilitating a conducive environment to reposition state owned companies to advance their developmental mandate, and enhance their financial stability.

The department will oversee the implementation of catalytic projects that form part of strategic integrated projects, and it will oversee the competitive supplier development programme as part of deepening industrial capabilities. These activities are funded in the *Portfolio Management and Strategic Partnerships* programme.

Spending in this programme is expected to decline by 11 per cent over the medium term, as no capital injections into state owned companies are currently contemplated, but it remains the department's most significant programme, with a budget of R275.9 million over the medium term. While state finances remain constrained, the department will support government's build programme and the overall strengthening of the state owned companies' balance sheet by developing innovative funding structures and designing the associated compacts with state owned companies. The department will also support the industrial policy action plan by enhancing the competitive supplier development programme as part of government's localisation scheme. In addition, the department, in consultation with the Department of Transport and Transnet, will review the impact of pricing in freight logistics. The department is also introducing new measures to strengthen its oversight function, and will continue this function through quarterly financial reviews and shareholder compacts, among other activities.

Enhancing the efficiency of transport corridors

Over the medium term, the department will prioritise enhancing the efficiency of strategic transport corridors, including monitoring Transnet's market demand strategy to expand rail and pipeline capacity and improve ports' productivity. The department will continue to enter into compacts with Transnet on improving efficiency and on capital projects aimed at creating capacity. In addition, the department has developed the national corridor performance measurement, which will allow for the assessment of transport corridors and provide a platform for engaging with Transnet. Improved efficiency and capacity will increase the freight transported by rail and contribute to lowering the cost of doing business. Freight transported by rail is targeted to increase from 207 million tonnes in 2013 to 331 million tonnes by 2019.

Further, the department will continue its quarterly monitoring of cost escalations on the new multi-product pipeline, with the aim of delivering the project on time and within an appropriate cost structure.

The Transnet oversight function is funded through the *Portfolio Management and Strategic Partnership* programme's *Transport Enterprises* subprogramme, which is allocated R72.9 million over the medium term.

Enhancing electricity supply

Government's support package to Eskom is intended to both improve Eskom's financial sustainability and ensure that the build programme, started in 2005, is delivered within the timeframes specified in government's 2014-2019 medium term strategic framework. Additional power stations and major power lines are being built on a massive scale to meet rising electricity demand in South Africa. The department's oversight is critical for increasing Eskom's current reserve margin from 1 per cent to 19 per cent by 2019. The Eskom oversight function is funded through the *Portfolio Management and Strategic Partnership* programme's *Energy Enterprises* subprogramme, which is allocated R52.4 million over the medium term. With the Department of Energy, the Department of Public Enterprises will also be coordinating the implementation of government's 5-point plan, announced in December 2014, to stabilise the electricity generating system in the short and medium term.

Expenditure trends

Table 9.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Legal and Governance														
3. Portfolio Management and Strategic Partnerships														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Programme 1	94.9	101.5	108.6	104.4	108.5	115.4	127.1	131.0	133.3	152.1	156.9	156.9	107.4%	103.3%
Programme 2	22.3	23.7	19.5	26.9	26.2	23.5	23.8	22.3	23.2	24.0	24.3	24.3	93.2%	93.7%
Programme 3	110.6	225.7	215.5	1 115.0	1 239.2	1 225.5	82.8	137.7	112.9	80.3	138.4	138.4	121.9%	97.2%
Total	227.8	350.9	343.7	1 246.3	1 374.0	1 364.3	233.8	291.1	269.4	256.4	319.5	319.5	116.9%	98.3%
Change to 2014										63.1				
Budget estimate														

Table 9.2 Vote expenditure trends by programme and economic classification

Table 6.1: Total expenditure broken by programme and economic classification														
Economic classification	Annual budget			Annual budget			Annual budget			Annual budget			Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
	Adjusted appropriation	Audited outcome		Adjusted appropriation	Audited outcome		Adjusted appropriation	Audited outcome		Adjusted appropriation	Revised estimate			
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Current payments	185.6	191.7	182.6	194.8	203.4	192.9	231.4	231.2	208.4	252.2	252.1	252.1	96.8%	95.2%
Compensation of employees	94.2	97.7	93.9	103.2	108.6	102.7	127.8	129.0	124.9	146.4	147.1	147.1	99.4%	97.1%
Goods and services	91.4	94.0	88.8	91.6	94.8	90.2	103.6	102.2	83.6	105.9	105.0	105.0	93.6%	92.8%
of which:														
Communication	2.7	3.1	3.3	3.0	3.6	3.7	3.4	3.4	3.7	3.6	3.6	3.6	113.2%	104.4%
Computer services	3.0	2.5	2.7	3.1	2.5	3.1	3.1	3.1	4.1	4.0	4.0	4.0	105.4%	115.2%
Consultants and professional services:	35.1	36.3	26.7	26.4	33.5	22.8	32.1	29.8	12.7	37.4	35.3	35.5	74.7%	72.4%
Business and advisory services														
Consultants and professional services:	5.8	6.0	2.4	4.9	1.7	0.4	3.0	2.0	1.9	3.2	3.1	3.1	46.1%	60.9%
Legal costs														
Property payments	7.1	7.1	6.9	7.7	7.7	9.1	8.1	8.1	7.5	8.5	8.5	8.5	101.9%	101.9%
Travel and subsistence	16.1	15.7	24.3	21.9	20.2	23.5	25.0	26.4	24.0	25.0	24.9	24.8	109.9%	110.8%
Transfers and subsidies	40.8	157.0	157.0	0.1	118.5	118.6	0.1	57.4	57.6	0.1	63.4	63.4	966.1%	100.1%
Public corporations and private enterprises	40.0	156.3	156.3	–	118.3	118.3	–	57.3	57.3	–	63.1	63.1	987.4%	100.0%
Households	0.8	0.8	0.7	0.1	0.2	0.3	0.1	0.2	0.4	0.1	0.3	0.3	157.5%	124.3%
Payments for capital assets	1.4	2.2	4.1	1.5	2.1	2.7	2.3	2.5	3.3	4.1	4.1	4.1	153.4%	130.7%
Machinery and equipment	1.4	2.0	3.9	1.5	2.1	2.6	2.3	2.3	2.8	4.1	4.1	4.1	146.2%	129.2%
Software and other intangible assets	–	0.2	0.1	–	–	0.1	–	0.2	0.5	–	–	(0.1)	–	169.6%
Payments for financial assets	–	–	–	1 050.0	1 050.0	1 050.0	–	–	0.1	–	–	–	100.0%	100.0%
Total	227.8	350.9	343.7	1 246.3	1 374.0	1 364.3	233.8	291.1	269.4	256.4	319.5	319.5	116.9%	98.3%

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 (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme 1	156.9	15.6%	22.4%	158.6	155.5	164.1	1.5%	55.2%
Programme 2	24.3	0.9%	3.9%	23.8	26.2	27.6	4.3%	8.9%
Programme 3	138.4	-15.1%	73.7%	85.1	92.6	98.2	-10.8%	36.0%
Total	319.5	-3.1%	100.0%	267.5	274.3	289.8	-3.2%	100.0%
Change to 2014 Budget estimate				(8.1)	(7.4)	(8.1)		
Economic classification								
Current payments	252.1	9.6%	36.4%	263.8	270.5	285.8	4.3%	93.1%
Compensation of employees	147.1	14.6%	20.4%	152.3	166.2	176.7	6.3%	55.8%
Goods and services	105.0	3.8%	16.0%	111.5	104.3	109.1	1.3%	37.4%
of which:								
Communication	3.6	5.8%	0.6%	4.6	4.4	4.9	10.8%	1.5%
Computer services	4.0	17.3%	0.6%	4.9	4.7	5.5	11.7%	1.7%
Consultants and professional services: Business and advisory services	35.5	-0.7%	4.3%	38.1	32.7	37.9	2.2%	12.5%
Consultants and professional services: Legal costs	3.1	-20.2%	0.3%	3.3	3.4	3.7	6.5%	1.2%
Property payments	8.5	6.0%	1.4%	8.9	9.4	9.9	5.2%	3.2%
Travel and subsistence	24.8	16.5%	4.2%	25.9	25.0	23.1	-2.3%	8.6%

Table 9.3 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	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Transfers and subsidies	63.4	-26.1%	17.3%	0.1	0.1	0.1	-87.7%	5.5%
Public corporations and private enterprises	63.1	-26.1%	17.2%	–	–	–	-100.0%	5.5%
Households	0.3	-30.7%	0.1%	0.1	0.1	0.1	-22.5%	0.1%
Payments for capital assets	4.1	22.8%	0.6%	3.6	3.7	3.9	-1.4%	1.3%
Machinery and equipment	4.1	27.1%	0.6%	3.5	3.6	3.8	-2.8%	1.3%
Software and other intangible assets	(0.1)	-168.1%	–	0.1	0.1	0.1	-220.9%	–
Total	319.5	-3.1%	100.0%	267.5	274.3	289.8	-3.2%	100.0%

Personnel information

Table 9.4 Vote personnel numbers and cost by salary level and programme¹

Programmes																					
1. Administration																					
2. Legal and Governance																					
3. Portfolio Management and Strategic Partnerships																					
Number of posts estimated for 31 March 2015		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 (%)			
		2013/14			2014/15			2015/16			2016/17			2017/18							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Public Enterprises		284	–	237	124.9	0.5	259	147.1	0.6	258	152.3	0.6	258	166.2	0.6	260	176.7	0.7	0.1%	100.0%	
Salary level	284	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
1 – 6	45	–	–	–	41	2.6	0.1	43	3.6	0.1	43	4.6	0.1	43	5.1	0.1	43	6.4	0.1	–	16.6%
7 – 10	89	–	–	–	79	22.2	0.3	84	25.4	0.3	84	27.7	0.3	84	32.0	0.4	84	34.5	0.4	–	32.5%
11 – 12	48	–	–	–	40	22.9	0.6	44	26.6	0.6	43	29.0	0.7	43	28.9	0.7	43	30.6	0.7	-0.8%	16.7%
13 – 16	100	–	–	–	75	73.6	1.0	86	86.3	1.0	86	85.9	1.0	86	94.0	1.1	88	99.8	1.1	0.8%	33.4%
Other	2	–	–	–	2	3.6	1.8	2	5.2	2.6	2	5.1	2.5	2	6.2	3.1	2	5.3	2.6	–	0.8%
Programme	284	–	–	–	237	124.9	0.5	259	147.1	0.6	258	152.3	0.6	258	166.2	0.6	260	176.7	0.7	0.1%	100.0%
Programme 1	171	–	–	–	151	66.7	0.4	161	74.7	0.5	161	74.5	0.5	161	79.3	0.5	163	87.8	0.5	0.4%	62.4%
Programme 2	22	–	–	–	18	15.2	0.8	20	17.5	0.9	20	18.8	0.9	20	20.5	1.0	20	20.4	1.0	–	7.7%
Programme 3	91	–	–	–	68	43.0	0.6	78	54.9	0.7	77	59.0	0.8	77	66.4	0.9	77	68.5	0.9	-0.4%	29.9%

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

2. Rand million.

Departmental receipts

Table 9.5 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 (%)
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
R thousand	2011/12	2012/13	2013/14	2014/15		2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Departmental receipts	66	537	373	202	102	15.6%	100.0%	107	109	112	3.2%	100.0%
Sales of goods and services produced by department	51	56	57	66	50	-0.7%	19.9%	52	54	54	2.6%	48.8%
Other sales	51	56	57	66	50	-0.7%	19.9%	52	54	54	2.6%	48.8%
of which:												
Garage rent	35	36	35	38	36	0.9%	13.2%	37	38	38	1.8%	34.7%
Commission insurance	16	20	13	28	14	-4.4%	5.8%	15	16	16	4.6%	14.2%
Replacement of security cards	–	–	9	–	–	–	0.8%	–	–	–	–	–

Table 9.5 Departmental receipts by economic classification

Departmental receipts				Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ total: Average (%)
Audited outcome								2015/16	2016/17	2017/18		
R thousand	2011/12	2012/13	2013/14	2014/15		2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Sales of scrap, waste, arms and other used current goods	2	2	3	4	4	26.0%	1.0%	5	5	6	14.5%	4.7%
of which:												
Sales of scrap paper	2	2	3	4	4	26.0%	1.0%	5	5	6	14.5%	4.7%
Interest, dividends and rent on land	5	12	31	20	20	58.7%	6.3%	21	21	22	3.2%	19.5%
Interest	5	12	31	20	20	58.7%	6.3%	21	21	22	3.2%	19.5%
Sales of capital assets	8	–	–	–	–	-100.0%	0.7%	–	–	–	–	–
Transactions in financial assets and liabilities	–	467	282	112	28	–	72.1%	29	29	30	2.3%	27.0%
Total	66	537	373	202	102	15.6%	100.0%	107	109	112	3.2%	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				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome							2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Ministry	31.9	30.0	31.3	34.3	2.5%	24.8%	36.0	38.1	36.3	1.9%	22.8%
Management	8.2	4.2	9.3	17.3	28.0%	7.6%	24.2	15.2	15.9	-2.8%	11.4%
Corporate Services	23.9	28.3	27.1	29.1	6.8%	21.1%	27.0	28.7	34.3	5.7%	18.8%
Chief Financial Officer	11.2	10.1	11.3	12.1	2.8%	8.7%	12.3	12.7	13.5	3.6%	8.0%
Human Resources	9.5	12.7	17.6	25.2	38.3%	12.6%	20.9	21.0	22.2	-4.1%	14.0%
Communications	13.1	12.8	14.2	11.5	-4.3%	10.0%	10.0	10.4	11.0	-1.4%	6.7%
Strategic Planning, Monitoring and Evaluation	–	3.4	4.8	7.6	–	3.1%	6.7	6.7	7.1	-2.1%	4.4%
Intergovernmental Relations	–	1.8	6.7	7.2	–	3.0%	8.1	8.5	9.0	7.8%	5.1%
Internal Audit	4.3	3.3	3.7	4.7	2.8%	3.1%	5.0	5.2	5.5	5.7%	3.2%
Office Accommodation	6.6	8.8	7.2	8.1	6.9%	6.0%	8.5	9.0	9.4	5.2%	5.5%
Total	108.6	115.4	133.3	156.9	13.0%	100.0%	158.6	155.5	164.1	1.5%	100.0%
Change to 2014				4.7			(1.9)	(2.8)	(3.2)		
Budget estimate											
Economic classification											
Current payments	103.8	112.4	129.6	152.6	13.7%	96.9%	154.9	151.7	160.0	1.6%	97.5%
Compensation of employees	51.3	56.7	66.7	74.7	13.3%	48.5%	74.5	79.3	87.8	5.5%	49.8%
Goods and services	52.5	55.7	63.0	77.9	14.0%	48.5%	80.4	72.3	72.3	-2.5%	47.7%
of which:											
Communication	2.9	3.3	3.2	2.8	-1.2%	2.4%	3.4	3.2	3.7	9.9%	2.1%
Computer services	2.7	3.1	4.1	4.0	13.4%	2.7%	4.9	4.7	5.5	11.7%	3.0%
Consultants and professional services:	3.2	2.3	7.9	20.6	85.4%	6.6%	19.1	12.8	13.2	-13.9%	10.3%
Business and advisory services											
Operating leases	1.7	1.8	1.3	1.8	1.3%	1.3%	3.4	3.2	2.1	5.2%	1.7%
Property payments	6.9	9.1	7.5	8.5	7.2%	6.2%	8.9	9.4	9.9	5.2%	5.8%
Travel and subsistence	16.4	14.8	15.0	16.4	-0.1%	12.2%	18.4	17.7	16.1	-0.6%	10.8%
Transfers and subsidies	0.7	0.2	0.3	0.2	-34.8%	0.3%	0.1	0.1	0.1	-16.4%	0.1%
Households	0.7	0.2	0.3	0.2	-34.8%	0.3%	0.1	0.1	0.1	-16.4%	0.1%

Table 9.6 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 (%)
	2011/12	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million												
Payments for capital assets	4.1	2.7	3.2	4.1		–	2.7%	3.6	3.7	3.9	-1.4%	2.4%
Machinery and equipment	3.9	2.6	2.8	4.1	1.7%	2.6%		3.5	3.6	3.8	-2.8%	2.4%
Software and other intangible assets	0.1	0.1	0.5	(0.1)	-173.8%	0.1%		0.1	0.1	0.1	-220.9%	–
Payments for financial assets	–	–	0.1	–	-100.0%	–		–	–	–	–	–
Total	108.6	115.4	133.3	156.9	13.0%	100.0%		158.6	155.5	164.1	1.5%	100.0%
Proportion of total programme expenditure to vote expenditure	31.6%	8.5%	49.5%	49.1%	–	–		59.3%	56.7%	56.6%	–	–

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 on an ongoing basis by:
 - providing legal services and coordinated governance systems
 - implementing all legal aspects of transactions that are strategically important to the department and state owned companies
 - ensuring that financial and operational risk management processes are embedded throughout the department
 - addressing constraints on state owned companies' contract negotiations and management to improve commercial competence
 - negotiating the shareholder compact framework annually in terms of the Public Finance Management Act (1999)
 - providing guidance on appropriate delegation frameworks between the state owned company boards and executive management
 - advising the minister regularly on the appointment of boards of directors, preparation for annual general meetings, annual reviews of ownership policies, governance, appointments, remuneration, 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 to the programme's 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.
- *Governance* develops, monitors and advises on legislative, corporate governance and shareholder management systems for the department and its portfolio of state owned companies. The risk management unit 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				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome							2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Management	1.8	2.3	3.0	2.8	15.8%	11.0%	3.0	3.1	3.2	4.7%	11.9%
Legal	12.8	13.4	12.7	12.3	-1.2%	56.6%	13.1	14.5	15.3	7.5%	54.2%
Governance	4.9	7.9	7.4	9.2	23.0%	32.5%	7.7	8.7	9.0	-0.6%	33.9%
Total	19.5	23.5	23.2	24.3	7.6%	100.0%	23.8	26.2	27.6	4.3%	100.0%
Change to 2014				0.3			(1.7)	(0.7)	(0.9)		
Budget estimate											
Economic classification											
Current payments	19.5	23.5	23.1	24.3	7.6%	100.0%	23.8	26.2	27.6	4.3%	100.0%
Compensation of employees	13.2	14.1	15.2	17.5	9.9%	66.4%	18.8	20.5	20.4	5.2%	75.8%
Goods and services	6.3	9.3	8.0	6.8	2.4%	33.6%	5.1	5.7	7.1	1.7%	24.2%
of which:											
Catering: Departmental activities	0.1	0.1	–	–	-23.7%	0.2%	–	–	–	8.9%	0.1%
Communication	0.1	0.1	0.1	0.2	37.8%	0.6%	0.5	0.6	0.6	43.3%	1.9%
Consultants and professional services: Business and advisory services	0.4	4.3	2.5	2.5	79.7%	10.7%	0.7	1.3	2.4	-0.1%	6.7%
Consultants and professional services: Legal costs	2.3	0.4	1.9	2.2	-2.0%	7.5%	2.3	2.4	2.6	6.0%	9.3%
Travel and subsistence	2.5	2.8	1.7	1.8	-10.4%	9.8%	1.4	1.3	1.3	-11.8%	5.6%
Venues and facilities	0.1	0.2	0.2	0.1	-12.2%	0.7%	0.2	0.2	0.2	33.2%	0.6%
Total	19.5	23.5	23.2	24.3	7.6%	100.0%	23.8	26.2	27.6	4.3%	100.0%
Proportion of total programme expenditure to vote expenditure	5.7%	1.7%	8.6%	7.6%	–	–	8.9%	9.6%	9.5%	–	–

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 state owned companies' performance 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 quarterly and advising boards on areas of concern.

Energy enterprises

- Strengthen the department's oversight role by ensuring the alignment of shareholder strategic intent in relation to the state owned companies' role in achieving government objectives in the energy sector, on an ongoing basis.

Eskom SOC limited

- Support the security of electricity supply by:
 - examining Eskom's maintenance plans, operational practices, electricity generation and distribution efficiency, and its reserve margins, on an ongoing basis, as part of government's 5-point plan approved by Cabinet in December 2014, which seeks to restore an electricity supply demand balance

- ensuring that Eskom supplies electricity through monitoring and evaluation, and engaging with Eskom on system security and the new build programme to alleviate constraints, on an ongoing basis
- monitoring the rollout of the capital investment programme to ensure it is delivered on time, is of appropriate quality, and is within budget
- ensuring the legal and regulatory compliance of Eskom by regularly engaging with affected parties, such as the departments of energy, environmental affairs, and water and sanitation, and with the National Energy Regulator of South Africa
- supporting Eskom’s funding initiatives through engagement with various key stakeholders to provide them with assurance of government support to Eskom in addition to a guarantee framework agreement, with the aim of reducing Eskom’s dependence on the fiscus
- monitoring, on a quarterly basis, cost escalations for Eskom’s capital investment programme and operations in order to roll out the build programme in a cost-effective manner
- monitoring, on a quarterly basis, Eskom’s capital investment to ensure that it supports local industries through the implementation of the competitive supplier development commitments and other targets for transformational procurement
- ensuring the care and maintenance of the Pebble Bed Modular Reactor Company in accordance with the Cabinet decision that Eskom is to host the company, through providing oversight using Eskom’s quarterly reports sent to the department.

Manufacturing enterprises

- Ensure the continuous alignment between shareholder strategic intent and the objective of state owned companies in the defence, mining and forestry sectors by annually reviewing their enterprise strategies and mandates in the context of industry and sectoral policy shifts, and alert their boards to material deviations.
- Support state owned companies in delivering on their outcomes as set out in the 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 to achieving the national development plan’s economic objectives.

Denel SOC limited

- Contribute towards achieving the financial stability and growth of manufactured export products by overseeing the development of a long term growth strategy for Denel.
- Leverage off the company’s advanced manufacturing capability by securing work packages in support of the industrialisation drive aligned with the industrial policy action plan.
- Ensure Denel’s ongoing sustainability by monitoring the implementation of the multi-year turnaround plan over the medium term.
- Ensure the proper balance between the need to develop indigenous capabilities in response to national defence equipment requirements and the need to cooperate and collaborate with international armaments companies in the context of high development costs and the importance of having access to selected markets.

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 consolidation 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 with the departments of mineral resources, and rural development and land reform, to stabilise the Richtersveld region and make use of revenues.

South African Forestry Company SOC limited

- Ensure that meaningful benefits are provided to successful land claimants by overseeing the implementation of the land restitution strategy for claims through the Komatiland Forests land claims settlement model, over the medium term.
- Engage with the Department of Rural Development and Land Reform to warehouse the shares of the South African Forestry Company in privatised plantations, in terms of the company strategy, over the medium term.
- Reduce the reliance on the sawlog market by supporting the development of the new business strategy over the medium term.

Transport enterprises

- Ensure the alignment of the corporate strategies of Transnet and South African Express Airways with government's strategic intent and ensure that these state owned transport companies remain competitive and financially sustainable and deliver an optimal service to the economy, on an ongoing basis by:
 - issuing statements of strategic intent and negotiating shareholder compacts in line with the objectives of government's 2014-2019 medium term strategic framework
 - assessing the state owned companies' corporate plans to ensure that they are aligned with the statements of strategic intent and shareholder compacts and providing feedback to the state owned companies for further alignment, where required
 - monitoring the performance of the state owned companies on a quarterly and annual basis to assess whether the objectives have been achieved and recommend corrective measures to address failures
 - contributing to the development of national transport policies to ensure that government provides an enabling policy environment for the state owned companies to deliver on their mandate.
- Assess the performance of freight national corridors through the national corridor performance measurement system with the aim of contextualising Transnet's rail and port operational performance and to identify possible capacity and policy interventions.

Transnet SOC limited

- Increase Transnet's capacity to meet market demand by providing oversight of 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.
- Ensure that Transnet operates an efficient, competitive and responsive transport and logistics system by:
 - reviewing the logistics cost 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
 - overseeing the introduction of multiple rail operators on the branch line network to revitalise the rail network, and quantifying the operational efficiency of freight corridors to realise socioeconomic benefits, by March 2017.

South African Express Airways SOC limited

- Ensure the long term sustainability of South African Express Airways by monitoring the implementation of the airline's long term strategy and providing strategic guidance to strengthen its financial position.
- Ensure the alignment of strategies between state owned airlines by:
 - reviewing the current business structure of the state owned airlines
 - facilitating the cooperation between South African Airways, South African Express Airways and Denel in establishing a South African hub of maintenance, repair and overhaul
 - engaging with the policy departments to establish an integrated state policy in relation to the aviation sector
 - 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 processes to ensure that state owned companies comply with environmental laws and optimise the contribution of state owned companies to the reduction of carbon emissions and the development of a green economy, while supporting their business needs.
- Ensure policy alignment and oversee the mainstreaming and implementation of state owned companies' sustainability, economic and social transformation agenda with a specific focus on skills development, job creation, procurement/broad based black economic empowerment and corporate social investments targeted at designated groups, as well as optimal property disposals.
- Develop the capability for macroeconomic modelling and research and conduct economic impact assessments of state owned companies.

Strategic partnerships

- Oversee the implementation of catalytic projects from pre-feasibility to completion, including the design of relevant compacts, on an ongoing basis.
- Oversee the implementation of innovative funding structures and the design of associated compacts with relevant partners, by 2016/17.
- Oversee Eskom's and Transnet's implementation of the competitive supplier development programme and Transnet's locomotive fleet procurement, on an annual basis.
- Support the coordination of the strategic infrastructure projects led by the state owned companies within the department's portfolio.

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 (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2014/15 - 2017/18	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18 - 2020/21
R million											
Energy Enterprises	54.1	11.2	12.9	14.1	-36.1%	5.5%	17.4	17.0	18.0	8.4%	16.0%
Manufacturing Enterprises	123.4	1 178.3	68.1	80.4	-13.3%	85.7%	16.2	18.1	19.0	-38.2%	32.3%
Transport Enterprises	18.8	20.0	15.0	23.1	7.1%	4.5%	23.4	23.5	26.0	4.0%	23.1%
Economic Impact and Policy Alignment	11.7	10.0	9.7	11.6	-0.5%	2.5%	12.9	13.9	14.9	8.8%	12.9%
Strategic Partnerships	7.6	6.0	7.3	9.3	7.0%	1.8%	15.1	20.1	20.4	30.2%	15.7%
Total	215.5	1 225.5	112.9	138.4	-13.7%	100.0%	85.1	92.6	98.2	-10.8%	100.0%
Change to 2014				58.1			(4.5)	(3.9)	(4.0)		
Budget estimate											
Economic classification											
Current payments	59.3	57.1	55.7	75.2	8.2%	14.6%	85.1	92.6	98.2	9.3%	84.7%
Compensation of employees	29.4	31.9	43.0	54.9	23.1%	9.4%	59.0	66.4	68.5	7.7%	60.0%
Goods and services	29.9	25.2	12.6	20.3	-12.1%	5.2%	26.1	26.2	29.7	13.5%	24.7%
of which:											
Catering: Departmental activities	0.1	0.1	0.3	0.1	-5.9%	–	0.2	0.1	0.1	5.6%	0.1%
Communication	0.3	0.3	0.4	0.7	29.8%	0.1%	0.7	0.6	0.6	-0.3%	0.6%

Table 9.8 Portfolio Management and Strategic Partnerships 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 (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
R million											
Consultants and professional services: Business and advisory services	23.2	16.3	2.6	12.5	-18.7%	3.2%	18.3	18.6	22.3	21.5%	17.3%
Entertainment	–	–	–	–	184.4%	–	0.1	0.1	0.1	6.1%	–
Travel and subsistence	5.2	5.8	6.2	6.6	7.8%	1.4%	6.1	6.0	5.7	-4.3%	5.9%
Venues and facilities	0.4	1.3	0.9	0.5	5.3%	0.2%	0.8	0.8	0.9	18.1%	0.7%
Transfers and subsidies	156.3	118.4	57.3	63.2	-26.0%	23.3%	–	–	–	-100.0%	15.3%
Public corporations and private enterprises	156.3	118.3	57.3	63.1	-26.1%	23.3%	–	–	–	-100.0%	15.2%
Households	–	0.1	–	0.1	–	–	–	–	–	-100.0%	–
Payments for financial assets	–	1 050.0	–	–	–	62.0%	–	–	–	–	–
Total	215.5	1 225.5	112.9	138.4	-13.7%	100.0%	85.1	92.6	98.2	-10.8%	100.0%
Proportion of total programme expenditure to vote expenditure	62.7%	89.8%	41.9%	43.3%	–	–	31.8%	33.8%	33.9%	–	–
Details of selected transfers and subsidies											
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	156.3	118.3	57.3	63.1	-26.1%	23.3%	–	–	–	-100.0%	15.2%
Denel	116.3	118.3	57.3	63.1	-18.4%	21.0%	–	–	–	-100.0%	15.2%
Pebble Bed Modular Reactor	40.0	–	–	–	-100.0%	2.4%	–	–	–	–	–

Public entities and other agencies

Alexkor SOC limited

Alexkor was established in terms of the Alexkor Limited Act (1992) to mine marine and land diamonds in Alexander Bay. The organisation is exploring energy opportunities in line with the energy security objectives of outcome 6 of government's 2014-2019 medium term strategic framework (an efficient, competitive and responsive economic infrastructure network) through coal and limestone mining opportunities, which will require Alexkor to expand its operations beyond Northern Cape.

Alexkor has commissioned a study into non-mining activities in Northern Cape that the Richtersveld community could possibly pursue from the proceeds of the pooling and sharing joint venture. In 2007, government and the Richtersveld community reached a settlement for the establishment of a joint venture that controlled marine and land mining rights, as agreed by Alexkor and the Richtersveld Mining Company, on behalf of the community.

Since April 2011, all diamond sales were for the account of the pooling and sharing joint venture. Alexkor generates no other income from operations apart from its 51 per cent share in the joint venture. The company posted a profit of R29.7 million in 2013/14, compared with a loss of R14 million in 2012/13. Alexkor was recapitalised by R350 million in 2012/13, which had a positive impact on the company's financial statements and, as a result, its profitability improved significantly. Part of the R350 million was used to invest in a diamond beneficiation plant, which assisted in creating more than 200 direct and indirect jobs. Additional economic opportunities for the community are expected as mining operations will expand over the medium term.

Alexkor has met its financial obligations in terms of the 2007 deed of settlement obligations. The deed of settlement 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 of a formal township, Alexander Bay. As a result, the town was promulgated in November 2013 and now forms part of the Richtersveld municipality. The settling of the rehabilitation liability will give rise to 200 jobs over the 15-year life of the project. 40 jobs have been created to date. The project intends to ensure that the land is environmentally safe and economically exploitable for the community.

Denel SOC limited

Denel is the largest manufacturer of aerospace and defence equipment in South Africa. It was incorporated as a private company in 1992 in terms of the South African Companies Act (1973), and its sole shareholder is the South African government. In terms of the 2014 Defence Review, Denel is deemed a strategic national asset in support of national security.

Denel has made progress in ensuring its sustainability, reporting a return to operating profit in 2013/14. Denel's revenues are expected to increase from less than R5 billion to more than R8 billion over the medium term, thereby improving the organisation's overall net profit position. This turnaround is based on revenue growth through export contracts, maximised opportunities from local clients, cost containment and risk sharing partnerships with global clients and suppliers, and strengthened stakeholder relations. The consolidation of the gains made to date will be informed by a long term growth strategy approved by the Minister of Public Enterprises in November 2013. This strategy projects revenue growth through exports by growing existing capabilities and acquiring new ones, which will see the business concentrating on electronics and integration capabilities across platforms.

Denel Aerostructures, which has been negatively affecting Denel's performance due to inadequate cost recovery on existing contracts, continues to reduce its losses on its course to sustainability. The organisation has managed to secure additional contracts and continues to explore additional work packages.

Eskom SOC limited

Governed by the Eskom Conversion Act (2001), Eskom's mandate is to generate, transmit and distribute electricity. According to the national development plan, South Africa will need to meet about 29 000 megawatts (MW) of new power demand between 2012 and 2030. As a result, more than 40 000MW of new power capacity needs to be built. In line with this vision, Eskom's focus for 2014/15 has been on finalising the response to the third multi-year price determination; securing the balance of the required funding to complete the new build programme, which aims to expand the company's generation and transmission capacity to meet the country's growing demand for energy; improving the rollout of the new build programme; improving operational performance and maintaining assets to ensure security of supply; contracting independent power producers in line with government procurement processes; and assessing the company's role in the implementation of the integrated resource plan for electricity 2010-2030.

Eskom generates 95 per cent of the electricity used in South Africa and 45 per cent of the electricity used in Africa. The company's reserve margin has been steadily declining since 1999, due to a lack of significant investment in generation capacity. In recent years, Eskom has had to rely on deferring the maintenance of power plants 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.

Eskom has had to reprioritise and respond to a shortfall in revenue following the decision to increase the electricity price by 8 per cent instead of 16 per cent annually over 5 years. This means that the borrowing plan will also need to be revised to cover its liabilities and operational costs. The new funding gap until 2017 is now estimated at R200 billion. Over the 5-year period until 2019/20, Eskom's build programme is estimated to cost R280 billion.

Working closely with government, Eskom introduced a recovery plan in 2011/12. This plan included securing enough primary energy (coal stockpile to a level of more than 48 days) to avoid a repeat of the 2008 incident that led to widespread load shedding; resuming the servicing and maintenance of power stations that were previously mothballed; and increasing maintenance done at power stations. This has resulted in the average capacity reserve margin increasing and the maintenance outage backlog reducing significantly from levels seen in previous years.

In addition, since 2004, Eskom has undertaken a capacity expansion programme to ensure the secure and reliable supply of electricity. Completed projects between 2005/06 and 2013/14 include the Komati, Camden and Grootvlei power stations that were once not operational but have now returned to service, and the finalisation of 2 open cycle gas turbines. As a result, Eskom has cumulatively installed and commissioned 6 137MW of additional generating capacity into the system, and installed 5 498km of transmission networks, increasing its transmission substation capacity by 27 565 megavolt amperes.

Eskom plans to deliver an additional 11 126MW of capacity into the system by 2020 through the build programme, which will help to address the current constraints on the power system. The company also continues to play a key role in demand side management with the successful implementation and execution of a comprehensive suite of integrated demand management solutions to exceed the targets set by the National Energy Regulator of South Africa and shareholders.

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 on the continent, including regional routes to Botswana, Namibia, the Democratic Republic of the Congo, Zimbabwe and Zambia. It also provides feeder air services that connect with the network of South African Airways.

The airline has experienced challenges with regards to operational and financial performance, as well as maintaining proper systems of internal control. As a result, the 2010/11 financial statements were withdrawn in November 2011 due to an overstatement of assets on the balance sheet. The statements were restated in August 2012, resulting in a reduction of the airline's equity position from R1.2 billion to R400 million.

Following the restatement of the 2010/11 financial statements, the airline received a qualified opinion for the 2011/12 financial statements and another qualified audit opinion for the 2012/13 financial statements. Weak internal controls and losses in recent years have affected the airline's ability to raise funds without government support. To address the weak performance and the breach of covenants that resulted from the reduction of equity, a guarantee of R539 million was granted in March 2013.

The organisation's focus over the medium term will be on expanding operations in the African market and partnering with South African Airways to establish other hubs in Africa, thereby increasing inter-regional trade in line with the vision of the national development plan. Furthermore, South African Express Airways intends to strengthen its balance sheet to restore confidence in its financial position and performance over the MTEF period and beyond, through the implementation of the airline's long term turnaround strategy.

South African Express Airways has acknowledged the need to address its poor performance and reliance on government for financial support, and in 2013 developed a long term turnaround strategy called 20:20 Vision. The main priority of 20:20 Vision is to assess, review and define a new business model that will improve the sustainability of the organisation going into the next 20 years. The vision is aligned with South African Airways' long term turnaround strategy. The objective is to ensure the alignment of the strategic direction of these two state owned airlines as to derive maximum value for government as the shareholder. This will be achieved through collaboration, cooperation and coordination between the airlines.

The implementation of 20:20 Vision has been slow, and as a result it has not yet yielded the expected outcomes of a positive turnaround. Due to the deteriorating position of South African Express Airways, the airline has had to develop a recovery plan to address the cash drain and to put the airline back on the path to recovery. The Department of Public Enterprises, through the shareholder compact, will ensure the initiatives outlined in 20:20 Vision and the recovery plan are agreed upon, and performance against these targets will be monitored on a monthly and quarterly basis. The three main issues the airline plans to address with 20:20 Vision are its relationship with South African Airways, the feeder model conflict, and the growth of the business to maximise economies of scale.

South African Forestry Company SOC limited

The South African Forestry Company's mandate is to ensure the management of sustainable forests and play a catalytic role in the realisation of the state's afforestation, rural development and transformation goals.

The company's operating performance over the past 3 years has been worsening as a result of a slow recovery in its primary market, the residential construction sector, as well as rigid business structures. Despite this, the company's profit increased from R74 million in 2012/13 to R510 million in 2013/14 as a result of fair value adjustments. Cash generation from operations has been under strain due to increasing logistical and labour costs, and an inelastic pricing environment. The performance has constrained the business in investing in downstream operations, which is critical in sustaining forestry operations and reducing dependence on sawlog customers.

The company's solvency, however, remains sufficiently solid for it to ensure that it continues to trade as a going concern. This will be critical when it starts with its capital investment programme, in line with the envisaged future role by the Department of Public Enterprises, which sees increased investment in value adding activities.

The company has expanded its contribution to rural development, in line with the national development plan's vision, and is implementing the social compacts agreed with rural communities within its operations. These compacts will ensure that communities are involved in the company's operations through enterprise and skills development opportunities. Additional corporate social investment programmes concentrate on education, recreational centres, and health care through donations of timber framed structures.

Transnet SOC limited

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

In March 2014, Transnet announced its largest ever procurement transaction, when it signed a R50 billion contract with 4 original equipment manufacturers to acquire 1 064 locomotives over the following 4 years. This was an affirmation of Transnet's commitment to infrastructure investment in the country in spite of the weak economic climate. The procurement of 1 064 locomotives is part of a market demand strategy that is underwritten by a R300 billion rolling capital investment programme over 7 years. At least two thirds of the market demand strategy investment programme will be allocated to rail projects to address ageing infrastructure and rolling stock. The remaining third of the programme has been allocated to ports and pipeline infrastructure and equipment so as to ensure that complementary capacity is created and sustained.

Since the inception of the strategy in 2011/12, Transnet has spent more than R80 billion, of which R31.8 billion was spent in 2013/14, in line with the market demand strategy. Most of the expenditure in the past 3 years has concentrated on rail infrastructure maintenance and revitalisation, as well as the acquisition and refurbishment of rolling stock. Further spending has been on the new multiproduct pipeline from Durban to Johannesburg and the acquisition of ports equipment. The investment programme complements Transnet's role and participation in a number of strategic integrated projects, particularly as a coordinator that focuses on a logistics and industrial corridor between Durban, Free State and Gauteng.

Due to this investment drive, the level of Transnet's debt related to its equity capital will come under pressure as the organisation continues to increase borrowings to fund development and the maintenance of infrastructure. However, Transnet is still expected to raise funding on the strength of its balance sheet and maintain a gearing ratio of less than 50 per cent.

In 2013/14, Transnet's revenue increased by 12.8 per cent, from R50.3 billion in 2012/13 to R56 billion in 2013/14, mainly due to tariff increases across various service lines, as well as volume growth in certain components of the business. The increase in revenue has enabled Transnet to remain committed to the market demand strategy. Over the past 5 years, rail volumes have increased at an average growth rate of 4 per cent, resulting in a total tonnage increase of 32 million tonnes. The volume of growth in automotive and containers on rail in 2013/14 was 25.2 per cent, which shows that migration from road to rail is beginning to gain momentum, in alignment with the government objectives, and this trend is expected to continue over the MTEF period.

Vote 10

Public Service and Administration

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	219.7	217.5	0.6	1.6	230.5	245.7
Policy Development, Research and Analysis	37.5	37.3	–	0.1	40.8	43.1
Labour Relations and Human Resource Management	68.6	68.4	–	0.3	68.6	69.3
Government Chief Information Officer	21.5	21.4	–	0.1	23.9	25.1
Service Delivery Support	314.6	52.1	262.4	0.1	330.5	350.7
Governance of Public Administration	269.0	46.5	222.3	0.2	284.1	306.4
Total expenditure estimates	930.9	443.2	485.3	2.3	978.4	1 040.2
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, public entities, donor funding, public private partnerships, conditional allocations 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 resources 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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of service delivery departments in which productivity measurements are undertaken to support the optimisation of organisational efficiency and effectiveness per year	Policy Development, Research and Analysis	Outcome 12: An efficient, effective and development oriented public service	– ¹	– ¹	– ¹	– ¹	2	2	2
Number of reports on the monitoring of vacancy rate trends and turnaround times for filling of vacant positions in the public service submitted to the Minister for Public Service and Administration per year	Labour Relations and Human Resource Management		– ¹	– ¹	– ¹	– ¹	2	2	2
Number of youth appointed to learnerships, internships and artisan programmes in the public service per year	Labour Relations and Human Resource Management		20 370	17 820	27 350	20 000	20 000	20 000	20 000

Table 10.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of service delivery departments being monitored and reported on in relation to the status of the implementation of the operations management framework and methodology report annually	Service Delivery Support	Outcome 12: An efficient, effective and development oriented public service	– ¹	– ¹	– ¹	– ¹	3	3	3
Percentage of departments complying with the service delivery improvement mechanisms annually	Service Delivery Support		– ²	(156) 70%	(156) 83%	(156) 80%	(156) 85%	(156) 90%	(156) 95%
Percentage of service delivery improvement plans from offices of premiers and national departments received, quality assessed and rated as 'good' per annum	Service Delivery Support		– ¹	– ¹	– ¹	– ¹	(156) 50%	(156) 50%	(156) 50%
Number of provincial offices of the premier and provincial and national departments monitored on the implementation of the complaints and compliments management framework per year	Service Delivery Support		– ¹	– ¹	– ¹	– ¹	18	44	44
Number of provinces in which service delivery forums have been established per year	Service Delivery Support		– ¹	– ¹	– ¹	– ¹	3	3	3

1. This indicator will be measured from 2015/16.

2. This indicator was introduced in 2012/13.

Expenditure analysis

The national development plan emphasises the need for an efficient, effective and development oriented public service, and for well run and effectively coordinated state institutions with skilled public servants who are committed to the public good and capable of delivering consistently high quality services. In line with this, the Department of Public Service and Administration will over the medium term focus on ensuring that there are sufficient technical and specialist professional skills in the public service, making government services more accessible to the public, and promoting ethics in the public service.

Ensuring sufficient skills in the public service

The national development plan prioritises having sufficient technical and specialist professional skills in the public service as well as a regulatory environment that is conducive to managing and developing human resources. Over the medium term, departmental activities that support these priorities will include: adopting a more long term approach to developing the skills and professional ethos that underpin a development orientated public service; recruiting young professionals into the public service; enhancing government's ability to develop, source and retain technical and specialist skills by introducing dedicated career paths; and improving mechanisms for reproducing skills over the long term. These activities will be funded in the *Labour Relations and Human Resource Management* programme in the *Human Resource Development* subprogramme, which accounts for 10.1 per cent of the programme's total budget over the medium term.

51.5 per cent of the department's total budget over the medium term goes to transfers to institutions reporting to the Minister for Public Service and Administration. These institutions contribute to improving skills in the public service. Cabinet approved additional funding of R15.5 million over the medium term goes to the Centre for Public Service Innovation for establishing a corporate services unit; R214.8 million goes to the Public Service Sector Education and Training Authority to roll out underfunded training programmes; and R31.5 million goes to the Public Service Commission for new office accommodation. The department's transfers and subsidies are projected to increase at an average annual rate of 9.6 per cent over the medium term, as a result of the additional funding.

Making government services more accessible to the public

Over the medium term, the department will focus on three of its projects for making government services more accessible to the public: the Thusong service centres, which are one stop shops for various essential services provided by government; the Batho Pele Gateway call centre, which manages service delivery complaints; and the open government partnership project, which provides an international platform for citizens of any country who want to work towards making their governments more open, accountable and responsive. Spending on these projects is mainly in the *Service Delivery Improvement Initiatives* and *Batho Pele Support Initiatives* subprogrammes in the *Service Delivery Support* programme.

The department is managing the first urban Thusong centre, which was launched at Maponya Mall in Soweto in August 2014. 183 Thusong centres have been established in 107 local municipalities, but there are a number of challenges in relation to how well the centres serve their purpose and how they are run and managed. The

department is leading the task team that has been appointed to resolve the challenges with other stakeholder departments such as National Treasury, the Department of Public Works and the Government Communication and Information System.

Cabinet approved reductions of R34.6 million, R40.2 million and R44.3 million over the MTEF period will be effected mainly on goods and services across all programmes.

Promoting ethics in the public service

The national development plan makes recommendations and proposes action steps for government to combat corruption in the public service. Over the medium term, the Department of Public Service and Administration will focus on implementing the new Public Administration Management Act (2014), which establishes a unit in the department to manage ethics, integrity and disciplinary matters in all spheres of government, including the disclosure of financial interests and preventing public servants from doing business with the state. The unit is intended to supplement government's other anti-corruption tools, such as the anti-corruption hotline managed by the Public Service Commission. It will also provide technical assistance and support to other departments, and develop norms and standards for ethics, integrity and disciplinary matters. The unit is expected to be established by 2015/16. Its foundation has been laid by creating a centralised pool of internal experts to help departments handle cases in which employees have been placed on precautionary suspension. Activities related to establishing the unit will be funded by the *Governance of Public Administration* programme, through the *Ethics and Integrity Management* subprogramme, which accounts for 4.6 per cent of the programme's total budget over the medium term.

Expenditure trends

Table 10.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Policy Development, Research and Analysis														
3. Labour Relations and Human Resource Management														
4. Government Chief Information Officer														
5. Service Delivery Support														
6. Governance of Public Administration														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Programme 1	169.9	174.2	154.0	186.7	192.2	182.6	202.4	197.7	212.6	217.8	222.6	212.6	98.1%	96.8%
Programme 2	37.2	34.5	22.0	36.8	30.8	27.1	33.4	30.7	25.4	28.2	33.2	33.2	79.5%	83.3%
Programme 3	43.4	48.0	43.8	43.9	50.6	50.9	52.1	78.2	54.8	76.1	82.8	78.8	105.9%	87.9%
Programme 4	21.0	19.4	15.5	25.8	21.8	13.8	26.4	23.3	21.1	25.3	25.3	25.3	76.9%	84.4%
Programme 5	216.2	214.8	219.3	224.0	216.3	219.2	239.3	238.7	242.3	246.3	241.8	233.8	98.8%	100.3%
Programme 6	202.5	199.3	190.9	214.3	215.2	210.1	262.9	261.1	252.8	281.4	269.4	269.4	96.1%	97.7%
Total	690.1	690.2	645.5	731.5	726.9	703.7	816.4	829.7	809.1	875.1	875.1	853.1	96.7%	96.5%
Economic classification														
Current payments	396.5	395.1	341.5	420.1	410.6	385.0	456.0	467.4	442.3	455.2	450.8	428.8	92.5%	92.7%
Compensation of employees	208.8	200.3	181.9	234.1	226.7	203.3	259.3	267.2	241.5	252.4	246.5	246.5	91.5%	92.8%
Goods and services	187.7	194.7	159.3	185.8	183.6	181.5	196.3	200.3	200.8	202.7	204.3	182.3	93.7%	92.5%
of which:														
Communication	4.7	4.8	4.2	5.3	5.3	7.4	4.6	6.6	6.3	7.3	6.5	6.5	111.6%	105.1%
Computer services	40.6	40.5	31.8	38.0	24.9	26.1	32.9	32.9	19.6	36.1	33.7	25.7	69.9%	78.2%
Consultants and professional services:	18.4	23.1	16.4	17.1	20.2	14.4	18.3	21.7	12.7	18.1	22.7	18.7	86.4%	70.8%
Business and advisory services														
Operating leases	26.5	26.5	20.0	29.2	29.5	21.1	38.7	27.7	24.8	43.5	31.2	31.2	70.4%	84.5%
Property payments	4.0	4.2	6.8	4.9	4.5	5.8	5.2	4.2	7.6	4.9	4.9	4.9	132.1%	141.8%
Travel and subsistence	39.5	38.9	35.0	39.2	37.2	48.1	46.2	51.6	60.0	34.3	41.8	41.8	116.1%	109.0%
Interest and rent on land	—	0.1	0.3	0.3	0.3	0.2	0.4	—	—	—	—	—	68.4%	99.4%

Table 10.2 Vote expenditure trends by programme and economic classification

Economic classification	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Transfers and subsidies	290.9	291.1	295.8	304.6	309.5	313.6	357.4	357.9	358.2	413.6	417.2	417.2	101.3%	100.7%
Departmental agencies and accounts	290.4	290.4	293.1	304.0	308.2	311.8	356.5	356.5	356.4	412.8	414.6	414.6	100.9%	100.4%
Foreign governments and international organisations	0.5	0.5	0.7	0.6	0.6	0.8	0.9	0.9	1.0	0.8	0.8	0.8	119.0%	117.0%
Households	–	0.2	2.1	–	0.7	1.0	–	0.6	0.8	–	1.7	1.7	–	177.7%
Payments for capital assets	2.7	4.0	8.1	6.7	6.7	5.1	3.0	4.3	8.4	6.3	7.1	7.1	153.8%	130.3%
Buildings and other fixed structures	–	–	–	–	–	–	0.4	–	–	–	–	–		
Machinery and equipment	2.5	3.9	8.1	6.5	6.5	5.1	2.6	4.3	8.0	5.8	6.6	6.6	158.8%	130.6%
Software and other intangible assets	0.1	0.1	0.1	0.2	0.2	–	–	–	0.5	0.5	0.5	0.5	121.7%	121.7%
Payments for financial assets	–	–	–	–	–	0.1	–	0.1	0.2	–	–	–	–	319.5%
Total	690.1	690.2	645.5	731.5	726.9	703.7	816.4	829.7	809.1	875.1	875.1	853.1	96.7%	96.5%

Expenditure estimates

Table 10.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Policy Development, Research and Analysis								
3. Labour Relations and Human Resource Management								
4. Government Chief Information Officer								
5. Service Delivery Support								
6. Governance of Public Administration								
Programme	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme 1	212.6	6.9%	25.3%	219.7	230.5	245.7	4.9%	23.9%
Programme 2	33.2	-1.3%	3.6%	37.5	40.8	43.1	9.1%	4.1%
Programme 3	78.8	18.0%	7.6%	68.6	68.6	69.3	-4.2%	7.5%
Programme 4	25.3	9.3%	2.5%	21.5	23.9	25.1	-0.3%	2.5%
Programme 5	233.8	2.9%	30.4%	314.6	330.5	350.7	14.5%	32.3%
Programme 6	269.4	10.6%	30.7%	269.0	284.1	306.4	4.4%	29.7%
Total	853.1	7.3%	100.0%	930.9	978.4	1 040.2	6.8%	100.0%
Change to 2014 Budget estimate				54.1	49.0	45.2		
Economic classification								
Current payments	428.8	2.8%	53.1%	443.2	463.4	488.3	4.4%	48.0%
Compensation of employees	246.5	7.2%	29.0%	277.8	294.0	312.2	8.2%	29.7%
Goods and services	182.3	-2.2%	24.0%	165.4	169.4	176.1	-1.1%	18.2%
of which:								
Communication	6.5	10.6%	0.8%	5.9	6.0	6.3	-1.2%	0.6%
Computer services	25.7	-14.1%	3.4%	25.2	25.1	25.9	0.2%	2.7%
Consultants and professional services: Business and advisory services	18.7	-6.8%	2.1%	11.9	12.2	10.0	-18.7%	1.4%
Operating leases	31.2	5.7%	3.2%	46.0	48.5	50.9	17.7%	4.6%
Property payments	4.9	4.8%	0.8%	6.7	6.8	7.5	15.6%	0.7%
Travel and subsistence	41.8	2.4%	6.1%	32.4	33.0	35.7	-5.1%	3.8%
Transfers and subsidies	417.2	12.7%	46.0%	485.3	512.4	549.0	9.6%	51.6%
Provinces and municipalities	–	26.0%	–	–	–	–	7.7%	–
Departmental agencies and accounts	414.6	12.6%	45.7%	484.5	511.6	548.2	9.8%	51.5%
Foreign governments and international organisations	0.8	20.0%	0.1%	0.8	0.8	0.8	-0.9%	0.1%
Households	1.7	116.5%	0.2%	–	–	–	-100.0%	–
Payments for capital assets	7.1	20.8%	1.0%	2.3	2.6	2.9	-25.6%	0.4%
Machinery and equipment	6.6	19.4%	0.9%	2.1	2.5	2.9	-24.4%	0.4%
Software and other intangible assets	0.5	51.9%	–	0.2	0.1	0.1	-51.1%	–
Total	853.1	7.3%	100.0%	930.9	978.4	1 040.2	6.8%	100.0%

Personnel information

Table 10.4 Vote personnel numbers and cost by salary level and programme¹

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																			
Number of posts estimated for 31 March 2015			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 (%)				
		2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost		Unit Cost		
Public Service and Administration																			
Salary level	504	43	453	230.7	0.5	509	246.5	0.5	507	277.8	0.5	507	294.0	0.6	510	312.2	0.6	0.1%	100.0%
1 – 6	155	21	133	25.7	0.2	155	28.2	0.2	155	32.5	0.2	158	34.9	0.2	159	36.4	0.2	0.9%	30.8%
7 – 10	120	6	116	41.8	0.4	121	42.1	0.3	120	45.9	0.4	122	49.5	0.4	122	51.4	0.4	0.3%	23.9%
11 – 12	109	8	96	58.0	0.6	108	65.9	0.6	109	70.3	0.6	101	71.6	0.7	101	76.2	0.8	-2.2%	20.6%
13 – 16	118	8	106	101.3	1.0	123	106.6	0.9	121	125.3	1.0	124	134.0	1.1	126	144.0	1.1	0.8%	24.3%
Other	2	–	2	3.9	2.0	2	3.7	1.8	2	3.9	1.9	2	4.1	2.0	2	4.3	2.1	–	0.4%
Programme	504	43	453	230.7	0.5	509	246.5	0.5	507	277.8	0.5	507	294.0	0.6	510	312.2	0.6	0.1%	100.0%
Programme 1	261	17	216	103.4	0.5	261	107.9	0.4	262	118.1	0.5	263	124.9	0.5	266	133.1	0.5	0.6%	51.7%
Programme 2	39	–	34	19.0	0.6	39	21.1	0.5	40	28.3	0.7	41	31.0	0.8	41	32.9	0.8	1.7%	7.9%
Programme 3	83	20	71	38.8	0.5	82	51.6	0.6	82	51.0	0.6	78	51.7	0.7	78	54.9	0.7	-1.7%	15.7%
Programme 4	24	3	21	11.4	0.5	24	15.1	0.6	24	15.9	0.7	25	17.8	0.7	25	18.8	0.8	1.4%	4.8%
Programme 5	50	3	68	22.5	0.3	56	19.4	0.3	51	29.9	0.6	52	31.8	0.6	52	33.6	0.6	-2.4%	10.4%
Programme 6	47	–	43	35.6	0.8	47	31.4	0.7	48	34.6	0.7	48	36.7	0.8	48	38.9	0.8	0.7%	9.4%

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

2. Rand million.

Departmental receipts

Table 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 (%)
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
Departmental receipts	535	471	1 293	1 202	1 202	31.0%	100.0%	867	919	997	-6.0%	100.0%
Sales of goods and services produced by department	245	241	261	526	526	29.0%	36.4%	332	332	332	-14.2%	38.2%
Sales by market establishments of which:	187	176	188	250	250	10.2%	22.9%	260	260	260	1.3%	25.8%
Rental of open and covered parking	187	176	188	250	250	10.2%	22.9%	260	260	260	1.3%	25.8%
Administrative fees of which:	58	65	73	71	71	7.0%	7.6%	72	72	72	0.5%	7.2%
Commission insurance	58	64	71	70	70	6.5%	7.5%	70	70	70	–	7.0%
Replacement of security cards	–	1	2	1	1	–	0.1%	2	2	2	26.0%	0.2%
Other sales of which:	–	–	–	205	205	–	5.9%	–	–	–	-100.0%	5.1%
Sale of capital assets	–	–	–	205	205	–	5.9%	–	–	–	-100.0%	5.1%
Transfers received	84	–	675	–	–	-100.0%	21.7%	–	–	–	–	–
Interest, dividends and rent on land	6	6	2	10	10	18.6%	0.7%	10	12	15	14.5%	1.2%
Interest	6	6	2	10	10	18.6%	0.7%	10	12	15	14.5%	1.2%
Transactions in financial assets and liabilities	200	224	355	666	666	49.3%	41.3%	525	575	650	-0.8%	60.6%
Total	535	471	1 293	1 202	1 202	31.0%	100.0%	867	919	997	-6.0%	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 (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2014/15 - 2017/18
Ministry	35.4	60.0	76.9	53.7	14.9%	29.3%	42.9	44.0	47.9	-3.7%	20.5%
Departmental Management	5.8	2.7	2.3	3.0	-20.0%	1.8%	2.9	3.0	3.2	2.3%	1.3%
Corporate Services	52.7	60.0	67.0	93.4	21.0%	35.4%	74.2	78.1	82.5	-4.1%	35.7%
Finance Administration	17.9	20.4	20.6	20.9	5.3%	10.3%	22.9	24.1	25.4	6.7%	10.1%
Internal Audit	5.3	4.2	5.1	5.8	3.3%	2.6%	5.3	6.0	6.4	3.0%	2.6%
Legal Services	5.2	4.7	4.7	8.1	15.9%	2.9%	11.2	11.6	13.7	19.2%	4.9%
International Relations	9.2	11.0	11.7	10.5	4.6%	5.5%	11.4	12.0	12.7	6.3%	5.1%
Office Accommodation	22.6	19.6	24.3	27.3	6.5%	12.2%	49.0	51.5	54.0	25.6%	19.8%
Total	154.0	182.6	212.6	222.6	13.1%	100.0%	219.7	230.5	245.7	3.3%	100.0%
Change to 2014				11.2			(11.9)	(10.2)	(14.2)		
Budget estimate											
Economic classification											
Current payments	146.7	177.2	204.5	215.1	13.6%	96.3%	217.5	228.0	242.9	4.1%	98.4%
Compensation of employees	78.5	84.3	103.4	107.9	11.2%	48.5%	118.1	124.9	133.1	7.3%	52.7%
Goods and services	68.0	92.7	101.1	107.2	16.4%	47.8%	99.4	103.1	109.9	0.8%	45.7%
of which:											
Communication	2.3	5.5	3.4	3.4	13.6%	1.9%	2.9	3.0	3.1	-2.6%	1.4%
Computer services	6.7	12.8	11.0	13.0	24.6%	5.6%	10.6	10.8	11.0	-5.4%	5.0%
Consumables: Stationery, printing and office supplies	1.4	2.8	2.4	2.8	25.1%	1.2%	2.6	3.0	3.2	4.9%	1.3%
Operating leases	18.2	15.7	19.8	26.7	13.6%	10.4%	43.7	46.0	48.3	22.0%	17.9%
Property payments	5.6	5.1	6.5	4.6	-6.8%	2.8%	6.0	6.0	6.6	13.2%	2.5%
Travel and subsistence	14.3	22.3	30.4	18.2	8.4%	11.0%	17.5	17.2	19.5	2.4%	7.9%
Interest and rent on land	0.2	0.2	-	-	-100.0%	-	-	-	-	-	-
Transfers and subsidies	2.2	1.5	0.9	2.2	-0.8%	0.9%	0.6	0.6	0.6	-34.3%	0.4%
Departmental agencies and accounts	-	-	-	0.1	-	-	-	-	-	-13.1%	-
Foreign governments and international organisations	0.5	0.6	0.6	0.5	0.3%	0.3%	0.6	0.6	0.6	2.2%	0.2%
Households	1.7	0.9	0.4	1.6	-2.5%	0.6%	-	-	-	-100.0%	0.2%
Payments for capital assets	5.1	4.0	7.1	5.4	2.1%	2.8%	1.6	1.8	2.1	-26.4%	1.2%
Machinery and equipment	5.0	4.0	6.6	5.3	1.8%	2.7%	1.4	1.8	2.1	-26.5%	1.1%
Software and other intangible assets	0.1	-	0.5	0.1	15.0%	0.1%	0.2	0.1	0.1	-22.9%	-
Total	154.0	182.6	212.6	222.6	13.1%	100.0%	219.7	230.5	245.7	3.3%	100.0%
Proportion of total programme expenditure to vote expenditure	23.9%	26.0%	26.3%	25.4%	-	-	23.6%	23.6%	23.6%	-	-
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	1.7	0.9	0.4	1.6	-2.5%	0.6%	-	-	-	-100.0%	0.2%
Employee social benefits	1.7	0.8	0.4	0.3	-45.4%	0.4%	-	-	-	-100.0%	-
Claims against the state	-	-	-	1.3	-	0.2%	-	-	-	-100.0%	0.1%
Foreign governments and international organisations											
Current	0.5	0.6	0.6	0.5	0.3%	0.3%	0.6	0.6	0.6	2.2%	0.2%
African Association for Public Administration and Management	0.2	0.2	0.2	0.2	-0.4%	0.1%	0.2	0.2	0.2	-	0.1%
African Training and Research Centre in Administration for Development	-	0.4	0.4	0.3	-	0.1%	0.3	0.3	0.3	-	0.1%
African Training and Research Centre in Administration for Development	0.3	-	-	-	-100.0%	-	-	-	-	-	-

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 on and analysis of public service capacity, performance and reform by conducting productivity, accessibility and continuity studies tracking trends in best practice in public administration discourse.

Objectives

- Enrich policy processes to guide public administration reforms and transformation by establishing and institutionalising learning and knowledge management on public administration on an ongoing basis.
- Ensure a uniform system of public administration throughout government by developing and overseeing the implementation of legislative frameworks on an ongoing basis.
- Ensure a workable and operational solution for Thusong service centres by developing and establishing an appropriate institutional model for the coordination of the Thusong service centre programme in government by March 2016.
- Ensure the mainstreaming of all diversity management policies and guidelines through advocacy workshops and monitoring and reporting on the implementation of these policies and guidelines on an ongoing basis.
- Conduct research on the movement and attrition rate of employees with disabilities in the public service in order to perform an impact assessment in 2017/18.
- Support the optimisation of service delivery by:
 - undertaking service point location analysis studies, based on accessibility, in selected sectors to support the planning and optimisation of service delivery per year
 - undertaking capacity and functionality assessments in at least 2 selected sectors per year.

Subprogrammes

- *Management: Policy Development, Research and Analysis* provides for the administrative support and management of the programme.
- *Policy Oversight, Development and Knowledge Management* oversees, develops, formulates, manages, coordinates and reviews policies within the public service; manages learning networks; and promotes knowledge management.
- *Macro Policy Modelling and Costing* provides for the transversal modelling and forecasting of the department's public service policies.
- *Integrated Public Sector Reform* manages public sector reforms through the development and monitoring of a public service reform strategy that 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 (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Management: Policy Development, Research and Analysis	3.1	2.9	3.2	5.5	21.2%	13.6%	6.1	6.5	6.8	7.3%	16.1%
Policy Oversight, Development and Knowledge Management	2.8	2.9	3.1	5.0	21.4%	12.8%	5.6	7.0	7.4	14.3%	16.2%
Macro Policy Modelling and Costing	–	–	–	–	–	–	0.6	0.7	0.7	–	1.3%
Integrated Public Sector Reform	4.5	6.7	6.8	5.7	7.7%	22.0%	5.4	5.7	6.0	1.9%	14.7%
Transformation Policies and Programmes	4.7	4.7	5.6	4.8	0.7%	18.4%	6.0	6.5	6.8	12.6%	15.5%
Research and Analysis	1.6	1.6	1.8	3.7	33.9%	8.1%	4.0	4.2	4.4	5.8%	10.5%
Productivity and Efficiency Studies	1.6	1.6	1.9	2.5	14.9%	7.1%	5.5	5.8	6.2	36.2%	12.9%
Public Service Access Norms and Mechanisms	3.7	6.6	3.1	6.1	18.1%	18.1%	4.3	4.5	4.8	-7.9%	12.7%
Total	22.0	27.1	25.4	33.2	14.8%	100.0%	37.5	40.8	43.1	9.1%	100.0%
Change to 2014				(4.4)			(0.9)	0.6	(1.1)		
Budget estimate											
Economic classification											
Current payments	21.8	26.7	25.4	32.6	14.3%	99.0%	37.3	40.7	43.0	9.6%	99.4%
Compensation of employees	16.1	16.8	19.0	21.1	9.4%	67.8%	28.3	31.0	32.9	15.9%	73.3%
Goods and services	5.7	10.0	6.4	11.5	26.3%	31.2%	9.0	9.6	10.1	-4.3%	26.0%
of which:											
Communication	0.2	0.2	0.3	0.5	39.4%	1.0%	0.5	0.5	0.5	1.0%	1.2%
Consultants and professional services:	0.9	2.9	0.2	4.2	68.9%	7.5%	2.8	3.5	3.8	-2.8%	9.2%
Business and advisory services											
Consumables: Stationery, printing and office supplies	0.1	0.3	0.2	0.5	56.8%	1.1%	0.4	0.4	0.4	-9.6%	1.0%
Travel and subsistence	2.2	2.0	2.6	3.3	14.4%	9.4%	2.3	2.7	2.7	-6.5%	7.2%
Operating payments	0.2	0.1	0.1	0.4	33.4%	0.7%	1.2	0.6	0.6	16.4%	1.7%
Venues and facilities	0.6	0.7	0.8	0.8	12.7%	2.7%	0.8	0.9	0.9	2.1%	2.2%
Transfers and subsidies	–	–	–	0.1	–	0.1%	–	–	–	-49.2%	0.1%
Households	–	–	–	0.1	–	0.1%	–	–	–	-100.0%	–
Payments for capital assets	0.1	0.3	–	0.5	65.7%	0.9%	0.1	0.1	0.1	-39.3%	0.6%
Machinery and equipment	0.1	0.3	–	0.5	65.7%	0.9%	0.1	0.1	0.1	-39.3%	0.6%
Total	22.0	27.1	25.4	33.2	14.8%	100.0%	37.5	40.8	43.1	9.1%	100.0%
Proportion of total programme expenditure to vote expenditure	3.4%	3.8%	3.1%	3.8%	–	–	4.0%	4.2%	4.1%	–	–

Programme 3: Labour Relations and Human Resource Management

Programme purpose

Implement and monitor labour relations, human resource management and remuneration policies.

Objectives

- Evaluate employee turnover in the public service by monitoring trends in vacancy rates and turnaround times for the filling of vacant positions in the public service and report biannually to the Minister for Public Service and Administration.
- Contribute to the health, safety and the 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.
- Contribute to building a capable public service by reviewing the current public service human resource development strategic framework and aligning it to the national development plan, the human resource development strategy for South Africa and the new growth path, by 31 December 2015.
- Strengthen the role of the state in the production of technical skills and specialist professionals essential to the state's ability to deliver on its mandate by:

- piloting a formal graduate recruitment scheme to support departments in attracting and developing youth talent from 2017/18 in accordance with the government's 2014-2019 medium term strategic framework
- supporting the appointment of 20 000 youth into learnerships, internships and artisan programmes per year.
- Promote uniformity and consistency in the rewarding of pay and benefits for public servants by reviewing and developing a remuneration policy for the public service for implementation from 1 April 2016.
- Contribute to improving the management of discipline within the public service by assisting departments to fast-track and finalise the backlog of pending disciplinary cases over the medium term.

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 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, including internships, learnerships, compulsory courses and skills programmes designed to ensure a constant pool of productive and contributing 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, among other things, pension benefits, medical assistance, housing allowance, 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	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
R million											
Management: Labour Relations and Human Resource Management	2.4	2.9	3.0	3.6	14.7%	5.1%	3.4	3.6	3.7	1.1%	4.9%
Labour Relations, Negotiations and Discipline Management	4.5	7.0	10.7	11.0	34.8%	14.3%	10.7	11.4	12.0	3.1%	15.6%
Workplace Environment Management	4.3	7.3	6.5	5.0	5.4%	10.0%	5.9	6.1	6.5	9.1%	8.1%
Human Resource Development	5.9	6.0	7.3	7.0	6.3%	11.3%	7.8	7.2	7.1	0.1%	10.1%
Remuneration and Job Grading	10.7	9.4	10.3	33.3	46.1%	27.4%	18.5	16.3	14.1	-24.9%	28.4%
Employee Benefits	8.8	9.4	8.0	12.8	13.3%	16.8%	11.3	12.3	13.5	1.7%	17.2%
Human Resource Planning, Employment Practices and Performance Management	7.3	8.9	9.2	10.0	11.0%	15.2%	11.0	11.7	12.4	7.4%	15.6%
Total	43.8	50.9	54.8	82.8	23.6%	100.0%	68.6	68.6	69.3	-5.7%	100.0%
Change to 2014				34.3			35.5	31.2	(5.8)		
Budget estimate											

Table 10.8 Labour Relations and Human Resource 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million				2014/15	2011/12 - 2014/15					2014/15 - 2017/18	
Current payments	43.5	50.6	54.4	82.5	23.7%	99.4%	68.4	68.4	69.0	-5.8%	99.6%
Compensation of employees	25.9	32.4	38.8	51.6	25.8%	64.0%	51.0	51.7	54.9	2.1%	72.3%
Goods and services	17.6	18.3	15.6	30.9	20.7%	35.4%	17.3	16.6	14.2	-22.9%	27.3%
of which:											
Catering: Departmental activities	0.7	0.6	0.7	0.4	-14.7%	1.0%	0.5	0.7	0.6	7.8%	0.8%
Communication	0.4	0.4	0.7	0.9	31.1%	1.0%	0.8	0.8	0.9	-0.2%	1.1%
Computer services	1.7	0.1	0.2	2.6	14.7%	2.0%	2.0	2.0	2.0	-7.5%	3.0%
Consultants and professional services:	7.1	7.9	1.8	11.5	17.5%	12.2%	5.8	5.0	2.4	-41.0%	8.5%
Business and advisory services											
Travel and subsistence	3.0	4.6	5.5	9.1	44.3%	9.6%	4.1	3.9	3.8	-25.6%	7.2%
Venues and facilities	0.9	1.3	1.5	3.3	53.9%	3.0%	2.0	2.0	2.3	-11.8%	3.3%
Transfers and subsidies	0.1	–	0.3	0.1	-23.5%	0.2%	–	–	–	-100.0%	–
Households	0.1	–	0.3	0.1	-23.3%	0.2%	–	–	–	-100.0%	–
Payments for capital assets	0.2	0.2	0.1	0.3	11.0%	0.3%	0.3	0.3	0.3	3.7%	0.4%
Machinery and equipment	0.2	0.2	0.1	0.3	11.0%	0.3%	0.3	0.3	0.3	3.7%	0.4%
Total	43.8	50.9	54.8	82.8	23.6%	100.0%	68.6	68.6	69.3	-5.7%	100.0%
Proportion of total programme expenditure to vote expenditure	6.8%	7.2%	6.8%	9.5%	–	–	7.4%	7.0%	6.7%	–	–

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, control and maintain IT related risks and costs in the public service.

Objectives

- Facilitate the enablement of e-services by ensuring the approval of the e-government policy strategy for implementation across the public service during 2015.
- Reduce IT costs in the public service by developing a policy guideline to leverage government's ICT buying position by March 2016.
- Produce a policy guideline to support public service chief information officers to clearly establish IT risk patterns by March 2016.

Subprogrammes

- *Management: Government Chief Information Officer* provides 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 ICT strategy.
- *Public Service ICT Stakeholder Management* coordinates and consolidates public service ICT efforts 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 the corporate governance of ICT in the public service based on identified risks in the rapidly 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 (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
R million											
Management: Government Chief Information Officer	1.9	1.3	2.7	2.9	16.4%	11.5%	3.1	3.3	3.5	5.8%	13.4%
Public Service ICT E-enablement	4.5	2.2	4.4	6.3	12.1%	23.0%	5.6	6.9	7.1	4.2%	27.0%
Public Service ICT Stakeholder Management	4.5	6.3	9.0	7.7	19.3%	36.4%	6.3	6.6	6.9	-3.6%	28.8%
Public Service ICT Risk Management	3.3	2.6	3.3	5.5	18.5%	19.5%	5.3	5.8	6.2	4.1%	23.8%
Public Service ICT Service Management	1.3	1.5	1.6	2.8	28.9%	9.5%	1.2	1.3	1.3	-21.8%	7.0%
Total	15.5	13.8	21.1	25.3	17.7%	100.0%	21.5	23.9	25.1	-0.3%	100.0%
Change to 2014 Budget estimate				(12.3)			(14.4)	(14.7)	(2.8)		
Economic classification											
Current payments	15.2	13.8	21.0	25.2	18.3%	99.2%	21.4	23.8	25.0	-0.3%	99.7%
Compensation of employees	9.0	8.2	11.4	15.1	19.0%	57.7%	15.9	17.8	18.8	7.4%	70.7%
Goods and services	6.2	5.6	9.6	10.1	17.4%	41.6%	5.5	6.0	6.2	-14.8%	29.0%
of which:											
Catering: Departmental activities	0.2	0.2	0.1	0.1	-22.0%	0.9%	0.3	0.3	0.3	38.3%	1.1%
Communication	0.1	0.1	0.2	0.3	26.7%	1.1%	0.2	0.3	0.3	-4.4%	1.1%
Computer services	0.5	0.7	0.4	4.7	112.2%	8.2%	1.4	1.5	1.5	-31.2%	9.5%
Consultants and professional services:	2.7	1.3	2.9	1.3	-21.6%	10.8%	0.7	0.7	0.7	-17.7%	3.6%
Business and advisory services											
Travel and subsistence	0.8	1.5	2.4	1.2	16.0%	7.8%	1.8	2.0	2.3	23.9%	7.6%
Venues and facilities	0.6	0.7	1.6	0.9	12.4%	5.1%	0.2	0.3	0.3	-33.1%	1.8%
Transfers and subsidies	0.1	-	0.1	-	-70.6%	0.2%	-	-	-	-100.0%	-
Households	0.1	-	0.1	-	-70.6%	0.2%	-	-	-	-100.0%	-
Payments for capital assets	0.2	0.1	-	0.1	-29.8%	0.5%	0.1	0.1	0.1	-3.1%	0.3%
Machinery and equipment	0.2	0.1	-	0.1	-29.8%	0.5%	0.1	0.1	0.1	-3.1%	0.3%
Total	15.5	13.8	21.1	25.3	17.7%	100.0%	21.5	23.9	25.1	-0.3%	100.0%
Proportion of total programme expenditure to vote expenditure	2.4%	2.0%	2.6%	2.9%	-	-	2.3%	2.4%	2.4%	-	-

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:
 - developing and providing support for the mapping of business processes and standard operating procedures for selected departments on an ongoing basis
 - monitoring and reporting on the improvements in turnaround times in selected departments on an ongoing basis
 - strengthening frontline service delivery centres across the public service through the development of an integrated service delivery improvement programme for government by March 2016
 - managing and administrating the urban Thusong service centre at Maponya Mall in Soweto 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 continuing to monitor progress on the implementation of the African Peer Review Mechanism's national programme of action on an ongoing basis.

- Enhance the implementation of the Batho Pele principles and programmes by revising all Batho Pele toolkits and information guidelines by March 2016.

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 by developing service standards, delivery models and standard operating procedures; and designing toolkits and instruments that support improved service delivery.
- *Service Delivery Improvement Initiatives* manages and supports continuous service delivery improvement mechanisms, programmes and initiatives across the public service.
- *Community Development and Citizen Relations* facilitates and coordinates the implementation of community development programmes, and manages citizen relations through service delivery improvement forums.
- *Public Participation and Social Dialogue* manages, coordinates and promotes the implementation of the African Peer Review Mechanism and public participation programmes, including the open government partnership project.
- *Batho Pele Support Initiatives* manages service delivery complaints and assists departments in designing service delivery charters with citizens and communities, and also promotes the professionalisation of public servants through change management programmes that institutionalise Batho Pele principles.
- *Centre for Public Service Innovation* facilitates transfer payments to the Centre for Public Service Innovation, which unlocks innovation in the public sector and creates an enabling environment for improved and innovative service delivery through capacity development activities.
- *National School of Government* facilitates transfer payments to the National School of Government, to fund the school's management and administrative support; and to 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.
- *Public Service Sector Education and Training Authority* facilitates transfer payments to the Public Service Sector Education and Training Authority, which develops a coordinated framework for the provision of public service education and training.

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 (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million				2014/15	2011/12 - 2014/15					2014/15 - 2017/18	
Management: Service Delivery Support	3.2	3.2	3.2	3.1	-0.6%	1.4%	3.4	3.5	3.8	6.5%	1.1%
Service Delivery Planning and Operations Management	1.6	3.1	3.8	2.6	18.1%	1.2%	3.1	3.5	3.7	11.7%	1.0%
Service Delivery Improvement Initiatives	20.6	17.9	14.5	16.8	-6.6%	7.6%	15.9	16.8	18.5	3.3%	5.5%
Community Development and Citizen Relations	5.1	4.5	5.5	4.4	-4.6%	2.1%	7.9	8.3	8.8	25.9%	2.4%
Public Participation and Social Dialogue	4.6	9.2	20.3	10.6	31.6%	4.8%	9.7	10.2	10.8	0.5%	3.3%
Batho Pele Support Initiatives	25.0	11.1	18.3	15.8	-14.2%	7.6%	12.2	10.9	10.5	-12.8%	4.0%
Centre for Public Service Innovation	17.2	20.6	21.6	25.3	13.8%	9.2%	29.0	32.1	34.4	10.8%	9.8%
National School of Government	118.3	124.4	131.9	138.5	5.4%	55.6%	139.5	146.4	156.6	4.2%	46.9%
Public Sector Education and Training Authority	23.7	25.3	23.3	24.7	1.4%	10.5%	93.8	98.8	103.8	61.3%	25.9%
Total	219.3	219.2	242.3	241.8	3.3%	100.0%	314.6	330.5	350.7	13.2%	100.0%
Change to 2014				4.1			69.2	72.7	65.7		
Budget estimate											

Table 10.10 Service Delivery 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Current payments	58.8	48.5	65.1	52.7	-3.6%	24.4%	52.1	53.1	55.8	1.9%	17.3%
Compensation of employees	17.4	18.6	22.5	19.4	3.6%	8.4%	29.9	31.8	33.6	20.2%	9.3%
Goods and services	41.4	29.8	42.6	33.4	-7.0%	16.0%	22.2	21.3	22.2	-12.7%	8.0%
of which:											
Advertising	2.4	1.4	6.8	0.3	-49.9%	1.2%	3.2	3.3	3.6	129.2%	0.8%
Computer services	22.1	9.2	7.2	10.6	-21.8%	5.3%	7.1	5.8	5.7	-18.5%	2.4%
Operating leases	–	3.7	3.3	4.5	464.6%	1.2%	2.3	2.5	2.6	-16.7%	1.0%
Travel and subsistence	5.2	6.5	9.1	7.4	12.4%	3.1%	3.5	3.7	3.8	-19.8%	1.5%
Training and development	0.7	0.8	0.6	0.8	1.7%	0.3%	0.7	0.8	0.9	6.6%	0.3%
Venues and facilities	2.0	2.2	3.1	0.9	-22.0%	0.9%	1.0	1.0	1.1	5.4%	0.3%
Transfers and subsidies	159.2	170.4	176.8	188.6	5.8%	75.3%	262.4	277.3	294.8	16.1%	82.7%
Departmental agencies and accounts	159.2	170.3	176.8	188.5	5.8%	75.3%	262.4	277.3	294.8	16.1%	82.7%
Households	–	0.1	–	0.1	16.0%	–	–	–	–	-100.0%	–
Payments for capital assets	1.2	0.3	0.4	0.6	-22.8%	0.3%	0.1	0.1	0.1	-39.4%	0.1%
Machinery and equipment	1.2	0.3	0.4	0.2	-44.7%	0.2%	0.1	0.1	0.1	-15.4%	–
Software and other intangible assets	–	–	–	0.4	–	–	–	–	–	-100.0%	–
Payments for financial assets	–	–	0.1	–	-100.0%	–	–	–	–	–	–
Total	219.3	219.2	242.3	241.8	3.3%	100.0%	314.6	330.5	350.7	13.2%	100.0%
Proportion of total programme expenditure to vote expenditure	34.0%	31.1%	30.0%	27.6%	–	–	33.8%	33.8%	33.7%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	159.2	170.3	176.8	188.5	5.8%	75.3%	262.4	277.3	294.8	16.1%	82.7%
National School of Government	118.3	124.4	131.9	138.5	5.4%	55.6%	139.5	146.4	156.6	4.2%	46.9%
Public Service Sector Education and Training Authority	23.7	25.3	23.3	24.7	1.4%	10.5%	93.8	98.8	103.8	61.3%	25.9%
Centre for Public Service Innovation	17.2	20.6	21.6	25.3	13.8%	9.2%	29.0	32.1	34.4	10.8%	9.8%

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, senior leadership management and strategic planning. Monitor compliance, and evaluate and manage government intervention programmes.

Objectives

- Manage the risk of corruption in the public service by:
 - revising chapter 3 of the Public Service Regulations to provide for the electronic disclosure of financial interests by March 2016.
- Enhance and promote the quality of organisational structures in the public service by providing ongoing support to national and provincial departments on organisational design on an ongoing basis.
- Improve transparency, responsibility and accountability in the public service by supporting selected national and provincial departments in the implementation of the standardised delegation principles and templates.
- Monitor the implementation of outcome 12 of government's 2014-2019 medium term strategic framework (an efficient, effective and development oriented public service) throughout the public service by coordinating quarterly reporting to the governance and administration cluster and Cabinet.

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 organisation of the public service and organisational design through appropriate structures.
- *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 and 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 (%)	Expenditure/Total: Average (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Management: Governance of Public Administration	3.4	3.3	4.1	3.1	-2.2%	1.5%	3.7	3.9	4.0	8.7%	1.3%
Ethics and Integrity Management	9.3	12.7	10.7	8.8	-1.8%	4.5%	13.0	14.4	15.5	20.5%	4.6%
Organisational Design and Macro Organisation of the Public Service	10.0	11.7	12.0	7.6	-8.7%	4.5%	8.0	8.3	9.0	5.8%	2.9%
Office of Standards, Compliance and Monitoring	7.3	8.6	12.6	7.9	2.9%	3.9%	6.1	6.4	6.7	-5.5%	2.4%
Intergovernmental Relations and Government Interventions	2.5	3.8	4.0	5.4	29.0%	1.7%	4.9	5.1	5.4	-0.1%	1.8%
Leadership Management	4.2	4.3	4.6	4.8	4.5%	1.9%	5.7	5.7	6.0	7.7%	2.0%
Human Resource Management Information Systems	3.2	3.5	3.7	5.7	20.7%	1.7%	5.7	6.1	6.4	4.3%	2.1%
Public Service Commission	151.1	162.1	201.1	226.0	14.4%	80.2%	222.1	234.2	253.4	3.9%	82.9%
Total	190.9	210.1	252.8	269.4	12.2%	100.0%	269.0	284.1	306.4	4.4%	100.0%
Change to 2014				(32.9)			(23.4)	(30.6)	3.3		
Budget estimate											
Economic classification											
Current payments	38.2	47.7	51.1	42.7	3.8%	19.5%	46.5	49.4	52.5	7.1%	16.9%
Compensation of employees	27.0	33.9	35.6	31.4	5.2%	13.9%	34.6	36.7	38.9	7.4%	12.6%
Goods and services	11.2	13.8	15.5	11.3	0.3%	5.6%	11.9	12.7	13.6	6.4%	4.4%
of which:											
Communication	0.5	0.5	0.7	0.8	19.3%	0.3%	0.7	0.7	0.7	-4.6%	0.3%
Computer services	0.4	2.3	0.1	2.5	92.2%	0.6%	4.0	5.0	5.5	29.5%	1.5%
Consultants and professional services:	–	0.1	4.2	0.1	72.0%	0.5%	0.8	0.9	0.9	152.9%	0.2%
Business and advisory services											
Travel and subsistence	6.5	7.1	7.0	2.7	-25.9%	2.5%	3.3	3.4	3.7	11.2%	1.1%
Training and development	0.7	0.5	0.5	0.4	-20.7%	0.2%	0.5	0.5	0.5	11.1%	0.2%
Venues and facilities	1.0	1.6	0.8	1.3	11.0%	0.5%	0.9	0.5	0.5	-26.1%	0.3%

Table 10.11 Governance of Public 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 (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	Expenditure/ Total: Average (%)	2015/16	2016/17	2017/18	2014/15 - 2017/18	Expenditure/ Total: Average (%)
R million											
Transfers and subsidies	151.3	162.3	201.6	226.4	14.4%	80.3%	222.3	234.5	253.6	3.9%	83.0%
Departmental agencies and accounts	151.1	162.1	201.1	226.0	14.4%	80.2%	222.1	234.2	253.4	3.9%	82.9%
Foreign governments and international organisations	0.2	0.2	0.4	0.3	25.4%	0.1%	0.2	0.2	0.2	-6.9%	0.1%
Households	0.1	–	–	–	-49.2%	–	–	–	–	-100.0%	–
Payments for capital assets	1.3	0.1	0.1	0.3	-39.7%	0.2%	0.2	0.2	0.2	-15.1%	0.1%
Machinery and equipment	1.3	0.1	0.1	0.3	-39.7%	0.2%	0.2	0.2	0.2	-15.1%	0.1%
Total	190.9	210.1	252.8	269.4	12.2%	100.0%	269.0	284.1	306.4	4.4%	100.0%
Proportion of total programme expenditure to vote expenditure	29.6%	29.9%	31.2%	30.8%	–	–	28.9%	29.0%	29.5%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	151.1	162.1	201.1	226.0	14.4%	80.2%	222.1	234.2	253.4	3.9%	82.9%
Public Service Commission	151.1	162.1	201.1	226.0	14.4%	80.2%	222.1	234.2	253.4	3.9%	82.9%
Foreign governments and international organisations											
Current	0.2	0.2	0.4	0.3	25.4%	0.1%	0.2	0.2	0.2	-6.9%	0.1%
Organisation for Economic Cooperation and Development	0.2	0.2	0.4	0.3	25.4%	0.1%	0.2	0.2	0.2	-6.9%	0.1%

Other departments within the vote

Public Service Commission

Table 10.12 Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	100.2	99.4	–	0.9	107.3	120.4
Leadership and Management Practices	38.6	38.6	–	–	40.4	42.3
Monitoring and Evaluation	37.0	37.0	–	–	38.6	40.4
Integrity and Anti-Corruption	46.3	46.3	–	–	48.0	50.3
Total expenditure estimates	222.1	221.2	–	0.9	234.2	253.4
Executive authority	Minister of Public Service and Administration					
Accounting officer	Director General of the Public Service Commission					
Website address	www.psc.gov.za					

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

Department purpose

Promote constitutional values and principles of public administration in the public service.

Mandate

The Public Service Commission is an independent institution established in terms of chapter 10 of the Constitution. The commission derives its mandate from section 196 of the Constitution and is tasked and empowered to, either of its own accord or if it receives any complaint, investigate, monitor and evaluate the organisation and administration of the public service. The mandate also entails the evaluation of the performance of government programmes. The commission is also required to promote measures throughout the public service, as well as in Parliament and provincial legislatures, that 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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Percentage of grievances received, investigated and concluded per year	Leadership and Management Practices	Outcome 12: An efficient, effective and development oriented public service	84% (673)	52% (377)	63% (498)	65%	68%	70%	75%
Number of research reports on labour relations per year	Leadership and Management Practices		3	1	1	1	1	2	2
Number of compliance monitoring and consultative reports on strategic human resource matters per year	Leadership and Management Practices		2	1	3	4	4	5	5
Number of reports on service delivery per year	Monitoring and Evaluation		10	14	7	4	7	7	7
Number of public administration investigations successfully concluded per year: Full scale	Integrity and Anti-Corruption		6	10	50	40	30	35	35
Desktop finalised			28	23	64	45	40	50	50
Desktop closed			222	182	151	160	30	35	35
National anti-corruption hotline reported cases per year	Integrity and Anti-Corruption		1 582	1 963	2 600	2 800	1 400	1 400	1 400
Percentage of financial disclosure forms received and scrutinised per year	Integrity and Anti-Corruption		62% (5 786)	100% (8 342)	73% (9 433)	100% (10 100)	100% (10 100)	100% (10 100)	100% (10 100)
Number of departments supported with the implementation of the financial disclosure framework per year	Integrity and Anti-Corruption		— ¹	— ¹	— ¹	10	5	5	5
Number of ethics and anti-corruption research reports per year	Integrity and Anti-Corruption		8	7	6	2	4	4	4

1. This indicator was introduced in 2014/15.

Objectives

- Enhance labour relations in the public service through the timeous investigation of all properly referred grievances as and when cases are reported.
- Promote best practice in public service leadership and human resource management through quality research reports on an ongoing basis.
- Investigate and improve public administration practices by conducting audits and investigations into public administration practices and by making recommendations to departments on how to promote good governance and to issue directions regarding compliance with the Public Service Act (1994) annually.
- Promote ethical conduct among public servants through the management of the financial disclosure framework, the national anti-corruption hotline and the provision of advice on professional and ethical conduct in the public service on an ongoing basis.

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 the respective departments for investigation, and scrutinises the financial disclosure forms of senior managers to ensure integrity driven public service and administration.

Expenditure analysis

The Public Service Commission aligns itself with the national development plan's chapter 13 (building a capable and developmental state) and chapter 14 (fighting corruption), and is committed to strengthening the implementation of government's financial disclosure framework as set out in government's 2014-2019 medium term strategic framework.

Over the medium term, the commission will focus on promoting ethical conduct and good governance in the public service. Most of the activities will be funded in the *Leadership Management Practices* and *Integrity and Anti-Corruption* programmes, which together account for 37.5 per cent of the commission's total budget over the period. These two programmes also account for 68.6 per cent of the staff of the commission's three core programmes.

Promoting ethical conduct

Government's financial disclosure framework aims to prevent conflicts of interest by requiring public service employees to disclose their financial interests. The commission expects to receive and scrutinise 10 100 financial disclosure forms per year over the medium term.

The national anti-corruption hotline promotes and encourages the reporting of corrupt practices in the public service. Over the medium term, the commission expects to receive and scrutinise 1 400 reported cases per year. Expenditure on the national anti-corruption hotline is projected at an average of R3.3 million per year over the period.

Promoting good governance

The commission will monitor and evaluate performance in the public service by establishing and facilitating citizens' forums, community outreach programmes, round table discussions and public hearings.

New office accommodation

The commission will move into new office accommodation required by the increase in its personnel over the years. Cabinet approved additional funding of R11.1 million in 2015/16, R12 million in 2016/17 and R8.3 million in 2017/18 will be effected in the *Property Payments* subprogramme in the *Administration* programme for rental for the new offices. This also accounts for the 45.4 per cent growth in expenditure on lease payments 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	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
	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	78.9	78.5	76.1	81.1	85.2	85.2	92.1	97.0	99.8	102.3	104.2	104.2	103.1%	100.1%
Programme 2	23.8	23.8	23.0	25.6	24.8	24.8	32.7	32.1	30.1	38.7	37.1	37.1	95.2%	97.6%
Programme 3	23.2	23.2	20.8	24.4	22.3	22.2	32.4	31.1	29.6	37.0	36.8	36.8	93.5%	96.5%
Programme 4	25.2	25.5	24.6	27.3	29.9	29.9	44.0	40.9	41.4	48.0	48.0	48.0	99.6%	99.7%
Total	151.1	151.1	144.4	158.5	162.1	162.1	201.1	201.1	200.9	226.0	226.0	226.0	99.6%	99.1%
Economic classification														
Current payments	150.2	146.6	139.9	157.6	159.2	159.1	200.2	199.5	195.1	224.9	221.4	221.4	97.6%	98.4%
Compensation of employees	112.2	102.4	97.3	118.4	111.9	111.9	155.5	142.4	128.4	171.6	165.7	165.7	90.2%	96.3%
Goods and services	38.0	44.2	42.6	39.2	47.3	47.2	44.7	57.1	66.6	53.2	55.7	55.7	121.1%	103.8%
of which:														
Assets less than the capitalisation threshold	0.7	0.8	0.8	0.7	0.7	0.7	1.9	2.3	1.5	7.0	4.0	4.0	68.2%	89.1%
Communication	2.0	2.1	2.0	2.2	2.3	2.3	2.5	2.5	3.0	3.8	3.8	3.8	105.9%	103.8%
Computer services	4.3	3.5	3.5	4.2	3.5	3.5	3.9	5.9	4.6	3.6	3.8	3.8	95.7%	92.1%
Operating leases	10.3	11.0	11.0	11.2	10.2	10.2	11.1	11.1	9.6	13.2	13.2	13.2	96.2%	96.9%
Travel and subsistence	5.3	7.7	7.2	6.5	10.8	10.7	9.1	10.8	15.5	8.2	10.3	10.3	150.1%	110.3%
Training and development	1.1	1.2	1.2	1.2	0.9	0.9	1.5	1.8	1.6	1.7	1.8	1.8	100.7%	96.7%
Transfers and subsidies	–	0.4	0.3	–	1.4	1.4	0.1	0.8	1.0	0.1	0.2	0.2	1423.6%	108.6%
Foreign governments and international organisations	–	0.1	–	–	–	–	0.1	0.1	0.1	0.1	0.1	0.1	100.0%	89.3%
Households	–	0.3	0.3	–	1.4	1.4	–	0.7	1.0	–	0.1	0.1	–	110.4%

Table 10.15 Departmental expenditure trends by programme and economic classification

Table 10.10: Departmental expenditure trends by programme and economic classification														
Economic classification														
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Payments for capital assets	0.8	3.2	4.1	0.8	1.5	1.5	0.9	0.9	4.9	1.1	4.4	4.4	414.3%	150.1%
Machinery and equipment	0.8	–	3.2	0.8	1.5	1.5	0.9	0.9	3.2	1.1	3.2	3.2	307.1%	199.3%
Software and other intangible assets	–	–	0.9	–	–	–	–	–	1.7	–	1.2	1.2	–	316.5%
Payments for financial assets	–	0.9	0.1	–	–	0.1	–	–	–	–	–	–	–	18.6%
Total	151.1	151.1	144.4	158.5	162.1	162.1	201.1	201.1	200.9	226.0	226.0	226.0	99.6%	99.1%

Expenditure estimates

Table 10.16 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 (%)
R million	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2014/15 - 2017/18
Programme 1	104.2	9.9%	49.8%	100.2	107.3	120.4	4.9%	46.2%
Programme 2	37.1	15.9%	15.7%	38.6	40.4	42.3	4.5%	16.9%
Programme 3	36.8	16.6%	14.9%	37.0	38.6	40.4	3.2%	16.3%
Programme 4	48.0	23.5%	19.6%	46.3	48.0	50.3	1.6%	20.6%
Total	226.0	14.4%	100.0%	222.1	234.2	253.4	3.9%	100.0%
Change to 2014 Budget estimate				11.1	9.8	5.8		
Economic classification								
Current payments	221.4	14.7%	97.5%	221.2	233.5	252.6	4.5%	99.2%
Compensation of employees	165.7	17.4%	68.6%	181.3	190.8	200.3	6.5%	78.9%
Goods and services	55.7	8.1%	28.9%	39.8	42.7	52.3	-2.1%	20.4%
of which:								
Assets less than the capitalisation threshold	4.0	71.4%	1.0%	3.6	2.6	2.4	-15.8%	1.4%
Communication	3.8	21.9%	1.5%	2.5	2.1	2.2	-16.6%	1.1%
Computer services	3.8	2.4%	2.1%	0.9	0.6	0.4	-53.1%	0.6%
Operating leases	13.2	6.1%	6.0%	23.6	30.5	40.6	45.4%	11.5%
Travel and subsistence	10.3	10.2%	6.0%	3.3	2.3	2.2	-40.3%	1.9%
Training and development	1.8	14.0%	0.8%	1.8	1.9	2.0	3.8%	0.8%
Transfers and subsidies	0.2	-19.2%	0.4%	–	–	–	-58.4%	–
Foreign governments and international organisations	0.1	-2.4%	–	–	–	–	-40.1%	–
Households	0.1	-24.3%	0.4%	–	–	–	-100.0%	–
Payments for capital assets	4.4	11.7%	2.0%	0.9	0.7	0.8	-43.7%	0.7%
Machinery and equipment	3.2	–	1.5%	0.9	0.7	0.8	-37.3%	0.6%
Software and other intangible assets	1.2	–	0.5%	–	–	–	-100.0%	0.1%
Total	226.0	14.4%	100.0%	222.1	234.2	253.4	3.9%	100.0%

- Facilitate learning and development opportunities by managing an integrated and collaborative network of local and international learning and development institutions and practitioners.
- 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

Over the medium term, the National School of Government will continue to transform itself into a new organisation that will support chapter 13 of the national development plan, which prioritises the need for the public service to have staff with the required authority, competence and support to perform their duties. The National School of Government was launched in October 2013 to replace the Public Administration and Leadership Management Academy. The aim was to shift from a model that focused largely on building generic knowledge and individual skills to one that focuses on designing curricula and programmes on the basis of a sound understanding of the challenges and realities of the public service environment.

The school will develop funding and business models which will outline its plans to cover government's education, training and development needs. Current discussions include reducing outsourced training services and increasing capacity within the school by employing full time trainers.

The school's core activities are carried out in its training trading account, which accounts for 39.4 per cent of the school's total budget for the medium term. 60.6 per cent of the budget is for the administrative functions of the school, which include providing strategic direction and managing the school's financial affairs.

Cabinet approved budget reductions of R1.2 million in 2015/16, R2.4 million in 2016/17 and R2.7 million in 2017/18 will mainly be effected on all goods and services items, including obligatory costs such as audit costs, which will be managed through reprioritisations. Further Cabinet approved reductions of R2.9 million in 2015/16, R3 million in 2016/17 and R3.4 million in 2017/18 will be effected on transfers to the training trading account as a result of accumulated surpluses.

Expenditure trends

Table 10.19 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			Revised estimate			Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15							
Programme 1	69.3	69.3	62.5	72.3	72.3	70.8	77.3	77.3	85.6	82.9	82.9	82.9	100.0%	100.0%						
Programme 2	49.0	49.0	49.0	51.2	52.1	52.1	54.7	54.7	49.0	55.6	55.6	55.6	97.7%	97.3%						
Total	118.3	118.3	111.6	123.5	124.4	122.9	131.9	131.9	134.6	138.5	138.5	138.5	99.1%	98.9%						

Table 10.19 Departmental expenditure trends by programme and economic classification

Economic classification	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	2011/12 - 2014/15
	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	67.2	67.2	61.2	68.9	70.2	68.9	75.0	75.0	84.2	80.5	80.5	80.5	101.1%	100.6%
Compensation of employees	32.0	32.0	28.9	38.1	39.1	31.4	41.1	41.1	36.2	45.7	45.7	45.7	90.7%	90.1%
Goods and services	35.3	35.3	32.2	30.8	31.0	37.4	33.9	33.9	48.0	34.9	34.9	34.9	113.1%	112.9%
of which:														
Audit costs: External	1.5	1.5	2.6	3.3	3.5	4.1	3.4	3.4	3.6	3.3	3.3	3.3	117.5%	115.2%
Computer services	1.9	1.9	3.3	2.1	2.1	3.4	2.3	2.3	4.0	1.9	1.9	1.9	153.4%	153.4%
Agency and support/outourced services	5.9	5.9	13.0	7.5	7.5	11.2	9.3	9.3	11.4	10.2	10.2	10.2	138.9%	138.9%
Operating leases	4.4	4.4	3.1	4.4	4.4	6.1	4.7	4.7	5.6	4.9	4.9	4.9	107.6%	107.6%
Travel and subsistence	4.3	4.3	2.8	2.6	2.6	2.5	2.7	2.7	2.9	2.9	2.9	2.9	88.6%	88.6%
Venues and facilities	0.9	0.9	0.4	1.4	1.4	0.4	1.4	1.4	0.7	1.5	1.5	1.5	58.3%	58.3%
Transfers and subsidies	49.0	49.0	49.0	52.1	52.1	52.1	54.7	54.7	49.0	55.6	55.6	55.6	97.3%	97.3%
Departmental agencies and accounts	49.0	49.0	49.0	52.1	52.1	52.1	54.7	54.7	49.0	55.6	55.6	55.6	97.3%	97.3%
Payments for capital assets	2.0	2.0	1.3	2.5	2.1	1.9	2.2	2.2	1.4	2.4	2.4	2.4	76.0%	79.3%
Machinery and equipment	2.0	2.0	1.3	2.5	2.1	1.9	2.2	2.2	1.4	2.4	2.4	2.4	76.3%	80.0%
Software and other intangible assets	–	–	–	–	0.1	–	–	–	–	–	–	–	40.0%	27.4%
Total	118.3	118.3	111.6	123.5	124.4	122.9	131.9	131.9	134.6	138.5	138.5	138.5	99.1%	98.9%

Expenditure estimates

Table 10.20 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 (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme 1	82.9	6.2%	59.5%	84.3	88.6	96.0	5.0%	60.6%
Programme 2	55.6	4.3%	40.5%	55.2	57.8	60.5	2.9%	39.4%
Total	138.5	5.4%	100.0%	139.5	146.4	156.6	4.2%	100.0%
Change to 2014				(4.1)	(5.5)	(6.0)		
Budget estimate								
Economic classification								
Current payments	80.5	6.2%	58.1%	81.9	86.2	93.6	5.1%	58.9%
Compensation of employees	45.7	12.6%	28.0%	47.8	50.0	52.5	4.7%	33.7%
Goods and services	34.9	-0.4%	30.0%	34.1	36.2	41.1	5.6%	25.2%
of which:								
Audit costs: External	3.3	29.0%	2.7%	3.3	3.3	3.5	1.7%	2.3%
Computer services	1.9	-1.3%	2.5%	1.5	1.6	2.2	5.5%	1.2%
Agency and support/outourced services	10.2	19.9%	9.0%	10.4	12.1	14.3	12.1%	8.1%
Operating leases	4.9	3.9%	3.9%	4.6	4.8	6.0	6.9%	3.5%
Travel and subsistence	2.9	-12.5%	2.2%	2.9	2.9	2.9	0.6%	2.0%
Venues and facilities	1.5	16.9%	0.6%	1.5	1.5	1.7	3.7%	1.1%
Transfers and subsidies	55.6	4.3%	40.5%	55.2	57.8	60.5	2.9%	39.4%
Departmental agencies and accounts	55.6	4.3%	40.5%	55.2	57.8	60.5	2.9%	39.4%
Payments for capital assets	2.4	5.1%	1.4%	2.4	2.4	2.5	1.4%	1.6%
Machinery and equipment	2.4	5.9%	1.4%	2.4	2.4	2.5	1.4%	1.6%
Total	138.5	5.4%	100.0%	139.5	146.4	156.6	4.2%	100.0%

Personnel information

Table 10.21 Departmental personnel numbers and cost by salary level and programme¹

Programmes																		
1. Administration																		
2. Public Sector Organisational and Staff Development																		
Number of posts estimated for 31 March 2015			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 (%)		
			2013/14			2014/15			2015/16		2016/17		2017/18					
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost	Unit Cost
National School of Government																		
Salary level	90	–	80	36.3	0.5	90	45.7	0.5	90	47.8	0.5	90	50.0	0.6	90	52.5	0.6	100.0%
1 – 6	26	–	25	3.4	0.1	26	4.2	0.2	26	4.4	0.2	26	4.7	0.2	26	4.9	0.2	28.9%
7 – 10	30	–	29	11.5	0.4	30	15.1	0.5	30	15.9	0.5	30	16.8	0.6	30	17.4	0.6	33.3%
11 – 12	15	–	12	7.0	0.6	15	9.0	0.6	15	9.5	0.6	15	10.1	0.7	15	10.0	0.7	16.7%
13 – 16	19	–	14	14.4	1.0	19	17.4	0.9	19	18.0	0.9	19	18.5	1.0	19	20.2	1.1	21.1%
Programme	90	–	80	36.3	0.5	90	45.7	0.5	90	47.8	0.5	90	50.0	0.6	90	52.5	0.6	100.0%
Programme 1	90	–	80	36.3	0.5	90	45.7	0.5	90	47.8	0.5	90	50.0	0.6	90	52.5	0.6	100.0%

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

2. Rand million.

Public entities and other agencies

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 **Centre for Public Service Innovation** identifies supports and nurtures innovation in the public service, with a view to improve service delivery. The centre's total budget for 2015/16 is R28.9 million.
- 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 2015/16 is R201.2 million.
- The **Public Service Sector Education and Training Authority** implements sector skills plans to develop appropriate skills in the public sector, develops and registers public sector learning programmes, acts as an education and training quality assurance body for the public sector, and distributes skills development levy funds. The authority's total budget for 2015/16 is R136.1 million.

Vote 11

Public Works

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	476.0	456.8	9.5	9.7	502.2	519.8
Intergovernmental Coordination	47.2	43.9	0.3	3.0	50.1	52.8
Expanded Public Works Programme	1 992.2	276.0	1 713.8	2.4	2 324.8	2 470.1
Property and Construction Industry Policy and Research	3 803.0	35.3	3 767.5	0.1	3 960.7	4 220.2
Prestige Policy	92.7	70.7	9.1	12.9	97.5	104.8
Total expenditure estimates	6 411.1	882.8	5 500.2	28.1	6 935.2	7 367.7
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, public entities, donor funding, public private partnerships, conditional allocations 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. Provide norms and standards for the prestige accommodation portfolio.

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 and 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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of expanded public works programme work opportunities created per year	Expanded Public Works Programme	Outcome 4: Decent employment through inclusive economic growth	843 459	941 593	1 012 664	1 075 189	1 127 186	1 343 154	1 406 736
Number of expanded public works programme work opportunities created by rural municipalities per year	Expanded Public Works Programme		626 161	707 973	700 000	600 000	700 000	730 000	750 000
Number of intergovernmental relations forums convened for oversight of the public works sector per year	Intergovernmental Coordination	Outcome 12: An efficient, effective and development-oriented public service	12	12	12	12	12	12	12

Table 11.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Promulgation of a public works act	Property and Construction Industry Policy and Research	Outcome 12: An efficient, effective and development-oriented public service	– ¹	– ¹	– ¹	First draft of a new white paper on public works developed	Final draft of a new white paper on public works submitted to Cabinet for approval	Draft public works bill submitted to Cabinet for approval and to publish for public comment	Public works bill submitted to Parliament
Prestige norms and standards developed	Prestige Policy		– ¹	– ¹	– ¹	– ¹	Norms and standards for members of Parliament (category III) approved by Parliament	Norms and standards developed for Parliamentary Precinct and Union Buildings (category IV)	Monitoring and evaluation of the implementation of the prestige norms and standards (category I – IV)

1. Historical data is not available, as these are new indicators.

Expenditure analysis

Over the medium term, the Department of Public Works will focus on the following priorities of the national development plan: creating jobs; building a capable and developmental state; and fighting corruption. This focus supports several of the outcomes of government's 2014-2019 medium term strategic framework: decent employment through inclusive economic growth (outcome 4); an efficient, competitive and responsive economic infrastructure network (outcome 6); and an efficient, effective and development oriented public service (outcome 12).

Job creation

The national development plan acknowledges that unemployment will remain a challenge in the medium to long term. As a mitigating intervention, the department will continue to give importance to coordinating the expanded public works programme. The department provides technical support to public bodies, and ensures that protocols are signed and that municipalities endorse policies, among other activities that contribute to coordinating the programme. The department's target is to create 3 877 076 work opportunities (1 544 275 full time equivalents) by the end of 2017/18. Cabinet approved an additional allocation of R50 million to the *Expanded Public Works Programme* programme in 2015/16 to compensate for increases in the management fees paid to the Independent Development Trust, which administers the non-state sector expanded public works programme on behalf of the department. R172.3 million of the Cabinet approved budget reductions of R541.1 million over the medium term will be effected on expanded public works programme grants, and the original target for work opportunities to be created in phase 3 of the programme has been revised downwards to 6 million by 2019.

Coordinating concurrent public works functions

The department aims to create a coherent government system that delivers integrated services. A new public works act, which is currently in the draft stage and is expected to be promulgated in 2017/18, will direct each sphere of government towards the developmental and service delivery objectives of government as a whole. The current lack of regulatory frameworks for concurrent functions limits the department's oversight role over provincial departments. The new legislation will enable provinces to ensure that they are coordinating and integrating the implementation of national policies and programmes at the provincial level.

The lack of a single set of standards in the department's prestige accommodation portfolio has resulted in duplicated, uncoordinated functions and responsibilities. The department will develop policy, and norms and standards for all categories of prestige clients, including the signing of service level agreements with strategic stakeholders such as the Presidency, Parliament and the Office of the Chief Justice. The department will train and develop personnel over the medium term to ensure that compliance with the prestige accommodation policy, and norms and standards is monitored.

Consolidating the department's core functions

An important part of the department's 2012 turnaround strategy is that the department will be responsible for policy, oversight, coordination, and monitoring and evaluation, while the Property Management Trading Entity will be responsible for implementing the department's accommodation and infrastructure mandate. This functional separation not only clarifies and emphasises the department's wider responsibilities to the public works sector, but addresses conflicts between the roles the department has played of policy maker, regulator and implementer. The Property Management Trading Entity will be operationalised in 2015/16. Over the medium term, the department's spending on transfers and subsidies (in the *Property and Construction Industry Policy and Research* programme) is set to increase by R3.3 billion or by 69 per cent, due to new transfers to the Property Management Trading Entity. Departmental spending on other economic classification items is expected to decrease over the period, notably on compensation of employees by 32.4 per cent, goods and services by 31.1 per cent, and payments for capital assets by 51.8 per cent, because departmental personnel and associated services are moving to the entity. Transfers to the Property Management Trading Entity will be reduced by R252.2 million over the medium term as part of the Cabinet approved budget reductions of R541.1 million.

Fighting fraud and corruption

By operationalising the governance, risk and compliance branch, the department aims to intensify the prevention of fraud and corruption. The branch will investigate allegations of fraud and corruption within the department and recommend corrective actions. The department has developed an anti-fraud and corruption strategy and a whistle blowing policy. Over the medium term, the department will also conduct fraud awareness workshops, promote ethical business practices, and promote mechanisms for reporting fraud and corruption. The branch's business processes have been reviewed so that it can speed up investigations and address the current backlog. The activities for fighting fraud and corruption in the governance, risk and compliance branch are funded in the *Administration* programme, which is allocated R1.4 billion over the medium term.

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	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Programme 1	751.0	777.5	837.1	894.0	1 047.8	856.2	1 148.2	1 158.2	1 099.1	1 175.3	1 190.6	1 190.6	100.4%	95.4%
Programme 2	–	–	5 001.7	–	–	4 563.5	–	–	2 862.2	–	–	2 861.4	–	–
Programme 3	1 575.2	1 575.2	1 163.0	1 659.0	1 728.8	1 704.1	1 948.0	1 948.0	1 931.7	1 951.3	1 951.3	1 951.3	94.6%	93.7%
Programme 4	5 414.4	5 398.4	4 974.6	5 357.5	5 031.3	4 564.7	3 021.6	3 016.8	2 956.4	2 954.5	2 939.3	2 849.3	91.6%	93.6%
Programme 5	78.6	78.6	86.7	83.3	83.3	79.0	52.3	52.3	35.6	40.1	40.1	40.1	94.9%	94.9%
Total	7 819.3	7 829.7	7 061.4	7 993.8	7 891.2	7 203.9	6 170.0	6 175.3	6 022.7	6 121.3	6 121.3	6 031.3	93.6%	93.9%
Economic classification														
Current payments	2 265.4	2 275.9	2 304.1	2 325.8	2 582.3	2 351.6	2 849.4	2 853.0	2 787.3	2 962.0	3 027.8	3 027.8	100.7%	97.5%
Compensation of employees	1 242.1	1 252.6	1 269.6	1 260.2	1 330.0	1 374.6	1 468.2	1 473.5	1 471.5	1 659.9	1 667.8	1 667.8	102.7%	101.0%
Goods and services	1 008.0	1 008.0	1 032.9	1 055.9	1 242.6	977.0	1 371.5	1 379.6	1 315.8	1 302.1	1 360.0	1 360.0	98.9%	93.9%
of which:														
Audit costs: External	33.7	33.7	41.0	35.8	35.8	48.4	40.3	40.3	58.6	42.6	42.6	42.6	125.1%	125.1%
Computer services	8.2	8.2	48.5	46.5	46.5	43.0	47.3	47.3	24.8	53.8	53.8	53.8	109.1%	109.1%
Consultants and professional services:	21.1	21.1	38.3	40.5	40.6	52.9	12.3	12.3	171.3	12.8	12.8	12.8	317.8%	317.5%
Business and advisory services														

Table 11.2 Vote expenditure trends by programme and economic classification

Economic classification														
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Contractors	67.0	67.0	102.9	19.2	19.2	47.2	31.7	31.7	100.7	72.4	72.4	72.4	169.8%	169.8%
Agency and support/outourced services	137.7	137.7	76.6	140.3	312.7	137.3	391.9	391.9	199.2	284.5	279.9	279.9	72.6%	61.7%
Travel and subsistence	48.8	48.8	86.6	73.0	76.2	86.4	89.8	89.8	95.0	87.0	87.0	87.0	118.9%	117.6%
Interest and rent on land	15.3	15.3	1.6	9.8	9.8	0.0	9.6	—	—	—	—	—	4.6%	6.3%
Transfers and subsidies	4 010.3	4 010.3	3 656.2	4 085.8	4 201.0	4 092.4	2 542.3	2 543.9	2 596.6	2 563.4	2 563.9	2 563.9	97.8%	96.9%
Provinces and municipalities	2 950.4	2 950.5	2 593.0	3 028.1	3 091.0	2 970.0	1 224.2	1 225.8	1 221.4	1 201.5	1 201.5	1 201.5	95.0%	94.3%
Departmental agencies and accounts	733.1	734.7	732.5	751.5	753.0	751.6	803.7	803.7	802.4	802.8	802.5	802.5	99.9%	99.8%
Foreign governments and international organisations	18.5	16.9	13.0	19.4	18.9	15.4	20.5	20.5	17.6	21.7	22.5	22.5	85.4%	86.8%
Public corporations and private enterprises	150.0	150.0	150.0	—	50.8	50.8	50.0	50.0	100.0	50.0	50.0	50.0	140.3%	116.6%
Non-profit institutions	154.4	154.4	163.8	282.7	282.7	292.6	438.3	438.3	448.7	477.5	477.5	477.5	102.2%	102.2%
Households	3.9	3.9	4.0	4.0	4.6	11.9	5.6	5.6	6.5	9.9	9.9	9.9	138.1%	134.7%
Payments for capital assets	1 543.6	1 543.6	1 099.1	1 582.2	1 108.0	756.8	778.4	778.4	631.1	595.9	529.6	439.6	65.0%	73.9%
Buildings and other fixed structures	1 443.9	1 443.9	1 011.4	1 484.7	999.3	713.0	676.2	676.2	567.4	510.4	416.1	326.1	63.6%	74.0%
Machinery and equipment	94.2	94.2	81.2	91.8	83.0	43.3	91.2	90.9	47.5	79.2	107.2	107.2	78.3%	74.4%
Software and other intangible assets	5.4	5.4	6.6	5.7	25.7	0.5	11.0	11.2	16.2	6.3	6.3	6.3	104.2%	60.8%
Payments for financial assets	—	—	2.0	—	—	3.2	—	—	7.8	—	—	—	—	—
Total	7 819.3	7 829.7	7 061.4	7 993.8	7 891.2	7 203.9	6 170.0	6 175.3	6 022.7	6 121.3	6 121.3	6 031.3	93.6%	93.9%

Expenditure estimates

Table 11.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration 2. Intergovernmental Coordination 3. Expanded Public Works Programme 4. Property and Construction Industry Policy and Research 5. Prestige Policy									
Programme	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18		
Programme 1	1 190.6	15.3%	15.1%	476.0	502.2	519.8	-24.1%	10.1%	
Programme 2	—	—	—	47.2	50.1	52.8	—	0.6%	
Programme 3	1 951.3	7.4%	25.6%	1 992.2	2 324.8	2 470.1	8.2%	32.7%	
Programme 4	2 849.3	-19.2%	58.3%	3 803.0	3 960.7	4 220.2	14.0%	55.5%	
Programme 5	40.1	-20.1%	0.9%	92.7	97.5	104.8	37.7%	1.3%	
Total	6 031.3	-8.3%	100.0%	6 411.1	6 935.2	7 367.7	6.9%	100.0%	
Change to 2014				(134.3)	(204.0)	(152.8)			
Budget estimate									
Economic classification									
Current payments	3 027.8	10.0%	39.8%	882.8	925.7	961.6	-31.8%	21.7%	
Compensation of employees	1 667.8	10.0%	22.0%	475.0	499.6	516.1	-32.4%	11.8%	
Goods and services	1 360.0	10.5%	17.8%	407.8	426.0	445.5	-31.1%	9.9%	
of which:									
Audit costs: External	42.6	8.2%	0.7%	22.3	23.5	24.7	-16.7%	0.4%	
Computer services	53.8	87.3%	0.6%	29.2	30.2	37.0	-11.7%	0.6%	
Consultants and professional services: Business and advisory services	12.8	-15.3%	1.0%	75.3	78.7	77.0	82.0%	0.9%	
Contractors	72.4	2.6%	1.2%	35.1	38.3	53.9	-9.4%	0.7%	
Agency and support/outourced services	279.9	26.7%	2.6%	78.4	80.0	67.0	-37.9%	1.9%	
Travel and subsistence	87.0	21.3%	1.3%	48.9	51.3	54.6	-14.4%	0.9%	

Table 11.3 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 (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Transfers and subsidies	2 563.9	-13.9%	49.0%	5 500.2	5 968.0	6 356.8	35.3%	76.2%
Provinces and municipalities	1 201.5	-25.9%	30.3%	1 178.9	1 425.7	1 525.8	8.3%	19.9%
Departmental agencies and accounts	802.5	3.0%	11.7%	3 703.1	3 907.1	4 164.0	73.1%	47.0%
Foreign governments and international organisations	22.5	10.1%	0.3%	23.3	24.5	25.7	4.5%	0.4%
Public corporations and private enterprises	50.0	-30.7%	1.3%	50.0	–	–	-100.0%	0.4%
Non-profit institutions	477.5	45.7%	5.3%	534.8	600.3	630.3	9.7%	8.4%
Households	9.9	36.5%	0.1%	10.2	10.5	11.0	3.7%	0.2%
Payments for capital assets	439.6	-34.2%	11.1%	28.1	41.5	49.3	-51.8%	2.1%
Buildings and other fixed structures	326.1	-39.1%	9.9%	–	–	–	-100.0%	1.2%
Machinery and equipment	107.2	4.4%	1.1%	28.1	41.5	49.3	-22.8%	0.8%
Software and other intangible assets	6.3	5.5%	0.1%	–	–	–	-100.0%	0.0%
Total	6 031.3	-8.3%	100.0%	6 411.1	6 935.2	7 367.7	6.9%	100.0%

Personnel information

Table 11.4 Vote personnel numbers and cost by salary level and programme¹

Programmes																				
1. Administration																				
2. Intergovernmental Coordination																				
3. Expanded Public Works Programme																				
4. Property and Construction Industry Policy and Research																				
5. Prestige Policy																				
Number of posts estimated for 31 March 2015			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 (%)				
			2013/14			2014/15			2015/16			2016/17					2017/18			2014/15 - 2017/18
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			Number	Cost	Unit Cost	
Public Works			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	345	199	5 427	1 471.5	0.3	5 934	1 667.8	0.3	968	475.0	0.5	952	499.6	0.5	905	516.1	0.6	-46.6%	100.0%	
1 – 6	40	158	2 881	379.4	0.1	3 187	437.6	0.1	191	35.0	0.2	177	34.1	0.2	155	31.3	0.2	-63.5%	42.4%	
7 – 10	117	18	1 885	608.3	0.3	2 047	690.1	0.3	438	155.2	0.4	429	158.2	0.4	407	161.5	0.4	-41.6%	37.9%	
11 – 12	135	15	502	331.3	0.7	528	366.6	0.7	230	169.7	0.7	231	179.4	0.8	228	187.9	0.8	-24.4%	13.9%	
13 – 16	53	8	159	152.5	1.0	172	173.5	1.0	109	115.1	1.1	115	127.9	1.1	115	135.5	1.2	-12.6%	5.8%	
Programme	345	199	5 427	1 471.5	0.3	5 934	1 667.8	0.3	968	475.0	0.5	952	499.6	0.5	905	516.1	0.6	-46.6%	100.0%	
Programme 1	–	199	525	217.7	0.4	548	231.8	0.4	606	263.1	0.4	580	268.2	0.5	534	272.8	0.5	-0.9%	25.9%	
Programme 2	36	–	30	14.8	0.5	36	20.8	0.6	47	31.5	0.7	48	33.3	0.7	47	34.9	0.7	9.3%	2.0%	
Programme 3	243	–	212	108.3	0.5	239	133.2	0.6	249	144.1	0.6	254	156.3	0.6	254	164.5	0.6	2.0%	11.4%	
Programme 4	19	–	4 613	1 109.9	0.2	5 064	1 260.1	0.2	21	14.2	0.7	21	15.3	0.7	22	16.1	0.7	-83.7%	58.5%	
Programme 5	47	–	47	20.8	0.4	47	21.9	0.5	45	22.1	0.5	49	26.5	0.5	48	27.8	0.6	0.7%	2.2%	

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

2. Rand million.

Departmental receipts

Table 11.5 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 (%)
R thousand	2011/12	2012/13	2013/14	2014/15		2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Departmental receipts	75 195	53 795	55 470	13 238	13 238	-44.0%	100.0%	1 878	1 474	1 384	-52.9%	100.0%
Sales of goods and services produced by department	36 353	32 013	3 855	4 803	4 803	-49.1%	39.0%	–	–	–	-100.0%	26.7%
Sales by market establishments	411	445	490	414	414	0.2%	0.9%	–	–	–	-100.0%	2.3%
of which:												
Market establishment: Rental parking: Covered and open	411	445	490	414	414	0.2%	0.9%	–	–	–	-100.0%	2.3%
Administrative fees	2	215	–	181	181	349.0%	0.2%	–	–	–	-100.0%	1.0%
of which:												
Servitude rights	2	215	–	181	181	349.0%	0.2%	–	–	–	-100.0%	1.0%

Table 11.5 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 (%)
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
R thousand						2011/12 - 2014/15					2014/15 - 2017/18	
Other sales	35 940	31 353	3 365	4 208	4 208	-51.1%	37.9%	—	—	—	-100.0%	23.4%
of which:												
Tender documents	35 940	31 353	3 365	2 402	2 402	-59.4%	37.0%	—	—	—	-100.0%	13.4%
Rental of capital assets	—	—	—	907	907	—	0.5%	—	—	—	-100.0%	5.0%
Services rendered:	—	—	—	899	899	—	0.5%	—	—	—	-100.0%	5.0%
Commission on insurance and garnishees												
Sales of scrap, waste, arms and other used current goods	35	4	4	402	402	125.6%	0.2%	—	—	—	-100.0%	2.2%
of which:												
Sales: Scrap	—	—	—	383	383	—	0.2%	—	—	—	-100.0%	2.1%
Sales: Waste paper	35	4	4	19	19	-18.4%	—	—	—	—	-100.0%	0.1%
Fines, penalties and forfeits	12	3	4	—	—	-100.0%	—	—	—	—	—	—
Interest, dividends and rent on land	103	7 835	1 326	5 987	5 987	287.4%	7.7%	—	—	—	-100.0%	33.3%
Interest	103	7 835	1 326	5 987	5 987	287.4%	7.7%	—	—	—	-100.0%	33.3%
Sales of capital assets	3 154	—	77	—	—	-100.0%	1.6%	—	—	—	—	—
Transactions in financial assets and liabilities	35 538	13 940	50 204	2 046	2 046	-61.4%	51.5%	1 878	1 474	1 384	-12.2%	37.7%
Total	75 195	53 795	55 470	13 238	13 238	-44.0%	100.0%	1 878	1 474	1 384	-52.9%	100.0%

Programme 1: Administration

Programme purpose

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

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 (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million					2011/12 - 2014/15					2014/15 - 2017/18	
Ministry	25.3	22.3	19.5	32.1	8.3%	5.0%	32.9	34.7	37.1	5.0%	6.9%
Management	32.4	74.4	88.8	97.7	44.5%	14.7%	109.0	109.8	110.4	4.1%	21.6%
Corporate Services	295.7	263.8	248.4	267.3	-3.3%	53.9%	247.4	279.6	291.3	2.9%	55.0%
Finance and Supply Chain Management	79.7	101.9	270.0	77.1	-1.1%	26.5%	86.7	78.1	81.0	1.7%	16.4%
Total	433.1	462.4	626.7	474.3	3.1%	100.0%	476.0	502.2	519.8	3.1%	100.0%
Change to 2014				—			(9.9)	(22.8)	(24.2)		
Budget estimate											
Economic classification											
Current payments	383.6	439.2	596.0	439.5	4.6%	93.1%	456.8	467.0	479.0	2.9%	93.4%
Compensation of employees	184.5	203.7	217.7	231.8	7.9%	42.0%	263.1	268.2	272.8	5.6%	52.5%
Goods and services	198.9	235.4	378.3	207.6	1.4%	51.1%	193.7	198.8	206.2	-0.2%	40.9%
of which:											
Audit costs: External	18.2	19.1	20.1	21.2	5.3%	3.9%	22.3	23.5	24.7	5.2%	4.6%
Communication	14.3	16.6	8.7	12.3	-4.9%	2.6%	13.5	13.7	14.2	4.9%	2.7%
Computer services	42.5	42.3	23.9	29.8	-11.1%	6.9%	28.6	29.4	36.2	6.7%	6.3%
Agency and support/outourced services	28.7	72.7	165.8	51.3	21.4%	15.9%	25.0	23.3	8.0	-46.1%	5.5%
Property payments	0.1	3.3	2.4	10.1	313.9%	0.8%	11.1	11.2	11.7	5.0%	2.2%
Travel and subsistence	18.4	25.3	16.6	17.4	-1.7%	3.9%	19.5	21.5	22.6	9.0%	4.1%
Interest and rent on land	0.2	—	—	—	-100.0%	—	—	—	—	—	—
Transfers and subsidies	0.6	6.0	0.9	9.5	156.0%	0.8%	9.5	9.8	10.3	2.7%	2.0%
Households	0.6	6.0	0.9	9.5	156.3%	0.8%	9.5	9.8	10.3	2.8%	2.0%
Payments for capital assets	48.9	17.2	22.0	25.3	-19.7%	5.7%	9.7	25.3	30.5	6.5%	4.6%
Machinery and equipment	42.4	17.1	6.0	19.1	-23.3%	4.2%	9.7	25.3	30.5	16.9%	4.3%
Software and other intangible assets	6.5	0.2	16.1	6.2	-1.7%	1.4%	—	—	—	-100.0%	0.3%
Payments for financial assets	—	—	7.8	—	—	0.4%	—	—	—	—	—
Total	433.1	462.4	626.7	474.3	3.1%	100.0%	476.0	502.2	519.8	3.1%	100.0%
Proportion of total programme expenditure to vote expenditure	6.1%	6.4%	10.4%	7.7%	—	—	7.4%	7.2%	7.1%	—	—

Table 11.6 Administration 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				Average growth rate (%)		Expenditure/ Total: Average (%)	Average growth rate (%)				Expenditure/ Total: Average (%)	
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18		
Households												
Social benefits												
Current	0.6	6.0	0.9	5.5	113.8%	0.6%	5.4	5.7	6.0	3.0%	1.1%	
Employee social benefits	0.6	6.0	0.9	5.5	113.8%	0.6%	5.4	5.7	6.0	3.0%	1.1%	
Households												
Other transfers to households												
Current	–	–	–	4.0	1487.4%	0.2%	4.1	4.1	4.3	2.5%	0.8%	
Bursaries for non-employees	–	–	–	4.0	–	0.2%	4.1	4.1	4.3	2.5%	0.8%	

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 consistent, sound and integrated corporate governance within the department by:
 - implementing the service delivery improvement framework over the medium term
 - coordinating 12 intergovernmental forums per year between provinces and the department over the MTEF period.
- Ensure coordinated and integrated sector policies and programmes through the implementation of the new Public Works Act by 31 March 2019.

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				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		
Monitoring, Evaluation and Reporting	11.3	11.3	11.3	16.8	14.2%	61.1%	32.9	35.2	37.5	30.8%	69.5%
Intergovernmental Relations and Coordination	8.4	7.2	7.6	9.0	2.3%	38.9%	14.3	14.9	15.4	19.5%	30.5%
Total	19.7	18.5	18.9	25.8	9.4%	100.0%	47.2	50.1	52.8	27.1%	100.0%

Table 11.7 Intergovernmental Coordination 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Current payments	19.6	18.5	18.8	25.8	9.6%	99.7%	43.9	46.8	49.5	24.4%	94.4%
Compensation of employees	14.9	15.2	14.8	20.8	11.8%	79.4%	31.5	33.3	34.9	18.9%	68.5%
Goods and services	4.7	3.2	4.0	5.0	1.8%	20.3%	12.4	13.5	14.6	43.4%	25.9%
of which:											
Contractors	0.1	0.2	–	0.2	27.8%	0.6%	3.5	4.7	5.4	203.4%	7.8%
Agency and support/outourced services	0.2	–	–	0.3	9.7%	0.7%	1.9	2.0	2.0	82.5%	3.5%
Consumables: Stationery, printing and office supplies	0.4	0.5	0.3	0.5	8.7%	2.1%	0.6	0.6	0.6	5.8%	1.3%
Travel and subsistence	2.2	0.9	1.1	1.4	-13.1%	6.8%	3.0	3.0	3.2	29.9%	6.1%
Operating payments	0.4	0.7	1.2	0.7	18.0%	3.7%	0.7	0.7	0.7	-1.1%	1.6%
Venues and facilities	0.5	0.4	0.7	0.3	-14.9%	2.2%	0.6	0.6	0.6	25.1%	1.1%
Transfers and subsidies	–	–	–	–	–	–	0.3	0.3	0.3	–	0.5%
Households	–	–	–	–	–	–	0.3	0.3	0.3	–	0.5%
Payments for capital assets	0.1	–	0.1	–	-100.0%	0.3%	3.0	3.0	3.0	–	5.1%
Machinery and equipment	0.1	–	0.1	–	-100.0%	0.3%	3.0	3.0	3.0	–	5.1%
Total	19.7	18.5	18.9	25.8	9.4%	100.0%	47.2	50.1	52.8	27.1%	100.0%
Proportion of total programme expenditure to vote expenditure	0.3%	0.3%	0.3%	0.4%	–	–	0.7%	0.7%	0.7%	–	–

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

- Create 1 127 186 work opportunities (450 462 full time equivalents) through the expanded public works programme by upscaling the programme and improving coordination and performance in all four participating sectors in 2015/16.
 - Ensure that employees from designated groups are participating in the expanded public works programme by confirming that 55 per cent of the participants are women, 55 per cent are youth and 2 per cent are people with disabilities, in 2015/16.
- Advance the monitoring of the expanded public works programme in municipalities by increasing the number of public bodies reporting on the implementation of the expanded public works programme from 260 in 2014/15 to 275 in 2015/16.

Subprogrammes

- *Expanded Public Works Programme: Monitoring and Evaluation* reports and monitors the outputs of the expanded public works programme, and evaluates the impact of the work opportunities created and training provided 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 environment, 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Expanded Public Works Programme: Monitoring and Evaluation	20.5	21.5	63.8	61.0	43.8%	2.5%	53.7	56.6	59.3	-1.0%	2.6%
Expanded Public Works Programme: Infrastructure	644.4	1 028.0	1 039.4	1 036.7	17.2%	55.5%	1 012.7	1 144.8	1 222.8	5.7%	50.5%
Expanded Public Works Programme: Operations	377.6	529.2	727.7	746.1	25.5%	35.3%	810.2	996.8	1 054.4	12.2%	41.3%
Expanded Public Works Programme: Partnership Support	120.5	125.4	100.8	107.4	-3.8%	6.7%	108.5	119.2	125.7	5.4%	5.3%
Expanded Public Works Programme: Public Employment Coordinating Commission	–	–	–	–	–	–	7.0	7.4	7.8	–	0.3%
Total	1 163.0	1 704.1	1 931.7	1 951.3	18.8%	100.0%	1 992.2	2 324.8	2 470.1	8.2%	100.0%
Change to 2014 Budget estimate							(15.1)	(71.4)	(47.9)		
Economic classification											
Current payments	216.3	244.4	270.3	269.4	7.6%	14.8%	276.0	296.2	311.2	4.9%	13.2%
Compensation of employees	91.9	100.9	108.3	133.2	13.2%	6.4%	144.1	156.3	164.5	7.3%	6.8%
Goods and services	124.3	143.5	161.9	136.2	3.1%	8.4%	132.0	139.9	146.7	2.5%	6.3%
of which:											
Advertising	4.5	4.2	7.1	4.2	-1.8%	0.3%	4.0	4.2	4.4	1.4%	0.2%
Consultants and professional services: Business and advisory services	19.3	28.2	75.7	–	-100.0%	1.8%	60.3	63.7	66.8	–	2.2%
Consultants and professional services: Infrastructure and planning	3.1	7.6	9.4	48.9	151.7%	1.0%	8.9	9.4	9.9	-41.3%	0.9%
Agency and support/outourced services	45.7	64.3	33.0	52.0	4.4%	2.9%	31.2	33.1	34.7	-12.6%	1.7%
Travel and subsistence	27.7	21.9	24.9	23.1	-5.9%	1.4%	18.8	20.0	21.0	-3.2%	0.9%
Venues and facilities	4.9	4.2	2.8	4.8	-0.3%	0.2%	1.8	1.9	2.0	-25.0%	0.1%
Interest and rent on land	0.1	–	–	–	-100.0%	–	–	–	–	–	–
Transfers and subsidies	944.1	1 454.6	1 659.9	1 679.1	21.2%	85.0%	1 713.8	2 026.1	2 156.3	8.7%	86.7%
Provinces and municipalities	789.7	1 171.8	1 221.4	1 201.5	15.0%	65.0%	1 178.9	1 425.7	1 525.8	8.3%	61.0%
Non-profit institutions	154.4	282.7	438.3	477.5	45.7%	20.0%	534.8	600.3	630.3	9.7%	25.7%
Households	–	0.1	0.2	0.2	62.4%	–	0.2	0.2	0.2	3.8%	–
Payments for capital assets	2.6	1.9	1.5	2.8	2.3%	0.1%	2.4	2.5	2.6	-2.0%	0.1%
Machinery and equipment	2.6	1.9	1.5	2.8	2.3%	0.1%	2.4	2.5	2.6	-2.0%	0.1%
Payments for financial assets	–	3.2	–	–	–	–	–	–	–	–	–
Total	1 163.0	1 704.1	1 931.7	1 951.3	18.8%	100.0%	1 992.2	2 324.8	2 470.1	8.2%	100.0%
Proportion of total programme expenditure to vote expenditure	16.5%	23.7%	32.1%	31.9%	–	–	31.1%	33.5%	33.5%	–	–
Details of selected transfers and subsidies											
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	363.9	661.5	611.3	594.6	17.8%	33.1%	587.7	664.0	716.4	6.4%	29.3%
Expanded public works programme integrated grant for municipalities	363.9	661.5	611.3	594.6	17.8%	33.1%	587.7	664.0	716.4	6.4%	29.3%
Non-profit institutions											
Current	154.4	282.7	438.3	477.5	45.7%	20.0%	534.8	600.3	630.3	9.7%	25.7%
Non-state sector	154.4	282.7	438.3	477.5	45.7%	20.0%	534.8	600.3	630.3	9.7%	25.7%
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Current	425.8	510.2	610.2	606.9	12.5%	31.9%	591.2	761.7	809.4	10.1%	31.7%
Expanded public works programme integrated grant for provinces	225.5	292.8	354.2	348.9	15.7%	18.1%	350.6	402.0	423.8	6.7%	17.5%
Social sector expanded public works programme incentive grant for provinces	200.4	217.4	256.0	258.0	8.8%	13.8%	240.6	359.7	385.6	14.3%	14.2%

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.

Objectives

- Promote uniformity and best practice in construction and immovable asset management in the public sector through the development and promulgation of a public works act by March 2018.
- Regulate the construction and property industries by reviewing and amending the State Land Disposal Act (1961), by March 2017.

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.
- *Sector Research and Analysis* conducts industry research on the construction and property sector to inform the development and review of legislation and policy.
- *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 will be 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 (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Construction Policy Development Programme	21.5	18.0	19.1	22.8	1.9%	0.5%	24.3	26.2	27.1	5.9%	0.6%
Property Policy Development Programme	12.9	8.9	13.7	10.8	-5.6%	0.3%	11.4	12.5	13.5	7.7%	0.3%
Construction Industry Development Board	66.0	67.6	72.4	77.2	5.4%	1.6%	65.6	62.1	90.0	5.2%	1.9%
Council for the Built Environment	28.7	28.1	38.0	41.6	13.2%	0.8%	42.0	43.4	48.6	5.3%	1.1%
Independent Development Trust	150.0	50.8	100.0	50.0	-30.7%	2.0%	50.0	—	—	-100.0%	0.6%
Construction Education and Training Authority	0.3	1.3	1.5	1.9	90.3%	—	1.8	1.9	2.0	1.7%	—
Property Management Trading Entity	5 066.8	4 749.9	3 061.6	3 317.2	-13.2%	94.3%	3 584.7	3 790.2	4 013.3	6.6%	94.7%
Assistance to Organisations for the Preservation of National Memorials	13.0	15.4	17.6	22.5	20.3%	0.4%	23.3	24.5	25.7	4.5%	0.6%
Total	5 359.0	4 940.0	3 323.7	3 544.0	-12.9%	100.0%	3 803.0	3 960.7	4 220.2	6.0%	100.0%
Change to 2014							(109.2)	(109.8)	(80.7)		
Budget estimate											

Table 11.9 Property and Construction Industry Policy and Research expenditure trends and estimates by subprogramme and economic classification

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		
Current payments	1 616.6	1 580.5	1 798.4	2 196.3	10.8%	41.9%	35.3	38.3	40.3	-73.6%	14.9%
Compensation of employees	957.1	1 031.6	1 109.9	1 260.1	9.6%	25.4%	14.2	15.3	16.1	-76.6%	8.4%
Goods and services	658.3	548.9	688.5	936.2	12.5%	16.5%	21.1	23.0	24.2	-70.5%	6.5%
of which:											
Consultants and professional services: Business and advisory services	4.2	14.5	47.0	5.7	11.1%	0.4%	2.3	3.3	3.1	-18.9%	0.1%
Consultants and professional services: Infrastructure and planning	6.9	3.4	8.8	7.2	1.4%	0.2%	0.2	0.5	1.1	-46.5%	0.1%
Agency and support/outourced services	1.6	–	–	174.5	378.2%	1.0%	12.6	13.3	13.8	-57.1%	1.4%
Travel and subsistence	36.9	37.5	51.3	42.7	5.0%	1.0%	2.2	2.3	2.4	-61.7%	0.3%
Operating payments	5.7	3.5	3.0	1.6	-34.0%	0.1%	0.4	0.6	0.6	-29.1%	–
Venues and facilities	1.0	0.3	2.2	1.3	8.5%	–	1.3	0.6	0.7	-18.2%	–
Interest and rent on land	1.2	–	–	–	-100.0%	–	–	–	–	–	–
Transfers and subsidies	2 704.1	2 624.0	927.6	866.6	-31.6%	41.5%	3 767.5	3 922.2	4 179.9	69.0%	82.0%
Provinces and municipalities	1 803.2	1 798.2	–	–	-98.0%	21.0%	–	–	–	-100.0%	–
Departmental agencies and accounts	725.1	743.9	794.2	793.8	3.1%	17.8%	3 694.0	3 897.5	4 153.9	73.6%	80.8%
Foreign governments and international organisations	13.0	15.4	17.6	22.5	20.3%	0.4%	23.3	24.5	25.7	4.5%	0.6%
Public corporations and private enterprises	150.0	50.8	100.0	50.0	-30.7%	2.0%	50.0	–	–	-100.0%	0.6%
Non-profit institutions	9.4	9.9	10.4	–	-100.0%	0.2%	–	–	–	–	–
Households	3.4	5.8	5.4	0.2	-61.1%	0.1%	0.2	0.2	0.2	1.6%	–
Payments for capital assets	1 036.3	735.5	597.8	481.1	-22.6%	16.6%	0.1	0.1	0.1	-93.6%	3.1%
Buildings and other fixed structures	1 011.4	713.0	567.4	416.1	-25.6%	15.8%	–	–	–	-100.0%	2.7%
Machinery and equipment	24.8	22.2	30.3	64.9	37.8%	0.8%	0.1	0.1	0.1	-87.6%	0.4%
Software and other intangible assets	0.1	0.3	0.1	0.2	30.0%	–	–	–	–	-100.0%	–
Payments for financial assets	2.0	–	–	–	-100.0%	–	–	–	–	–	–
Total	5 359.0	4 940.0	3 323.7	3 544.0	-12.9%	100.0%	3 803.0	3 960.7	4 220.2	6.0%	100.0%
Proportion of total programme expenditure to vote expenditure	75.9%	68.6%	55.2%	57.9%	–	–	59.3%	57.1%	57.3%	–	–
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	3.4	5.8	5.4	0.2	-61.1%	0.1%	0.2	0.2	0.2	1.6%	–
Employee social benefits	3.4	5.8	5.4	0.2	-61.1%	0.1%	0.2	0.2	0.2	1.6%	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	725.1	743.9	794.2	793.8	3.1%	17.8%	3 694.0	3 897.5	4 153.9	73.6%	80.8%
Construction Industry Development Board	66.0	67.6	72.4	77.2	5.4%	1.6%	65.6	62.1	90.0	5.2%	1.9%
Council for the Built Environment	28.7	28.1	38.0	41.6	13.2%	0.8%	42.0	43.4	48.6	5.3%	1.1%
Construction Education and Training Authority	0.3	1.3	1.5	1.9	90.3%	–	1.8	1.9	2.0	1.7%	–
Property Management Trading Entity	630.2	46.8	682.4	673.1	2.2%	15.3%	3 584.7	3 790.2	4 013.3	81.3%	77.7%
Non-profit institutions											
Current	9.4	9.9	10.4	–	-100.0%	0.2%	–	–	–	–	–
Agrement Board	9.4	9.9	10.4	–	-100.0%	0.2%	–	–	–	–	–
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	150.0	50.8	100.0	50.0	-30.7%	2.0%	50.0	–	–	-100.0%	0.6%
Independent Development Trust	150.0	50.8	100.0	50.0	-30.7%	2.0%	50.0	–	–	-100.0%	0.6%
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Current	1 803.2	98.2	–	–	-100.0%	21.0%	–	–	–	–	–
Devolution of property rates funds grant	1 803.2	98.2	–	–	-100.0%	21.0%	–	–	–	–	–
Foreign governments and international organisations											
Current	13.0	15.4	17.6	22.5	20.3%	0.4%	23.3	24.5	25.7	4.5%	0.6%
Commonwealth War Graves Commission	13.0	15.4	17.6	22.5	20.3%	0.4%	23.3	24.5	25.7	4.5%	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

- 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	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
Prestige Accommodation and State Functions	79.3	71.2	113.5	117.3	14.0%	92.2%	83.6	87.9	94.7	-6.9%	91.1%
Parliamentary Villages Management Board	7.4	7.8	8.2	8.7	5.5%	7.8%	9.1	9.6	10.1	5.0%	8.9%
Total	86.7	79.0	121.7	126.0	13.3%	100.0%	92.7	97.5	104.8	-6.0%	100.0%
Economic classification											
Current payments	68.0	69.1	103.8	96.9	12.5%	81.7%	70.7	77.3	81.7	-5.5%	77.6%
Compensation of employees	21.1	23.1	20.8	21.9	1.2%	21.0%	22.1	26.5	27.8	8.3%	23.3%
Goods and services	46.8	46.0	83.0	75.0	17.1%	60.7%	48.7	50.8	53.9	-10.4%	54.3%
of which:											
Assets less than the capitalisation threshold	3.8	0.6	1.2	2.3	-15.1%	1.9%	3.5	4.0	4.1	21.3%	3.3%
Contractors	38.9	42.9	79.3	67.7	20.3%	55.4%	28.5	30.0	31.5	-22.5%	37.5%
Agency and support/outourced services	0.4	0.3	0.4	0.5	12.6%	0.4%	7.8	8.3	8.5	157.1%	6.0%
Inventory: Other supplies	0.5	–	–	0.2	-31.9%	0.2%	1.1	1.1	1.2	98.6%	0.8%
Travel and subsistence	1.5	0.7	1.1	2.3	16.0%	1.3%	5.3	4.5	5.5	33.7%	4.2%
Training and development	–	–	–	0.7	398.2%	0.2%	1.0	1.0	1.0	10.5%	0.9%
Interest and rent on land	0.1	–	–	–	-100.0%	–	–	–	–	–	–
Transfers and subsidies	7.4	7.8	8.3	8.7	5.5%	7.8%	9.1	9.6	10.1	5.0%	8.9%
Departmental agencies and accounts	7.4	7.8	8.2	8.7	5.5%	7.8%	9.1	9.6	10.1	5.0%	8.9%
Households	–	–	0.1	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	11.3	2.1	9.6	20.5	22.0%	10.5%	12.9	10.6	13.0	-14.0%	13.5%
Machinery and equipment	11.3	2.1	9.6	20.5	22.0%	10.5%	12.9	10.6	13.0	-14.0%	13.5%
Total	86.7	79.0	121.7	126.0	13.3%	100.0%	92.7	97.5	104.8	-6.0%	100.0%
Proportion of total programme expenditure to vote expenditure	1.2%	1.1%	2.0%	2.1%	–	–	1.4%	1.4%	1.4%	–	–
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	7.4	7.8	8.2	8.7	5.5%	7.8%	9.1	9.6	10.1	5.0%	8.9%
Parliamentary Villages Management Board	7.4	7.8	8.2	8.7	5.5%	7.8%	9.1	9.6	10.1	5.0%	8.9%

Public entities and other agencies

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 budget devolution was aimed at ensuring the long term sustainability of the department and its immovable assets, and ensuring compliance with the Public Finance Management Act (1999), specifically the requirement that the full cost of a service be reflected on each of the departments' budgets. 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 commission basis. Following the operationalisation of the entity in 2015, the entity will assume the implementation of functions which were previously performed by the Department of Public Works. These functions include the provision of office accommodation to client departments at the national government level; and the planning, acquiring, managing and disposing of immovable assets in the department's custody.

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	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Expenditure on the development of the Salvokop site (for construction of a government precinct) contained within predetermined budgetary allocations per year	Real estate investment services	Outcome 12: An efficient, effective and development-oriented public service	— ¹	— ¹	— ¹	— ¹	R100m	R106m	R50m ²
Number of user asset management plans developed and updated per year	Real estate investment services		— ¹	— ¹	— ¹	— ¹	45	45	45
Number of custodian asset management plans developed and updated per year	Real estate investment services		— ¹	— ¹	— ¹	— ¹	1	1	1
Number of planned projects completed per year	Construction project management	Outcome 6: An efficient, competitive and responsive economic infrastructure network	— ¹	— ¹	— ¹	— ¹	96	43	19
Number of account statements on property rates settled with municipalities on behalf of departments per year	Real estate management	Outcome 9: Responsive, accountable, effective and efficient developmental local government system	— ¹	— ¹	— ¹	— ¹	13 000	14 000	15 000
Expenditure on lease accommodation contained within predetermined budgetary allocations per year	Real estate management		— ¹	— ¹	— ¹	— ¹	R4.1bn	R4.4bn	R4.7bn
Number of verified land parcels and immovable structures on deeds registry valued by municipalities	Real estate registry services		— ¹	— ¹	— ¹	— ¹	6 963	6 963	6 963
Percentage of day-to-day maintenance requests carried out within agreed time frames per year	Facilities management services	Outcome 10: Protect and enhance our environmental assets and natural resources	— ¹	— ¹	— ¹	— ¹	70%	80%	90%

1. Historical data is not available, as these are new indicators.

2. More funds are provided in the first 2 years of the project for site development and clearance, after which less is spent.

Expenditure analysis

The national development plan aims to develop the skills and infrastructure the economy will require by 2030. This is further articulated in government's 2014-2019 medium term strategic framework. South Africa can realise this aim by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society. The Property Management Trading Entity will contribute to the implementation of these priorities in relation to infrastructure development, the integrated rural economy, the fight against corruption, and an efficient, effective and development oriented public service.

The entity's focus over the medium term will be on becoming operational by assuming the implementation functions of providing office accommodation to client departments at national government level, as well as the planning, acquiring, managing and disposing of immovable assets under the custody of the Department of

Public Works. Further focus areas include rebuilding the entity's technical and professional capacity to support greater efficiency in national infrastructure investment, reducing costs to the state, and becoming self-sustainable.

As part of the implementation of the department's turnaround strategy, the focus has been reconceived and rearranged in such a manner that the department will be responsible for policy development, oversight, coordination, and monitoring and evaluation, while the entity will be responsible for implementing the department's accommodation and infrastructure mandate. The rationale for this is that an entity that is wholly devoted to implementing the accommodation and infrastructure imperatives of the department, and functions on the basis of business principles, stands a better chance of achieving value for money for government's infrastructure programme, as well as delivering expected outputs with greater effectiveness and efficiency.

The entity's revenue is generated mainly from management fees earned through administrative services provided on behalf of client departments, as well as through transfers from the Department of Public Works. The administrative services provided include the payment of municipal charges on behalf of client departments at a management fee of 5 per cent, and the collection of rental income on both government owned buildings rented to client departments and privately owned buildings rented on behalf of government departments from private landlords. Between 2011/12 and 2014/15, revenue increased by 4.3 per cent due to increases in accommodation charges and cost escalations from leases. Revenue is expected to increase from R10.7 billion in 2014/15 to R12.7 billion in 2017/18 at an average annual rate of 5.8 per cent due to additional transfers of R9.2 billion from the department for the operationalisation of the entity.

The entity expects to deliver at least 158 projects over the medium term. These projects are in different stages, ranging from planning, design and construction to finalisation, and include projects funded by the entity as well as those funded by client departments from their capital infrastructure budgets. Key projects that the entity will deliver over the MTEF period and beyond include the upgrading of the Agrivaal building; the upgrading and rebuilding of the Minnaar Street workshop; maintenance of various prestige facilities, including 19 lifts in Parliament; repairs to the Masimanyane police complex; and the development of the Salvokop precinct for the construction of several buildings to be used as headquarters for a number of departments, including Statistics South Africa.

Cabinet approved budget reductions of R252.2 million will be effected over the medium term, mainly due to persistent underspending on infrastructure projects. These reductions were originally to be effected in the department, but as the implementation functions have moved to the entity, the reductions are to be effected within the entity. Of the total reductions, R168.1 million over the MTEF period will be on infrastructure as the department has consistently underspent in this area. A reduction of R50.7 million over the medium term will be effected on compensation of employees, specifically on vacant posts for support staff. A reduction of R31.6 million over the MTEF period will be effected on non-core goods and services, as well as a reduction of R1.8 million on machinery and equipment.

Previously, the entity did not have a budget for compensation of employees as the personnel costs were the responsibility of the department. However, as a result of the operationalisation, the department will, starting from 2015/16, transfer personnel and its associated costs to the entity in building the entity's technical and professional capacity to achieve its objectives. Also because of the operationalisation, expenditure on goods and services is expected to increase by 3.2 per cent, from R7.8 billion in 2014/15 to R8.6 billion in 2017/18. 70.1 per cent of total expenditure over the medium term is expected to be on goods and services, especially in the real estate management services programme, which accounts for 51.1 per cent of the entity's total spending.

Programmes/objectives/activities

Table 11.12 Property Management Trading Entity 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 (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Administration	15.3	4.4	2.9	709.4	259.0%	1.9%	1 009.1	1 058.7	1 108.1	16.0%	8.3%
Real Estate Investment Services	–	–	–	26.3	–	0.1%	107.0	112.0	126.1	68.5%	0.8%
Construction Management Services	3 018.4	2 405.4	767.6	157.9	-62.6%	15.9%	466.0	485.7	523.9	49.1%	3.4%
Real Estate Management Services	4 014.8	4 128.3	4 824.7	5 178.0	8.9%	48.2%	5 720.4	6 152.4	6 633.0	8.6%	51.1%
Real Estate Registry Services	412.5	–	1.8	725.8	20.7%	2.9%	1 662.5	1 664.7	1 670.3	32.0%	12.0%
Facilities Management Services	3 344.1	3 287.2	2 531.2	2 714.5	-6.7%	31.0%	2 803.7	2 813.0	2 919.3	2.5%	24.4%
Total	10 805.2	9 825.2	8 128.2	9 512.0	-4.2%	100.0%	11 768.6	12 286.5	12 980.7	10.9%	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										Outcome/ Budget Average (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate		
R million	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15	
Revenue										
Non-tax revenue	4 028.5	9 437.1	4 389.8	9 131.7	6 582.3	10 305.5	11 209.7	10 719.5		151.1%
Sale of goods and services other than capital assets	4 023.5	9 374.6	4 384.8	9 079.7	6 563.6	9 552.1	11 187.4	10 669.1		147.8%
of which:										–
Sales by market establishment	3 029.6	6 106.1	3 295.4	5 661.7	3 548.8	3 479.5	7 180.8	6 662.5		128.5%
Other sales	993.9	3 268.4	1 089.4	3 418.0	3 014.8	6 072.7	4 006.6	4 006.6		184.1%
Other non-tax revenue	5.0	62.5	5.0	52.0	18.7	753.3	22.3	50.4		1 798.8%
Transfers received	630.2	630.2	646.8	646.8	682.4	682.4	673.4	673.1		100.0%
Total revenue	4 658.7	10 067.2	5 036.7	9 778.5	7 264.8	10 987.9	11 883.1	11 392.6		146.4%
Expenses										
Current expenses	4 007.0	10 108.9	4 219.8	9 330.9	6 476.2	7 423.4	6 375.2	8 551.8		168.0%
Compensation of employees	–	12.9	–	17.9	–	621.5	–	–		–
Goods and services	3 989.3	10 081.1	4 200.7	9 298.9	6 456.3	6 784.7	6 358.6	7 816.1		161.8%
Depreciation	–	–	–	–	–	1.8	–	720.0		–
Interest, dividends and rent on land	17.6	14.9	19.1	14.1	19.9	15.4	16.6	15.7		82.1%
Transfers and subsidies	651.7	696.3	–	494.3	788.6	704.8	975.0	960.2		118.2%
Total expenses	4 658.7	10 805.2	4 936.7	9 825.2	7 264.8	8 128.2	7 350.2	9 512.0		158.1%
Surplus/(Deficit)	–	(738.0)	100.0	(47.0)	–	2 860.0	4 533.0	1 881.0		
Statement of financial position										
Carrying value of assets	–	–	–	–	–	10 325.3	6 050.0	39 278.2		819.9%
of which:										
Acquisition of assets	–	–	–	–	–	2 600.8	4 532.9	3 495.9		134.5%
Investments	–	890.2	–	820.6	–	899.9	1 096.2	863.5		316.9%
Receivables and prepayments	1 358.5	1 925.5	1 200.0	2 791.8	–	1 742.1	1 978.6	1 600.0		177.6%
Cash and cash equivalents	7.0	1.4	350.1	0.8	–	0.4	1.0	224.5		63.4%
Total assets	1 365.5	2 817.1	1 550.1	3 613.2	–	12 967.6	9 125.8	41 966.2		509.6%
Accumulated surplus/(deficit)	–	(1 122.3)	(204.7)	(1 920.6)	–	8 471.4	5 788.2	38 237.7		782.1%
Borrowings	–	1 255.0	1 254.8	1 402.3	–	433.1	1 000.0	–		137.1%
Finance lease	–	890.2	–	822.4	–	861.0	936.2	863.5		367.1%
Trade and other payables	218.0	1 422.4	500.0	1 285.5	–	662.9	1 000.0	400.0		219.5%
Provisions	4.0	35.5	–	1 743.4	–	2 299.9	23.6	2 200.0		22 724.2%
Derivatives financial instruments	1 143.5	336.3	–	280.3	–	239.3	377.8	265.0		73.7%
Total equity and liabilities	1 365.5	2 817.1	1 550.1	3 613.2	–	12 967.6	9 125.8	41 966.2		509.6%

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		Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Revised estimate	2014/15			2015/16	2016/17	2017/18		
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Revenue								
Non-tax revenue	10 719.5	4.3%	93.8%	11 129.0	11 899.8	12 699.8	5.8%	80.4%
Sale of goods and services other than capital assets	10 669.1	4.4%	91.6%	11 079.2	11 850.1	12 649.9	5.8%	80.0%
of which:								
Sales by market establishment	6 662.5	2.9%	52.2%	7 139.0	7 641.7	8 174.9	7.1%	51.2%
Other sales	4 006.6	7.0%	39.5%	3 940.2	4 208.4	4 475.0	3.8%	28.9%
Other non-tax revenue	50.4	-6.9%	2.1%	49.8	49.7	49.9	-0.3%	0.3%
Transfers received	673.1	2.2%	6.2%	3 584.7	3 790.2	4 013.3	81.3%	19.6%
Total revenue	11 392.6	4.2%	100.0%	14 713.7	15 689.9	16 713.2	13.6%	100.0%
Expenses								
Current expenses	8 551.8	-5.4%	92.4%	10 712.4	11 124.7	11 702.7	11.0%	90.4%
Compensation of employees	–	-100.0%	2.0%	1 288.8	1 369.2	1 474.4	–	8.4%
Goods and services	7 816.1	-8.1%	88.4%	7 786.7	8 117.3	8 588.7	3.2%	70.1%
Depreciation	720.0	–	1.9%	1 620.0	1 620.0	1 620.0	31.0%	11.8%
Interest, dividends and rent on land	15.7	1.9%	0.2%	16.9	18.2	19.6	7.7%	0.2%
Transfers and subsidies	960.2	11.3%	7.6%	1 056.2	1 161.8	1 278.0	10.0%	9.6%
Total expenses	9 512.0	-4.2%	100.0%	11 768.6	12 286.5	12 980.7	10.9%	100.0%
Surplus/(Deficit)	1 881.0	-236.6%	–	2 945.0	3 403.0	3 732.0	25.7%	–
Statement of financial position								
Carrying value of assets	39 278.2	–	43.3%	87 658.2	86 038.2	84 418.2	29.1%	95.6%
of which:								
Acquisition of assets	3 495.9	–	7.1%	4 932.9	5 415.7	5 770.3	18.2%	6.6%
Investments	863.5	-1.0%	15.8%	864.0	864.5	865.0	0.1%	1.2%
Receivables and prepayments	1 600.0	-6.0%	40.7%	1 500.0	1 400.0	1 300.0	-6.7%	2.1%
Cash and cash equivalents	224.5	443.4%	0.2%	984.6	1 032.2	1 066.8	68.1%	1.0%
Total assets	41 966.2	146.1%	100.0%	91 006.8	89 334.9	87 650.0	27.8%	100.0%
Accumulated surplus/(deficit)	38 237.7	-424.2%	15.9%	87 427.8	85 855.4	84 270.0	30.1%	94.9%
Finance lease	863.5	-1.0%	15.8%	864.0	864.5	865.0	0.1%	1.2%
Trade and other payables	400.0	-34.5%	23.0%	400.0	400.0	400.0	–	0.6%
Provisions	2 200.0	295.8%	18.1%	2 000.0	1 800.0	1 600.0	-10.1%	2.8%
Derivatives financial instruments	265.0	-7.6%	5.5%	315.0	415.0	515.0	24.8%	0.5%
Total equity and liabilities	41 966.2	146.1%	100.0%	91 006.8	89 334.9	87 650.0	44.9%	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 2015		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 (%)		
		2013/14			2014/15			2015/16		2016/17		2017/18					
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				
Property Management Trading Entity		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2014/15 - 2017/18			
Salary level	–	–	–	–	–	–	–	4 872	1 288.8	0.3	4 872	1 369.2	0.3	4 872	1 474.4	–	–
1 – 6	–	–	–	–	–	–	–	3 139	348.9	0.1	3 139	370.7	0.1	3 139	399.1	–	–
7 – 10	–	–	–	–	–	–	–	1 224	418.6	0.3	1 224	444.8	0.4	1 224	478.9	–	–
11 – 12	–	–	–	–	–	–	–	429	419.1	1.0	429	445.3	1.0	429	479.5	–	–
13 – 16	–	–	–	–	–	–	–	80	102.1	1.3	80	108.5	1.4	80	116.9	–	–

1. Rand million.

Other public entities and agencies

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 2015/16 is R134.6 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 2015/16 is R43.9 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 2015/16 is R463.6 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		
				2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
R million										
Departmental infrastructure										
Inner city regeneration (Pretoria): Agrivaal building	Rehabilitation	Construction	615.7	8.8	69.4	–	–	–	–	–
Departmental: Various centres	Upgrading and construction of departmental accommodation sites (77 projects)	Various	3 012.0	285.3	228.1	250.0	207.1	–	–	–
Dolomite: Various centres	Management of dolomite risk areas (31 projects)	Various	935.7	32.2	32.4	24.7	73.0	–	–	–
Accessibility: Various centres	Upgrading of disabled facilities (165 projects)	Various	81.0	11.4	5.0	7.1	11.4	–	–	–
Border control operational coordination committee: Various centres	Redevelopment of border post centres (114 projects)	Various	3 739.7	274.6	233.9	191.7	142.0	–	–	–
Prestige: Various centres	Upgrading and construction of prestige accommodation sites (46 projects)	Various	1 350.4	365.9	118.8	57.6	70.0	–	–	–
Inner city regeneration: Various centres	Development of national government precincts (32 projects)	Various	536.4	33.3	25.4	36.2	6.9	–	–	–
Infrastructure transfers to other spheres, agencies and departments										
Departmental: Various centres	Upgrading and construction of departmental accommodation sites (77 projects)	Various	3 012.0	–	–	–	–	111.2	168.8	182.6
Dolomite: Various centres	Management of dolomite risk areas (31 projects)	Various	935.7	–	–	–	–	141.0	148.5	155.9
Accessibility: Various centres	Upgrading of disabled facilities (165 projects)	Various	81.0	–	–	–	–	9.0	9.5	10.0
Border control operational coordination committee: Various centres	Redevelopment of border post centres (114 projects)	Various	3 739.7	–	–	–	–	261.1	261.2	276.7
Prestige: Various centres	Upgrading and construction of prestige accommodation sites (46 projects)	Various	1 350.4	–	–	–	–	150.0	139.5	146.5
Inner city regeneration: Various centres	Development of national government precincts (32 projects)	Various	536.4	–	–	–	–	101.0	106.4	111.7
Total			19 926.3	1 011.4	713.0	567.4	510.4	773.3	833.8	883.3

Vote 12

Statistics South Africa

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	791.3	534.2	14.5	242.5	705.2	744.0
Economic Statistics	214.4	213.4	0.0	1.1	226.5	240.1
Population and Social Statistics	133.7	132.5	0.2	0.9	130.6	138.1
Methodology, Standards and Research	66.3	65.6	–	0.6	69.9	74.2
Statistical Support and Informatics	250.0	239.4	–	10.6	261.6	276.0
Statistical Collection and Outreach	553.6	542.2	0.1	11.3	571.3	605.6
Survey Operations	236.0	233.0	0.7	2.2	533.8	199.9
Total expenditure estimates	2 245.2	1 960.4	15.5	269.3	2 498.9	2 278.0

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, public entities, donor funding, public private partnerships, conditional allocations 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 coordinate 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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of quarterly and annual releases on GDP estimates per year	Economic Statistics	Outcome 4: Decent employment through inclusive economic growth	5	5	4	4	4	4	4
Number of releases on industry and trade statistics per year	Economic Statistics		142	142	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 ¹	Economic Statistics		24	24	24	24	48	48	48
Number of releases on labour market dynamics per year ²	Population and Social Statistics		8	8	8	8	8	8	8
Number of releases on living circumstances, service delivery and poverty	Population and Social Statistics		2	2	2	7	4	4	4

Table 12.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of releases on the changing profile of the population per year	Population and Social Statistics	Outcome 4: Decent employment through inclusive economic growth	17	17	17	17	17	17	17
Number of releases on population dynamics and service delivery at national, provincial and municipal level	Population and Social Statistics	Outcome 8: Sustainable human settlements and improved quality of household life	— ³	— ³	— ³	— ³	— ³	— ³	10

1. The indicators for the consumer price index and the producer price index have been combined. 2 new monthly releases have been introduced.

2. The employment and earnings indicator has been combined with the labour market dynamics indicator.

3. Historical data is not available, because the indicator will be measured in 2017/18.

Expenditure analysis

The national development plan highlights the need for South Africa to build a state that is capable of playing a developmental and transformative role. This requires the state to formulate and implement policies that support that role. 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 per year. The publications present statistical research that measures the development and transformation of the economy and society in a range of contexts. Changing economic and societal realities have expanded the demand for statistical information: more detailed statistics are needed and more frequently if policies are to be responsive and effective. 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 will require a national effort, and collaboration and partnerships between the producers and the users of statistics.

Statistics South Africa's focus over the medium term will be 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

Statistics South Africa will conduct a community survey in 2016/17, funded by a Cabinet approved budget increase of R509.3 million over the medium term. The survey will provide official statistics at the municipality level, which will enhance planning and monitoring and evaluation at that level. Spending for this is in the *Census and Community Survey Operations* subprogramme in the *Survey Operations* programme, and is set to grow by 8.9 per cent over the medium term. In 2015/16, the allocation of R89.4 million will be used mainly for preparations for the survey, including for procuring stationery, printing questionnaires, consultancy services, and machinery and equipment. In 2016/17, the allocation of R381.4 million will be used mainly for paying field workers, fleet services and communication services for data collection. In 2017/18, R38.5 million is allocated for processing, analysing and disseminating the data.

Due to the labour intensive nature of the department's survey operations in general, spending on compensation of employees accounts for 60.0 per cent of the department's budget over the medium term. The department is expected to employ over 7 667 field workers for the community survey in 2016/17, which will result in a 13.6 per cent increase in compensation of employees in that year.

Cabinet approved budget reductions of R95.5 million over the medium term follow recent underspending, mainly on compensation of employees due to the difficulty in attracting candidates with specialised skills and organisational restructuring. The reductions will be effected on goods and services items such as operating payments, stationery, printing and office supplies, travel and subsistence, catering, and communication. The department will absorb the bulk of the reductions through efficiency savings, mainly by freezing vacant funded posts to align to the reduced compensation of employees budget.

Statistical reform

The department's key focus over the medium term is the revision of the statistics legislation to drive statistical reform, particularly statistical coordination. The process will begin with stakeholder consultations in 2015/16.

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 in planning and decision making and in the implementation of 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. Other reform activities will include establishing a governance structure, setting up a statistical clearing house to advise the statistician-general, as well as setting up a professional body for statisticians.

Funding for statistical coordination activities of R93.7 million over the medium term in the *National Statistics System* subprogramme in the *Administration* programme will be spent mainly on compensation of employees and travel and subsistence.

Building a capable organisation and work environment

The department will invest in business modernisation over the medium term. Activities will entail researching and developing platforms to digitise data collection, and processing and disseminating statistical information that will lead to efficiency gains in the future. Testing and piloting digital data collection will start in 2015/16. Business modernisation will take place across all the department's programmes. Since no funds have been allocated for business modernisation, each programme either requests the *Statistical Support and Informatics* programme to incur limited ICT expenditure on its behalf or uses its own budget. The department is aiming to improve its productivity, speed up some of its processes and reduce the potential for human error. One of the benefits will be faster turnaround times for releasing statistics to the public.

Statistics South Africa is building a new head office through a public private partnership. The new premises signal the start of the government precinct development at Salvokop, which is part of the Tshwane inner city regeneration project. The department contributes R617 million to the project. The construction of the head office began in 2014/15. At the end of December 2014, R133.4 million had been spent of the 2014/15 budget allocation of R421.2 million, for bulk earthworks, excavation, piling and the construction of the basement. In 2015/16, an additional R195.9 million, allocated to building and other fixed structures, will advance construction, which is expected to be completed in June 2016.

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			Annual budget			Annual budget			Annual budget			Outcome/Annual budget Average (%)
	Adjusted appropriation	Audited outcome		Adjusted appropriation	Audited outcome		Adjusted appropriation	Audited outcome		Adjusted appropriation	Revised estimate		Outcome/Adjusted appropriation Average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15
Programme 1	414.5	413.4	411.6	444.5	452.0	461.4	487.1	530.8	554.2	934.7	914.4	780.6	96.8%
Programme 2	196.4	194.1	167.6	213.9	193.7	182.2	199.2	196.7	187.2	210.5	202.8	195.8	89.4%
Programme 3	121.8	102.6	94.3	122.0	111.7	102.3	111.8	109.6	102.1	117.9	150.0	168.3	98.6%
Programme 4	75.6	72.3	46.1	80.2	52.9	48.5	68.7	62.9	51.2	65.5	60.2	55.4	69.4%
Programme 5	195.1	192.6	199.6	200.3	211.2	202.9	223.8	218.7	210.7	245.1	235.6	213.0	95.6%
Programme 6	414.7	445.2	470.7	454.6	465.1	466.6	471.3	474.9	473.5	524.5	524.7	517.2	103.4%
Programme 7	1 822.9	2 309.9	2 284.5	206.0	275.0	297.9	175.9	148.0	149.6	144.3	154.9	154.9	122.9%
Total	3 240.9	3 730.1	3 674.4	1 721.6	1 761.7	1 761.7	1 737.7	1 741.6	1 728.4	2 242.5	2 242.5	2 085.2	103.4%

Table 12.2 Vote expenditure trends by programme and economic classification

Economic classification	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Current payments	3 188.8	3 596.6	3 526.6	1 677.5	1 707.6	1 632.9	1 697.1	1 692.0	1 676.1	1 767.7	1 763.8	1 742.3	103.0%	97.9%
Compensation of employees	1 531.0	1 361.6	1 232.8	1 201.2	1 107.1	1 074.9	1 159.5	1 103.3	1 080.1	1 231.7	1 216.8	1 183.8	89.2%	95.5%
Goods and services	1 657.2	2 234.0	2 293.8	475.9	598.9	558.0	536.1	588.7	596.0	536.1	547.0	558.6	125.0%	100.9%
of which:														
Communication	65.1	52.8	53.1	25.7	36.2	32.8	31.3	32.8	35.0	38.4	37.4	35.5	97.4%	98.1%
Computer services	106.0	89.9	89.2	81.0	80.6	62.3	86.4	84.5	86.7	90.9	86.5	73.5	85.6%	91.3%
Fleet services (including government motor transport)	–	–	49.2	–	39.7	21.9	27.7	31.0	20.7	16.0	17.3	17.3	249.6%	124.0%
Operating leases	5.5	11.0	109.1	69.2	108.9	113.5	98.5	156.7	246.5	136.3	155.6	182.4	210.5%	150.8%
Property payments	83.3	104.6	60.3	31.9	59.5	71.4	37.6	61.1	70.7	31.3	31.8	44.8	134.2%	96.1%
Travel and subsistence	297.4	412.9	477.8	111.3	108.9	128.3	128.4	85.2	53.3	85.0	92.4	74.7	118.0%	105.0%
Interest and rent on land	0.6	1.0	–	0.4	1.5	–	1.5	–	–	–	–	–	0.1%	0.1%
Transfers and subsidies	10.5	10.7	19.1	7.3	15.3	21.6	14.7	17.7	8.2	15.1	17.3	17.3	139.4%	108.5%
Departmental agencies and accounts	–	–	–	–	–	–	0.1	0.1	–	–	–	–	20.0%	20.0%
Higher education institutions	–	0.5	1.0	1.0	8.3	8.0	8.8	8.8	1.5	8.8	8.8	8.8	103.5%	72.9%
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	0.1	0.1	–	1.1	1.2	0.1	0.2	0.2	0.2	0.3	0.3	0.3	35.6%	33.9%
Households	10.4	10.1	18.1	5.2	5.1	12.8	5.5	8.6	6.5	6.0	6.0	6.0	160.8%	145.7%
Payments for capital assets	41.7	122.8	94.0	36.8	38.8	74.9	25.9	32.0	41.9	459.7	461.4	325.5	95.1%	81.9%
Buildings and other fixed structures	–	–	–	–	–	–	–	–	–	421.2	421.2	288.0	68.4%	68.4%
Machinery and equipment	35.1	116.1	91.5	28.8	19.6	57.3	24.4	28.5	41.9	33.9	35.6	32.9	183.0%	111.9%
Software and other intangible assets	6.6	6.7	2.5	8.1	19.2	17.6	1.5	3.5	–	4.6	4.6	4.6	119.2%	72.6%
Payments for financial assets	–	–	34.7	–	–	32.3	–	–	2.2	–	–	–	–	–
Total	3 240.9	3 730.1	3 674.4	1 721.6	1 761.7	1 761.7	1 737.7	1 741.6	1 728.4	2 242.5	2 242.5	2 085.2	103.4%	97.6%

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			Expenditure/total: Average (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18
Programme 1	780.6	23.6%	23.9%	791.3	705.2	744.0	-1.6%
Programme 2	195.8	0.3%	7.9%	214.4	226.5	240.1	7.0%
Programme 3	168.3	17.9%	5.0%	133.7	130.6	138.1	-6.4%
Programme 4	55.4	-8.5%	2.2%	66.3	69.9	74.2	10.2%
Programme 5	213.0	3.4%	8.9%	250.0	261.6	276.0	9.0%
Programme 6	517.2	5.1%	20.8%	553.6	571.3	605.6	5.4%
Programme 7	154.9	-59.4%	31.2%	236.0	533.8	199.9	8.9%
Total	2 085.2	-17.6%	100.0%	2 245.2	2 498.9	2 278.0	3.0%
Change to 2014 Budget estimate				61.3	349.3	3.2	

Table 12.3 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 (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Current payments	1 742.3	-21.5%	92.7%	1 960.4	2 234.4	1 963.9	4.1%	86.8%
Compensation of employees	1 183.8	-4.6%	49.4%	1 286.6	1 461.6	1 465.3	7.4%	59.3%
Goods and services	558.6	-37.0%	43.3%	673.8	772.8	498.6	-3.7%	27.5%
of which:								
Communication	35.5	-12.4%	1.7%	41.0	47.9	49.1	11.5%	1.9%
Computer services	73.5	-6.5%	3.4%	86.1	91.0	96.4	9.4%	3.8%
Fleet services (including government motor transport)	17.3	—	1.2%	30.0	55.2	9.8	-17.3%	1.2%
Operating leases	182.4	155.0%	7.0%	180.1	109.3	72.2	-26.6%	6.0%
Property payments	44.8	-24.6%	2.7%	39.7	48.1	52.8	5.6%	2.0%
Travel and subsistence	74.7	-43.4%	7.9%	99.4	252.7	73.7	-0.5%	5.5%
Transfers and subsidies	17.3	17.4%	0.7%	15.5	19.7	18.2	1.6%	0.8%
Higher education institutions	8.8	160.5%	0.2%	8.2	8.6	9.0	0.7%	0.4%
Public corporations and private enterprises	2.2	—	—	—	—	—	-100.0%	—
Non-profit institutions	0.3	45.8%	—	0.3	0.3	0.3	3.8%	—
Households	6.0	-15.8%	0.5%	7.0	10.8	8.8	13.5%	0.4%
Payments for capital assets	325.5	38.4%	5.8%	269.3	244.8	295.9	-3.1%	12.5%
Buildings and other fixed structures	288.0	—	3.1%	234.9	197.3	249.8	-4.6%	10.7%
Machinery and equipment	32.9	-34.3%	2.4%	34.3	47.4	45.9	11.7%	1.8%
Software and other intangible assets	4.6	-11.7%	0.3%	0.1	0.1	0.1	-71.3%	0.1%
Payments for financial assets	—	—	0.7%	—	—	—	—	—
Total	2 085.2	-17.6%	100.0%	2 245.2	2 498.9	2 278.0	3.0%	100.0%

Personnel information

Table 12.4 Vote personnel numbers and cost by salary level and programme¹

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																			
Number of posts estimated for 31 March 2015		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 (%)		
		2013/14			2014/15			2015/16		2016/17		2017/18		2014/15 - 2017/18					
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost						
Statistics South Africa		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	3 550	–	3 367	1 080.1	0.3	3 555	1 183.8	0.3	4 119	1 286.6	0.3	11 786	1 461.6	0.1	3 775	1 465.3	0.4	2.0%	100.0%
1 – 6	1 499	–	1 593	262.6	0.2	1 512	273.0	0.2	1 512	285.3	0.2	1 512	304.4	0.2	1 512	320.9	0.2	–	26.0%
7 – 10	1 302	–	1 145	370.4	0.3	1 294	399.9	0.3	1 294	441.0	0.3	1 294	469.2	0.4	1 294	497.6	0.4	–	22.3%
11 – 12	483	–	410	246.4	0.6	484	281.5	0.6	484	300.4	0.6	484	320.4	0.7	484	338.1	0.7	–	8.3%
13 – 16	266	–	219	200.7	0.9	265	229.4	0.9	265	252.2	1.0	265	266.3	1.0	265	287.6	1.1	–	4.6%
Other	–	–	–	–	–	–	–	–	564	7.7	–	8 231	101.3	–	220	21.1	0.1	–	38.8%
Programme	3 550	–	3 367	1 080.1	0.3	3 555	1 183.8	0.3	4 119	1 286.6	0.3	11 786	1 461.6	0.1	3 775	1 465.3	0.4	2.0%	100.0%
Programme 1	661	–	567	197.8	0.3	685	194.9	0.3	685	248.4	0.4	685	264.3	0.4	685	279.0	0.4	–	11.8%
Programme 2	590	–	619	166.8	0.3	590	175.6	0.3	590	187.0	0.3	590	198.1	0.3	590	210.6	0.4	–	10.2%
Programme 3	216	–	146	76.9	0.5	212	117.1	0.6	212	97.1	0.5	212	102.9	0.5	212	109.4	0.5	–	3.6%
Programme 4	125	–	141	49.1	0.3	124	52.1	0.4	124	61.4	0.5	124	65.1	0.5	124	69.2	0.6	–	2.1%
Programme 5	257	–	174	104.4	0.6	256	106.5	0.4	256	128.2	0.5	256	135.9	0.5	256	144.4	0.6	–	4.4%
Programme 6	1 335	–	1 138	355.7	0.3	1 332	407.1	0.3	1 332	432.7	0.3	1 332	462.6	0.3	1 332	491.8	0.4	–	22.9%
Programme 7	366	–	582	129.4	0.2	356	130.4	0.4	920	131.7	0.1	8 587	232.8	–	576	160.9	0.3	17.4%	44.9%

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

2. Rand million.

Departmental receipts

Table 12.5 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 (%)
R thousand	2011/12	2012/13	2013/14	2014/15		2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Departmental receipts	3 047	2 683	1 414	4 873	4 873	16.9%	100.0%	2 207	2 232	2 257	-22.6%	100.0%
Sales of goods and services produced by department	1 287	1 384	907	1 122	1 122	-4.5%	39.1%	948	963	978	-4.5%	34.7%
Sales by market establishments	637	733	276	300	300	-22.2%	16.2%	275	275	275	-2.9%	9.7%
of which:												
Parking	637	733	276	300	300	-22.2%	16.2%	275	275	275	-2.9%	9.7%
Other sales	650	651	631	822	822	8.1%	22.9%	673	688	703	-5.1%	24.9%
of which:												
Replacement of security cards	6	4	8	7	7	5.3%	0.2%	8	8	8	4.6%	0.3%
Maps	1	4	–	5	5	71.0%	0.1%	–	–	–	-100.0%	–
Commission insurance	382	328	525	470	470	7.2%	14.2%	580	590	600	8.5%	19.4%
Departmental publications	261	315	98	340	340	9.2%	8.4%	85	90	95	-34.6%	5.3%
Sales of scrap, waste, arms and other used current goods	28	4	56	34	34	6.7%	1.0%	24	28	32	-2.0%	1.0%
of which:												
Sale of waste paper	28	4	56	34	34	6.7%	1.0%	24	28	32	-2.0%	1.0%
Interest, dividends and rent on land	221	128	76	75	75	-30.2%	4.2%	80	85	90	6.3%	2.9%
Interest	221	128	76	75	75	-30.2%	4.2%	80	85	90	6.3%	2.9%
Transactions in financial assets and liabilities	1 511	1 167	375	3 642	3 642	34.1%	55.7%	1 155	1 156	1 157	-31.8%	61.5%
Total	3 047	2 683	1 414	4 873	4 873	16.9%	100.0%	2 207	2 232	2 257	-22.6%	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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Departmental Management	23.0	26.7	27.2	29.9	9.1%	4.6%	37.7	36.7	38.6	8.9%	4.5%
Corporate Services	195.2	201.4	176.0	187.9	-1.3%	32.5%	204.5	209.4	221.1	5.6%	26.1%
Financial Administration	68.8	61.1	62.0	76.2	3.5%	11.4%	85.8	90.6	95.0	7.6%	11.0%
Internal Audit	8.8	8.8	9.7	10.3	5.5%	1.6%	12.5	12.9	13.7	9.8%	1.6%
National Statistics System	19.6	18.6	21.6	30.2	15.5%	3.8%	30.8	30.7	32.3	2.2%	3.9%
Office Accommodation	96.2	144.8	257.8	579.8	82.0%	46.1%	420.0	324.9	343.4	-16.0%	52.9%
Total	411.6	461.4	554.2	914.4	30.5%	100.0%	791.3	705.2	744.0	-6.6%	100.0%
Change to 2014				(20.3)			(18.9)	(15.6)	(16.3)		
Budget estimate											
Economic classification											
Current payments	398.6	437.3	543.3	470.1	5.7%	79.0%	534.2	485.1	470.3	-	62.1%
Compensation of employees	192.0	196.6	197.8	220.5	4.7%	34.5%	248.4	264.3	279.0	8.2%	32.1%
Goods and services	206.6	240.7	345.6	249.6	6.5%	44.5%	285.8	220.9	191.3	-8.5%	30.0%
of which:											
Audit costs: External	6.5	6.5	6.3	6.5	0.3%	1.1%	7.9	8.4	8.8	10.3%	1.0%
Communication	5.8	4.3	4.8	7.1	7.3%	0.9%	8.4	8.8	9.2	9.1%	1.1%
Consultants and professional services:	-	0.4	-	7.5	-	0.3%	8.8	9.2	9.7	9.0%	1.1%
Infrastructure and planning											
Operating leases	81.4	113.4	203.3	122.8	14.7%	22.2%	140.8	74.5	35.6	-33.8%	11.8%
Property payments	25.7	46.7	70.3	31.7	7.1%	7.5%	39.7	48.1	52.7	18.5%	5.5%
Travel and subsistence	22.9	26.7	20.8	22.9	-	4.0%	31.1	23.1	24.2	1.9%	3.2%
Transfers and subsidies	7.7	13.8	4.5	14.8	24.2%	1.7%	14.5	15.3	16.0	2.6%	1.9%
Higher education institutions	1.0	8.0	1.5	8.8	106.8%	0.8%	8.2	8.6	9.0	0.7%	1.1%
Non-profit institutions	-	0.1	0.1	0.1	180.2%	-	0.1	0.1	0.1	4.6%	-
Households	6.7	5.7	2.9	5.9	-4.4%	0.9%	6.2	6.5	6.9	5.2%	0.8%
Payments for capital assets	5.1	9.6	6.3	429.5	338.1%	19.2%	242.5	204.8	257.7	-15.7%	36.0%
Buildings and other fixed structures	-	-	-	421.2	-	18.0%	234.9	197.3	249.8	-16.0%	35.0%
Machinery and equipment	5.1	9.5	6.3	8.3	17.5%	1.2%	7.6	7.5	7.9	-1.7%	1.0%
Software and other intangible assets	-	0.1	-	-	-	-	-	-	-	-	-
Payments for financial assets	0.2	0.7	-	-	-100.0%	-	-	-	-	-	-
Total	411.6	461.4	554.2	914.4	30.5%	100.0%	791.3	705.2	744.0	-6.6%	100.0%
Proportion of total programme expenditure to vote expenditure	11.2%	26.2%	32.1%	40.8%			35.2%	28.2%	32.7%		
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	6.7	5.6	2.6	5.9	-4.3%	0.9%	6.2	6.5	6.9	5.2%	0.8%
Employee social benefits	0.1	0.4	0.5	-	-100.0%	-	-	-	-	-	-
Bursaries for non-employees	6.7	5.3	2.1	5.9	-4.0%	0.9%	6.2	6.5	6.9	5.2%	0.8%
Higher education institutions											
Current	1.0	8.0	1.5	8.8	106.8%	0.8%	8.2	8.6	9.0	0.7%	1.1%
University of KwaZulu-Natal	-	0.5	0.5	0.5	-	0.1%	-	-	-	-100.0%	-
Stellenbosch University	-	6.0	-	6.8	-	0.5%	6.7	7.1	7.5	3.2%	0.9%
University of the Witwatersrand	1.0	0.5	-	0.5	-20.6%	0.1%	0.5	0.5	0.5	-	0.1%
University of Cape Town	-	1.0	1.0	1.0	-	0.1%	1.0	1.0	1.0	-	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 over the medium term through the application of internationally recognised standards and practices.

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 (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme Management for Economic Statistics	2.6	2.6	2.6	3.0	4.4%	1.5%	3.5	3.6	3.8	8.6%	1.6%
Short Term Indicators	27.0	26.8	25.7	28.4	1.7%	14.6%	31.1	32.9	34.9	7.1%	14.4%
Structural Industry Statistics	30.0	32.5	34.3	33.5	3.7%	17.6%	39.9	42.1	44.7	10.1%	18.1%
Price Statistics	56.3	61.0	62.3	66.2	5.6%	33.2%	68.1	72.0	76.4	4.9%	32.0%
Private Sector Finance Statistics	24.1	24.7	24.7	28.1	5.2%	13.7%	28.6	30.3	32.1	4.6%	13.5%
Government Finance Statistics	12.3	13.0	15.8	15.1	7.1%	7.6%	16.3	17.2	18.2	6.5%	7.5%
National Accounts	9.2	8.8	9.7	11.7	8.4%	5.3%	12.4	13.1	13.9	5.9%	5.8%
Economic Analysis	6.1	12.8	12.1	16.9	40.7%	6.5%	14.6	15.3	16.1	-1.7%	7.1%
Total	167.6	182.2	187.2	202.8	6.6%	100.0%	214.4	226.5	240.1	5.8%	100.0%
Change to 2014				(7.8)			(7.4)	(2.6)	(3.1)		
Budget estimate											
Economic classification											
Current payments	166.4	180.8	186.1	201.6	6.6%	99.3%	213.4	225.4	239.1	5.9%	99.5%
Compensation of employees	147.7	161.0	166.8	181.0	7.0%	88.7%	187.0	198.1	210.6	5.2%	87.9%
Goods and services	18.7	19.8	19.3	20.6	3.3%	10.6%	26.4	27.3	28.5	11.4%	11.6%
of which:											
Communication	4.5	4.2	4.1	4.7	1.1%	2.4%	4.9	5.2	6.0	8.5%	2.4%
Consultants and professional services:	2.7	7.1	6.6	5.3	25.2%	2.9%	6.9	7.1	7.6	13.3%	3.0%
Business and advisory services											
Consumables: Stationery, printing and office supplies	1.8	1.6	1.8	1.9	2.7%	1.0%	2.4	2.5	2.8	13.3%	1.1%
Travel and subsistence	7.8	5.7	4.9	6.7	-5.1%	3.4%	8.6	8.8	8.2	7.3%	3.6%
Training and development	—	—	—	—	-58.5%	—	1.3	1.4	1.5	799.0%	0.5%
Operating payments	0.6	0.7	1.2	0.7	6.9%	0.4%	0.9	0.9	0.8	6.5%	0.4%

Table 12.7 Economic Statistics 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million				2014/15	2011/12 - 2014/15					2014/15 - 2017/18	
Transfers and subsidies	0.1	0.2	0.2	0.1	6.5%	0.1%	–	–	–	-75.7%	–
Households	0.1	0.2	0.2	0.1	6.0%	0.1%	–	–	–	-100.0%	–
Payments for capital assets	1.1	1.2	0.9	1.1	1.8%	0.6%	1.1	1.1	1.0	-3.5%	0.5%
Machinery and equipment	1.1	1.2	0.9	1.1	1.8%	0.6%	1.1	1.1	1.0	-3.5%	0.5%
Total	167.6	182.2	187.2	202.8	6.6%	100.0%	214.4	226.5	240.1	5.8%	100.0%
Proportion of total programme expenditure to vote expenditure	4.6%	10.3%	10.8%	9.0%	–	–	9.6%	9.1%	10.5%	–	–

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 over the medium term through the application of internationally recognised standards and practices.

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 (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Programme Management for Population and Social Statistics	4.1	4.5	5.6	4.6	3.4%	4.2%	4.5	4.8	5.0	3.3%	3.4%
Population Statistics	10.4	10.8	8.9	7.2	-11.8%	8.3%	9.3	9.8	10.4	13.2%	6.6%
Health and Vital Statistics	8.6	11.6	9.2	12.1	12.0%	9.3%	11.7	12.4	13.1	2.6%	8.9%
Social Statistics	9.2	12.4	12.9	13.0	12.1%	10.6%	14.4	15.1	16.1	7.4%	10.6%
Demographic Analysis	4.2	4.1	6.0	12.5	43.7%	6.0%	15.3	16.2	17.1	11.0%	11.1%
Labour Statistics	29.9	30.6	33.3	39.6	9.8%	29.7%	40.5	41.9	44.2	3.8%	30.1%
Poverty and Inequality Statistics	27.8	28.2	26.2	61.0	30.0%	31.9%	37.9	30.5	32.3	-19.2%	29.3%
Total	94.3	102.3	102.1	150.0	16.7%	100.0%	133.7	130.6	138.1	-2.7%	100.0%
Change to 2014				32.1			3.5	(3.6)	(4.0)		
Budget estimate											
Economic classification											
Current payments	90.2	93.9	99.4	148.6	18.1%	96.3%	132.5	129.4	136.9	-2.7%	99.1%
Compensation of employees	60.1	66.8	76.9	112.0	23.1%	70.4%	97.1	102.9	109.4	-0.8%	76.3%
Goods and services	30.1	27.2	22.5	36.6	6.7%	25.9%	35.4	26.5	27.6	-9.0%	22.8%
of which:											
Communication	2.3	1.8	1.3	2.0	-4.3%	1.6%	2.4	2.2	2.6	9.3%	1.7%
Consultants and professional services:	3.4	2.6	2.8	3.9	4.1%	2.8%	3.6	3.7	3.9	0.1%	2.7%
Business and advisory services											
Agency and support/outourced services	0.3	0.4	—	0.2	-19.9%	0.2%	1.5	1.6	1.7	116.1%	0.9%
Operating leases	—	—	6.3	—	-100.0%	1.4%	5.7	7.1	7.4	—	3.6%
Travel and subsistence	17.1	14.5	2.7	18.5	2.6%	11.8%	6.5	4.2	4.5	-37.7%	6.1%
Operating payments	2.2	3.9	7.7	6.4	42.0%	4.5%	6.1	4.6	4.1	-13.4%	3.8%
Transfers and subsidies	0.2	0.3	0.2	0.2	7.9%	0.2%	0.2	0.2	0.2	3.4%	0.2%
Non-profit institutions	—	—	0.1	0.2	—	0.1%	0.2	0.2	0.2	3.4%	0.2%
Households	0.2	0.3	0.1	—	-100.0%	0.1%	—	—	—	—	—
Payments for capital assets	0.6	0.9	0.7	1.1	22.1%	0.7%	0.9	1.0	1.0	-4.2%	0.7%
Machinery and equipment	0.6	0.9	0.7	1.0	18.7%	0.7%	0.8	0.9	0.9	-5.1%	0.7%
Software and other intangible assets	—	—	—	0.1	—	—	0.1	0.1	0.1	5.4%	0.1%
Payments for financial assets	3.3	7.1	1.9	—	-100.0%	2.7%	—	—	—	—	—
Total	94.3	102.3	102.1	150.0	16.7%	100.0%	133.7	130.6	138.1	-2.7%	100.0%
Proportion of total programme	2.6%	5.8%	5.9%	6.7%	—	—	6.0%	5.2%	6.1%	—	—
expenditure to vote expenditure											

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	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
Programme Management for Methodology, Standards and Research	3.9	4.4	3.1	2.5	-14.6%	6.7%	3.8	3.8	4.1	18.7%	5.2%
Policy Research and Analysis	3.3	3.5	4.6	6.0	21.5%	8.4%	5.8	6.4	6.7	3.9%	9.2%
Methodology and Evaluation	11.6	11.9	12.0	14.2	7.0%	24.1%	17.7	18.5	19.7	11.5%	25.9%
Survey Standards	2.5	2.1	2.8	5.4	30.0%	6.2%	7.1	7.4	7.9	13.3%	10.3%
Business Register	24.8	26.6	28.7	32.1	9.0%	54.5%	32.0	33.9	35.8	3.6%	49.4%
Total	46.1	48.5	51.2	60.2	9.3%	100.0%	66.3	69.9	74.2	7.2%	100.0%
Change to 2014 Budget estimate				(5.2)			(2.7)	(2.0)	(2.2)		
Economic classification											
Current payments	45.7	47.7	50.9	59.6	9.3%	99.0%	65.6	69.6	73.9	7.4%	99.3%
Compensation of employees	41.3	45.8	49.1	55.6	10.4%	93.1%	61.4	65.1	69.2	7.5%	92.9%
Goods and services	4.4	1.9	1.8	4.0	-3.3%	5.9%	4.3	4.6	4.7	5.8%	6.5%
of which:											
Assets less than the capitalisation threshold	–	–	0.1	0.2	101.9%	0.1%	0.2	0.2	0.2	-3.7%	0.3%
Communication	0.9	0.1	0.7	1.2	7.6%	1.4%	0.9	0.9	0.7	-16.8%	1.3%
Consultants and professional services: Business and advisory services	0.2	0.2	0.3	0.2	-2.6%	0.5%	0.5	0.6	0.7	49.6%	0.8%
Consumables: Stationery, printing and office supplies	0.4	0.3	0.3	0.5	11.4%	0.7%	0.6	0.7	0.7	9.0%	0.9%
Travel and subsistence	0.9	0.5	0.5	1.5	20.4%	1.6%	1.3	1.5	1.6	1.6%	2.2%
Training and development	0.1	–	–	–	-21.0%	–	0.3	0.3	0.3	106.9%	0.3%
Transfers and subsidies	0.1	0.1	0.1	–	-100.0%	0.1%	–	–	–	–	–
Households	0.1	0.1	0.1	–	-100.0%	0.1%	–	–	–	–	–
Payments for capital assets	0.3	0.7	0.2	0.6	18.4%	0.9%	0.6	0.3	0.3	-19.7%	0.7%
Machinery and equipment	0.3	0.7	0.2	0.6	18.4%	0.9%	0.6	0.3	0.3	-19.7%	0.7%
Total	46.1	48.5	51.2	60.2	9.3%	100.0%	66.3	69.9	74.2	7.2%	100.0%
Proportion of total programme expenditure to vote expenditure	1.3%	2.8%	3.0%	2.7%	–	–	3.0%	2.8%	3.3%	–	–

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 (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme Management for Statistical Support and Informatics	2.3	2.5	2.6	3.1	10.2%	1.2%	2.9	3.1	3.3	1.2%	1.2%
Geography Services	23.2	32.9	24.6	20.3	-4.3%	11.9%	25.7	28.0	28.8	12.3%	10.1%
Geography Frames	27.1	21.6	16.1	19.7	-10.1%	10.0%	24.6	25.4	26.9	11.0%	9.4%
Publication Services	20.3	20.1	20.7	30.4	14.5%	10.8%	28.2	29.1	30.6	0.2%	11.6%
Data Management and Technology	99.9	99.5	117.5	118.5	5.9%	51.3%	120.7	126.3	132.9	3.9%	48.7%
Business Modernisation	26.8	26.3	29.1	43.6	17.6%	14.8%	47.8	49.7	53.6	7.1%	19.0%
Total	199.6	202.9	210.7	235.6	5.7%	100.0%	250.0	261.6	276.0	5.4%	100.0%
Change to 2014				(9.5)			(3.6)	(4.5)	(5.2)		
Budget estimate											
Economic classification											
Current payments	170.9	161.2	200.0	216.4	8.2%	88.2%	239.4	251.0	265.2	7.0%	95.0%
Compensation of employees	86.0	93.8	104.4	114.6	10.0%	47.0%	128.2	135.9	144.4	8.0%	51.1%
Goods and services	84.8	67.3	95.6	101.8	6.2%	41.2%	111.2	115.1	120.7	5.9%	43.9%
of which:											
Communication	4.4	4.1	5.0	4.3	-1.5%	2.1%	6.3	6.6	7.3	19.5%	2.4%
Computer services	62.2	50.1	83.9	82.5	9.8%	32.8%	80.6	85.4	88.2	2.3%	32.9%
Consultants and professional services:	2.5	1.2	0.4	2.9	4.2%	0.8%	3.9	3.2	4.4	15.1%	1.4%
Business and advisory services											
Contractors	1.0	0.6	0.9	3.9	57.4%	0.8%	8.0	8.5	8.9	31.5%	2.9%
Travel and subsistence	5.2	5.5	1.1	2.5	-22.1%	1.7%	4.6	3.8	4.1	18.3%	1.5%
Operating payments	0.8	2.5	3.2	3.9	67.2%	1.2%	3.9	3.7	3.6	-2.6%	1.5%
Transfers and subsidies	0.1	0.1	0.8	2.2	149.8%	0.4%	-	-	-	-100.0%	0.2%
Public corporations and private enterprises	-	-	-	2.2	-	0.3%	-	-	-	-100.0%	0.2%
Households	0.1	0.1	0.8	-	-100.0%	0.1%	-	-	-	-	-
Payments for capital assets	27.4	26.5	9.5	17.1	-14.6%	9.5%	10.6	10.6	10.9	-14.0%	4.8%
Machinery and equipment	24.9	9.0	9.4	12.6	-20.3%	6.6%	10.6	10.6	10.9	-4.8%	4.4%
Software and other intangible assets	2.5	17.5	-	4.5	21.3%	2.9%	-	-	-	-100.0%	0.4%
Payments for financial assets	1.2	15.1	0.4	-	-100.0%	2.0%	-	-	-	-	-
Total	199.6	202.9	210.7	235.6	5.7%	100.0%	250.0	261.6	276.0	5.4%	100.0%
Proportion of total programme expenditure to vote expenditure	5.4%	11.5%	12.2%	10.5%			11.1%	10.5%	12.1%		
Details of selected transfers and subsidies											
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	-	-	-	2.2	-	0.3%	-	-	-	-100.0%	0.2%
Motion Boikanyo	-	-	-	2.2	-	0.3%	-	-	-	-100.0%	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 through platforms 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 by:
 - reaching out to stakeholders and responding to user enquiries, improving accessibility and ease of use of statistical information, educating users, and conducting publicity campaigns on an ongoing basis.
- 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

Classification											
Subprogramme				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome			2014/15				2011/12 - 2014/15	2015/16	2016/17		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme Management for Statistical Collection and Outreach	6.4	6.8	5.7	7.6	5.9%	1.4%	8.9	8.6	9.1	6.3%	1.5%
International Statistical Development and Cooperation	10.4	11.0	7.8	11.2	2.6%	2.1%	10.5	12.0	12.7	4.2%	2.1%
Provincial and District Offices	430.3	423.6	433.6	473.6	3.3%	91.0%	497.0	512.5	543.4	4.7%	89.9%
Stakeholder Relations and Marketing	15.5	16.5	16.9	18.8	6.7%	3.5%	19.9	20.6	21.9	5.2%	3.6%
Corporate Communications	8.2	8.7	9.5	13.5	18.0%	2.1%	17.2	17.5	18.6	11.3%	3.0%
Total	470.7	466.6	473.5	524.7	3.7%	100.0%	553.6	571.3	605.6	4.9%	100.0%
Change to 2014				0.1			3.5	(1.2)	(1.4)		
Budget estimate											
Economic classification											
Current payments	465.8	427.5	450.0	513.3	3.3%	95.9%	542.2	549.7	582.8	4.3%	97.0%
Compensation of employees	346.8	329.7	355.7	408.7	5.6%	74.5%	432.7	462.6	491.8	6.4%	79.6%
Goods and services	119.0	97.8	94.3	104.6	-4.2%	21.5%	109.5	87.1	91.0	-4.5%	17.4%
of which:											
Communication	17.4	12.0	14.5	13.8	-7.4%	3.0%	14.0	17.6	18.4	10.1%	2.8%
Fleet services (including government motor transport)	37.2	17.4	18.0	14.3	-27.2%	4.5%	16.3	5.5	5.6	-26.8%	1.9%
Operating leases	0.0	0.0	36.9	32.8	1661.1%	3.6%	33.7	27.8	29.2	-3.8%	5.5%
Travel and subsistence	32.7	32.3	15.8	23.4	-10.6%	5.4%	19.6	20.9	22.4	-1.4%	3.8%
Training and development	0.1	0.2	–	0.1	27.9%	–	3.2	3.1	3.1	185.9%	0.4%
Operating payments	2.1	1.7	2.0	4.0	24.3%	0.5%	4.5	2.0	2.0	-20.3%	0.6%
Transfers and subsidies	0.7	1.9	1.0	0.1	-51.9%	0.2%	0.1	–	0.1	1.3%	–
Foreign governments and international organisations	–	0.7	–	–	–	–	–	–	–	–	–
Households	0.7	1.2	1.0	0.1	-51.9%	0.2%	0.1	–	0.1	1.3%	–

Table 12.11 Statistical Collection and Outreach expenditure trends and estimates by subprogramme and economic classification

Classification											
Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Payments for capital assets	3.8	27.9	22.6	11.3	43.3%	3.4%	11.3	21.6	22.7	26.2%	3.0%
Machinery and equipment	3.8	27.9	22.6	11.3	43.3%	3.4%	11.3	21.6	22.7	26.2%	3.0%
Payments for financial assets	0.4	9.3	–	–	-100.0%	0.5%	–	–	–	–	–
Total	470.7	466.6	473.5	524.7	3.7%	100.0%	553.6	571.3	605.6	4.9%	100.0%
Proportion of total programme expenditure to vote expenditure	12.8%	26.5%	27.4%	23.4%	–	–	24.7%	22.9%	26.6%	–	–
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	0.2	0.8	0.6	0.1	-31.6%	0.1%	0.1	–	0.1	5.8%	–
Employee social benefits	0.2	0.8	0.6	–	-100.0%	0.1%	–	–	–	–	–
Employees: Ex-gratia payment	–	–	–	0.1	–	–	0.1	–	0.1	5.8%	–
Foreign governments and international organisations											
Current	–	0.7	–	–	–	–	–	–	–	–	–
Institut National de la Statistique	–	0.7	–	–	–	–	–	–	–	–	–

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				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome							2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme Management for Survey Operations	–	–	5.5	10.8	–	0.6%	13.9	14.6	15.5	12.6%	4.9%
Census and Community Survey Operations	2 184.1	196.6	50.0	19.5	-79.3%	84.9%	114.5	407.9	66.2	50.3%	54.1%
Household Survey Operations	31.0	34.3	24.7	48.6	16.1%	4.8%	22.4	22.8	24.3	-20.6%	10.5%
Corporate Data Processing	57.6	51.6	54.2	60.5	1.6%	7.8%	66.7	69.3	73.6	6.8%	24.0%
Survey Coordination, Monitoring and Evaluation	11.8	15.4	15.1	15.5	9.6%	2.0%	18.4	19.2	20.3	9.4%	6.5%
Total	2 284.5	297.9	149.6	154.9	-59.2%	100.0%	236.0	533.8	199.9	8.9%	100.0%
Change to 2014 Budget estimate				10.6			87.0	378.7	35.3		
Economic classification											
Current payments	2 189.0	284.5	146.4	154.1	-58.7%	96.1%	233.0	524.1	195.7	8.3%	98.4%
Compensation of employees	358.9	181.3	129.4	124.3	-29.8%	27.5%	131.7	232.8	160.9	9.0%	57.8%
Goods and services	1 830.1	103.2	17.0	29.9	-74.6%	68.6%	101.3	291.3	34.8	5.2%	40.7%
of which:											
Advertising	157.5	9.2	0.5	–	-100.0%	5.8%	21.1	2.4	4.3	–	2.5%
Communication	17.7	6.3	4.6	4.4	-37.2%	1.1%	4.1	6.5	4.9	3.7%	1.8%
Fleet services (including government motor transport)	4.4	–	0.1	0.2	-67.6%	0.2%	5.6	46.4	0.6	54.2%	4.7%
Consumables: Stationery, printing and office supplies	20.8	2.2	0.5	0.8	-66.9%	0.8%	5.3	6.2	3.8	71.4%	1.4%
Travel and subsistence	391.4	43.1	7.6	17.1	-64.8%	15.9%	27.7	190.3	8.8	-19.7%	21.7%
Operating payments	107.3	5.1	1.4	3.3	-68.6%	4.1%	27.3	20.2	1.2	-28.7%	4.6%
Transfers and subsidies	10.3	5.2	1.5	–	-100.0%	0.6%	0.7	4.2	1.9	–	0.6%
Households	10.3	5.2	1.5	–	-100.0%	0.6%	0.7	4.2	1.9	–	0.6%
Payments for capital assets	55.6	8.0	1.7	0.8	-76.2%	2.3%	2.2	5.4	2.3	45.9%	1.0%
Machinery and equipment	55.6	8.0	1.7	0.8	-76.2%	2.3%	2.2	5.4	2.3	45.9%	1.0%
Payments for financial assets	29.7	0.1	–	–	-100.0%	1.0%	–	–	–	–	–
Total	2 284.5	297.9	149.6	154.9	-59.2%	100.0%	236.0	533.8	199.9	8.9%	100.0%
Proportion of total programme expenditure to vote expenditure	62.2%	16.9%	8.7%	6.9%	–	–	10.5%	21.4%	8.8%	–	–
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	10.3	4.8	1.5	–	-100.0%	0.6%	0.7	4.2	1.9	–	0.6%
Employee social benefits	10.3	4.8	1.5	–	-100.0%	0.6%	0.7	4.2	1.9	–	0.6%

Vote 13

Women

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	80.5	77.9	–	2.5	86.2	91.1
Social, Political and Economic Participation and Empowerment	87.2	19.2	67.7	0.3	89.7	99.2
Research, Policy Coordination and Knowledge Management	6.2	5.9	–	0.2	6.4	7.0
Monitoring, Evaluation and Outreach	13.2	12.8	–	0.4	13.9	14.6
Total expenditure estimates	187.0	115.8	67.7	3.5	196.3	211.9
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, public entities, donor funding, public private partnerships, conditional allocations 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 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			
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	
Develop intervention plans for women's access to and participation in the infrastructure value chain	Social, Political and Economic Participation and Empowerment	Outcome 14: Nation building and social cohesion	– ¹	– ¹	– ¹	Situational analysis of women's access to and participation in the infrastructure value chain within the public sector conducted	Intervention plan for women's access to and participation in the infrastructure value chain within the public sector developed	Situational analysis of women's access to and participation in the infrastructure value chain within the private sector conducted	Intervention plan for women's access to and participation in the infrastructure value chain within the private sector developed	
Develop intervention plans for women's access to and participation in the agro-processing industry in rural areas	Social, Political and Economic Participation and Empowerment		– ¹	– ¹	– ¹	Situational analysis of women's access to and participation in the food security sector conducted	Intervention plan for women's access to and participation in the food security sector developed	– ²	– ²	
Develop intervention plans to ensure equal funding opportunities to support women in business	Social, Political and Economic Participation and Empowerment		– ¹	– ¹	– ¹	Situational analysis of equal funding opportunities for women in business conducted	Intervention plan to ensure equal funding opportunities for women in business developed	– ²	– ²	
Number of reports on international treaties and conventions produced per year ³	Monitoring, Evaluation and Outreach		– ⁴	2	1	4	1	1	2	
Number of reports produced on the socioeconomic empowerment of women per year	Monitoring, Evaluation and Outreach		– ¹	– ¹	– ¹	1	3	4	4	

1. Historical data is not available, as this is a new indicator.

2. This indicator will only be measured in 2014/15 and 2015/16.

3. Targets are informed by agreements with international bodies.

4. Historical data is not available, as this indicator was only measured from 2012/13.

Table 13.2 Vote expenditure trends by programme and economic classification

Economic classification	Annual budget			Annual budget			Annual budget			Annual budget			Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
	Adjusted appropriation	Audited outcome	Adjusted appropriation	Audited outcome	Adjusted appropriation	Audited outcome	Adjusted appropriation	Audited outcome	Revised estimate	Adjusted appropriation	Audited outcome	Adjusted appropriation		
R million	2011/12	2012/13	2013/14	2014/15	2011/12	2012/13	2013/14	2014/15	2011/12	2012/13	2013/14	2014/15	2011/12	2014/15
Current payments	36.0	52.7	77.0	75.1	94.9	89.6	101.2	101.6	95.5	111.9	114.1	111.9	115.3%	102.9%
Compensation of employees	18.3	18.4	28.5	33.1	49.7	44.7	60.8	59.6	48.9	64.0	66.3	64.0	105.6%	96.0%
Goods and services of which:	17.7	34.2	48.5	42.0	45.2	44.9	40.4	42.0	46.6	47.9	47.9	47.9	126.9%	110.9%
Audit costs: External	–	–	2.5	1.7	1.7	3.1	3.0	3.2	3.5	3.9	3.9	3.9	150.4%	146.6%
Communication	0.4	1.0	2.7	1.7	1.5	3.7	1.5	1.6	2.5	1.6	1.6	1.6	201.2%	183.8%
Consultants and professional services: Business and advisory services	0.7	2.7	2.1	0.6	0.6	0.8	0.5	2.5	1.1	1.8	1.8	1.8	163.8%	77.6%
Property payments	9.0	8.9	0.7	7.9	15.0	0.1	13.3	–	–	–	–	–	2.8%	3.5%
Travel and subsistence	2.4	4.3	14.5	19.9	16.9	18.9	10.2	9.4	18.3	13.1	13.1	13.1	142.0%	148.2%
Venues and facilities	1.4	3.5	1.7	1.7	1.9	1.5	1.8	1.4	1.5	2.6	2.6	2.6	96.8%	77.6%
Transfers and subsidies	55.2	55.2	55.3	58.5	59.1	59.1	63.1	63.5	63.6	69.5	67.2	69.5	100.5%	101.0%
Departmental agencies and accounts	55.2	55.2	55.2	58.5	59.1	59.1	63.1	63.1	63.1	67.2	67.2	67.2	100.2%	100.0%
Households	–	–	0.1	–	0.1	0.1	–	0.4	0.5	2.2	–	2.2	130.4%	583.4%
Payments for capital assets	1.5	7.1	6.0	2.8	2.8	2.0	3.0	3.0	2.2	3.4	3.4	3.4	127.7%	83.3%
Machinery and equipment	1.5	7.1	6.0	2.8	2.8	2.0	3.0	3.0	2.2	3.4	3.4	3.4	127.7%	83.3%
Total	92.6	114.9	138.2	136.4	156.8	150.7	167.2	168.1	161.2	184.8	184.8	184.8	109.3%	101.7%

Expenditure estimates

Table 13.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Social, Political and Economic Participation and Empowerment									
3. Research, Policy Coordination and Knowledge Management									
4. Monitoring, Evaluation and Outreach									
Programme									
R million	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18		
Programme 1	82.6	39.4%	41.7%	80.5	86.2	91.1	3.3%	43.6%	
Programme 2	83.8	3.6%	48.1%	87.2	89.7	99.2	5.8%	46.1%	
Programme 3	6.5	147.5%	2.3%	6.2	6.4	7.0	2.5%	3.3%	
Programme 4	11.9	10.7%	7.9%	13.2	13.9	14.6	7.1%	6.9%	
Total	184.8	17.1%	100.0%	187.0	196.3	211.9	4.7%	100.0%	
Change to 2014 Budget estimate				(4.1)	(6.1)	(1.6)			
Economic classification									
Current payments	111.9	28.6%	58.9%	115.8	122.7	129.8	5.1%	61.6%	
Compensation of employees	64.0	51.4%	29.3%	66.5	71.6	76.1	5.9%	35.7%	
Goods and services of which:	47.9	11.8%	29.6%	49.3	51.1	53.7	3.9%	25.9%	
Audit costs: External	3.9	498.4%	2.0%	4.1	4.3	4.4	4.9%	2.1%	
Communication	1.6	16.9%	1.7%	2.0	1.9	2.6	18.3%	1.0%	
Consultants and professional services: Business and advisory services	1.8	-12.5%	0.9%	2.0	1.8	1.8	0.1%	0.9%	
Property payments	–	-100.0%	0.1%	14.7	15.4	16.2		5.9%	
Travel and subsistence	13.1	44.7%	10.2%	13.9	15.3	15.4	5.4%	7.4%	
Venues and facilities	2.6	-9.3%	1.1%	2.2	2.2	2.2	-6.0%	1.2%	
Transfers and subsidies	69.5	8.0%	39.0%	67.7	69.9	78.3	4.1%	36.6%	
Departmental agencies and accounts	67.2	6.8%	38.5%	67.7	69.9	78.3	5.2%	36.3%	
Households	2.2	372.5%	0.5%	–	–	–	-92.3%	0.3%	
Payments for capital assets	3.4	-21.8%	2.1%	3.5	3.7	3.9	4.3%	1.8%	
Machinery and equipment	3.4	-21.8%	2.1%	3.5	3.7	3.9	4.3%	1.8%	
Total	184.8	17.1%	100.0%	187.0	196.3	211.9	4.7%	100.0%	

Table 13.6 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Current payments	48.2	59.5	64.7	74.7	15.7%	94.3%	77.9	83.6	88.4	5.8%	96.3%
Compensation of employees	20.7	29.1	33.0	43.7	28.3%	48.3%	45.8	49.4	52.8	6.5%	56.9%
Goods and services	27.5	30.4	31.7	31.0	4.1%	46.0%	32.2	34.2	35.6	4.7%	39.4%
of which:											
Audit costs: External	2.5	3.1	2.2	3.9	15.1%	4.4%	4.1	4.3	4.4	4.9%	4.9%
Communication	1.4	2.9	1.8	1.1	-8.7%	2.7%	1.2	0.8	1.3	7.0%	1.3%
Computer services	0.4	0.5	0.7	0.8	26.1%	0.9%	1.4	1.5	1.2	15.6%	1.5%
Consultants and professional services:	1.6	0.6	0.8	0.8	-22.4%	1.5%	1.0	1.0	1.1	11.5%	1.1%
Business and advisory services											
Property payments	6.2	8.4	9.1	14.0	31.4%	14.4%	14.7	15.4	16.2	5.0%	17.9%
Travel and subsistence	8.7	11.7	11.1	5.8	-12.4%	14.2%	5.7	7.0	6.8	5.1%	7.5%
Transfers and subsidies	0.1	0.1	0.5	2.2	178.3%	1.1%	–	–	–	-90.3%	0.7%
Households	0.1	0.1	0.5	2.2	178.1%	1.1%	–	–	–	-92.3%	0.7%
Payments for capital assets	6.0	1.9	1.9	2.2	-28.0%	4.6%	2.5	2.6	2.8	7.6%	3.0%
Machinery and equipment	6.0	1.9	1.9	2.2	-28.0%	4.6%	2.5	2.6	2.8	7.6%	3.0%
Total	54.2	61.5	67.1	79.1	13.4%	100.0%	80.5	86.2	91.1	4.8%	100.0%
Proportion of total programme expenditure to vote expenditure	39.2%	40.8%	41.6%	42.8%	–	–	43.0%	43.9%	43.0%	–	–

Programme 2: Social, Political and Economic Participation and Empowerment

Programme purpose

Provide oversight of the implementation of policies related to women empowerment and the elimination of all forms of discrimination against women.

Objectives

- Promote women's social and economic empowerment by:
 - accelerating the implementation of government policies and programmes for women's social and economic participation on an ongoing basis
 - accelerating and enhancing the implementation of mechanisms that promote the rights of women and societal transformation on an ongoing basis.

Subprogrammes

- Management: Social, Political and Economic Participation and Empowerment provides overall strategic leadership and management to the programme.
- Social and Related Functions* assesses measures put in place for social transformation in society, and ensures that equitable social services are rendered as part of government's initiative for social transformation.
- Justice and Public Order* coordinates and facilitates improvements in dealing with cases related to women's issues in the areas of justice and public order.
- Governance and Administration* provides guidance for enhancing existing systems and procedures, and addressing gaps that create barriers to the equal participation of women in the public and private sectors.
- Economic Empowerment* provides strategic direction that contributes to policy positioning on the access and participation of women 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, Political and Economic Participation and Empowerment 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Management: Social, Political and Economic Participation and Empowerment	10.6	9.5	8.9	11.9	3.8%	13.4%	3.1	3.2	3.5	-33.3%	6.0%
Social and Related Functions	7.2	3.8	4.0	4.7	-13.5%	6.4%	7.4	7.1	7.4	16.7%	7.4%
Justice and Public Order	–	–	–	–	–	–	3.0	3.2	3.3	1084.4%	2.6%
Governance and Administration	–	–	–	–	–	–	3.0	3.2	3.3	1084.4%	2.6%
Economic Empowerment	–	–	–	–	–	–	3.0	3.2	3.3	1084.4%	2.6%
Commission for Gender Equality	55.2	59.1	63.1	67.2	6.8%	80.2%	67.7	69.9	78.3	5.2%	78.6%
Total	73.0	72.3	76.0	83.8	4.7%	100.0%	87.2	89.7	99.2	5.8%	100.0%
Change to 2014				–			(1.1)	(3.3)	1.4		
Budget estimate											
Economic classification											
Current payments	17.8	13.2	12.6	16.2	-3.1%	19.6%	19.2	19.5	20.5	8.2%	21.0%
Compensation of employees	5.9	3.6	3.9	4.1	-11.6%	5.8%	6.5	7.2	7.3	21.1%	7.0%
Goods and services	11.9	9.6	8.8	12.1	0.7%	13.9%	12.7	12.3	13.2	3.0%	14.0%
of which:											
Advertising	2.0	0.7	0.4	0.8	-26.7%	1.2%	0.8	0.7	0.9	3.5%	0.9%
Catering: Departmental activities	2.8	1.7	1.1	1.3	-22.2%	2.3%	1.2	1.2	1.3	0.3%	1.4%
Communication	0.1	0.2	0.3	0.3	48.3%	0.3%	0.6	0.8	1.0	53.2%	0.7%
Contractors	1.7	1.3	0.4	0.7	-26.9%	1.3%	0.5	0.4	0.6	-0.8%	0.6%
Travel and subsistence	3.8	4.3	4.7	5.6	13.4%	6.0%	6.4	6.4	6.5	5.4%	6.9%
Venues and facilities	0.3	0.8	1.1	1.7	73.7%	1.3%	1.4	1.3	1.3	-9.1%	1.6%
Transfers and subsidies	55.2	59.1	63.1	67.2	6.8%	80.2%	67.7	69.9	78.3	5.2%	78.6%
Departmental agencies and accounts	55.2	59.1	63.1	67.2	6.8%	80.2%	67.7	69.9	78.3	5.2%	78.6%
Payments for capital assets	–	0.1	0.3	0.3	–	0.2%	0.3	0.4	0.4	5.0%	0.4%
Machinery and equipment	–	0.1	0.3	0.3	–	0.2%	0.3	0.4	0.4	5.0%	0.4%
Total	73.0	72.3	76.0	83.8	4.7%	100.0%	87.2	89.7	99.2	5.8%	100.0%
Proportion of total programme expenditure to vote expenditure	52.8%	48.0%	47.1%	45.3%	–	–	46.6%	45.7%	46.8%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	55.2	59.1	63.1	67.2	6.8%	80.2%	67.7	69.9	78.3	5.2%	78.6%
Commission for Gender Equality	55.2	59.1	63.1	67.2	6.8%	80.2%	67.7	69.9	78.3	5.2%	78.6%

Programme 3: Research, Policy Coordination and Knowledge Management

Programme purpose

Conduct research on women empowerment initiatives and the promotion of women's rights to influence women empowerment policies and the promotion of women's rights initiatives in South Africa.

Objectives

- Influence government policies and programmes on women's empowerment by:
 - conducting research on the social, political and economic status of South Africa's women on an annual basis
 - coordinating and conducting policy reviews and analysis to inform measures to be put in place to ensure women's economic empowerment as and when necessary.

Subprogrammes

- Management: Research, Policy Coordination and Knowledge Management provides strategic leadership and management to the programme.

- *Research Management* manages a research agenda to influence government policies on women's rights and empowerment.
- *Policy Analysis and Coordination* analyses, coordinates and supports policy development towards women's socioeconomic participation and empowerment, and the promotion of women's rights.
- *Information and Knowledge Management* manages the coordination and dissemination of information and knowledge on women's socioeconomic empowerment.

Expenditure trends and estimates

Table 13.8 Research, Policy Coordination and Knowledge 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Management: Research, Policy Coordination and Knowledge Management	–	–	–	–	–	–	0.6	0.7	0.7	604.7%	7.6%
Research Management	0.4	3.9	3.8	2.9	89.9%	78.5%	3.4	3.4	3.8	9.3%	53.1%
Policy Analysis and Coordination	–	–	–	3.0	–	21.4%	1.6	1.7	1.8	-16.2%	31.6%
Information and Knowledge Management	–	–	–	–	–	–	0.6	0.7	0.7	604.7%	7.6%
Total	0.4	3.9	3.8	6.0	140.3%	100.0%	6.2	6.4	7.0	5.6%	100.0%
Change to 2014							2.5	2.5	2.9		
Budget estimate											
Economic classification	0.4	3.9	3.8	5.7	137.1%	98.3%	5.9	6.2	6.7	5.6%	96.1%
Current payments											
Compensation of employees	0.1	3.4	3.6	4.7	233.3%	83.7%	4.8	4.9	5.4	4.9%	77.6%
Goods and services	0.3	0.5	0.2	1.0	50.0%	14.6%	1.2	1.2	1.3	8.8%	18.5%
of which:											
Communication	–	0.1	0.1	0.1	23.1%	2.3%	0.1	0.1	0.1	5.4%	1.4%
Consultants and professional services:	–	–	–	0.2	–	1.4%	0.2	0.2	0.2	5.4%	3.4%
Business and advisory services	–	–	–	0.1	28.6%	1.0%	0.1	0.1	0.1	32.6%	1.4%
Consumables: Stationery, printing and office supplies	–	–	–	0.1	–	0.5%	0.1	0.1	0.1	5.4%	1.2%
Operating leases	–	–	–	0.1	–	1.4%	0.2	0.2	0.2	5.3%	3.2%
Travel and subsistence	0.2	0.2	0.1	0.3	8.2%	5.4%	0.3	0.4	0.4	11.5%	5.4%
Training and development	–	–	–	0.2	–	1.7%	0.2	0.3	0.3	5.3%	3.9%
Payments for capital assets	–	–	–	0.2	–	1.7%	0.2	0.3	0.3	5.3%	3.9%
Machinery and equipment	–	–	–	0.2	–	1.7%	0.2	0.3	0.3	5.3%	3.9%
Total	0.4	3.9	3.8	6.0	140.3%	100.0%	6.2	6.4	7.0	5.6%	100.0%
Proportion of total programme expenditure to vote expenditure	0.3%	2.6%	2.4%	3.2%			3.3%	3.3%	3.3%		

Programme 4: Monitoring, Evaluation and Outreach

Programme purpose

Monitor and evaluate progress on the implementation of women empowerment policies and conduct outreach initiatives on women's rights and empowerment.

Objectives

- Inform the refinement of policies relating to the empowerment of women by monitoring, evaluating and reporting on progress on the implementation of women empowerment policies and programmes, and conducting impact assessments on an ongoing basis.
- Promote stakeholder participation in women's empowerment and the promotion of women's rights initiatives by participating in national and international dialogues, and bilateral and multilateral engagements, on an ongoing basis.

Subprogrammes

- *Management: Monitoring, Evaluation and Outreach* provides strategic leadership and management to the programme.

- *Monitoring and Evaluation* monitors and evaluates progress made regarding the implementation of women's empowerment, women's economic participation and the promotion of women's rights policies and programmes.
- *Stakeholder Coordination* coordinates stakeholder participation in women's empowerment and the promotion of women's rights initiatives at the national, regional and international levels; and ensures compliance with international treaty obligations.
- *Outreach Initiatives* coordinates and manages internal and external corporate communications, and protects and manages the department's brand and reputation.

Expenditure trends and estimates

Table 13.9 Monitoring, Evaluation 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Management: Monitoring, Evaluation and Outreach	–	–	–	–	–	–	0.6	0.7	0.7	604.7%	3.6%
Monitoring and Evaluation	4.2	5.2	8.5	8.5	26.1%	52.6%	5.9	6.3	6.6	-8.1%	50.9%
Stakeholder Coordination	4.1	5.4	4.0	–	-92.1%	26.9%	3.0	3.2	3.3	1084.4%	17.7%
Outreach Initiatives	2.2	2.5	2.2	3.4	15.6%	20.5%	3.6	3.8	4.0	5.4%	27.8%
Total	10.6	13.0	14.7	11.9	4.1%	100.0%	13.2	13.9	14.6	7.1%	100.0%
Change to 2014							3.6	3.8	4.0		
Budget estimate											
Economic classification	10.6	13.0	14.7	11.5	2.9%	99.2%	12.8	13.5	14.2	7.1%	96.9%
Current payments											
Compensation of employees	5.1	8.8	8.5	8.5	18.7%	61.6%	9.5	10.1	10.6	7.6%	72.3%
Goods and services	5.5	4.2	6.3	3.0	-18.1%	37.6%	3.3	3.4	3.6	5.9%	24.7%
of which:											
Catering: Departmental activities	0.3	–	–	–	-73.9%	0.6%	0.1	0.1	0.1	194.0%	0.7%
Communication	0.1	0.4	0.4	0.1	-18.9%	2.1%	0.2	0.2	0.2	32.2%	1.0%
Consultants and professional services:	0.2	–	0.1	0.4	28.9%	1.2%	0.4	0.4	0.3	-3.7%	2.7%
Business and advisory services	–	0.4	0.1	0.2	100.0%	1.5%	0.2	0.2	0.2	-0.1%	1.6%
Consumables: Stationery, printing and office supplies	1.8	2.7	5.2	1.2	-11.1%	21.7%	1.5	1.6	1.7	11.0%	11.2%
Travel and subsistence	0.7	0.4	0.1	0.5	-7.8%	3.5%	0.4	0.4	0.4	-5.1%	3.3%
Venues and facilities	–	–	–	0.4	–	0.8%	0.4	0.4	0.4	5.4%	3.1%
Payments for capital assets											
Machinery and equipment	–	–	–	0.4	–	0.8%	0.4	0.4	0.4	5.4%	3.1%
Total	10.6	13.0	14.7	11.9	4.1%	100.0%	13.2	13.9	14.6	7.1%	100.0%
Proportion of total programme expenditure to vote expenditure	7.6%	8.6%	9.1%	6.4%	–	–	7.0%	7.1%	6.9%	–	–

Public entities and other agencies

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. The commission 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 2015/16 is R67.7 million.

Vote 14

Basic Education

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	357.7	339.3	0.2	18.2	376.4	396.3
Curriculum Policy, Support and Monitoring	1 877.8	1 529.7	347.3	0.8	1 944.2	1 926.6
Teachers, Education Human Resources and Institutional Development	1 171.5	99.7	1 071.3	0.5	1 164.0	1 223.2
Planning, Information and Assessment	12 129.7	413.8	9 690.3	2 025.7	12 754.3	13 706.6
Educational Enrichment Services	5 974.5	49.4	5 924.8	0.3	6 289.7	6 607.6
Total expenditure estimates	21 511.1	2 431.9	17 033.9	2 045.4	22 528.6	23 860.4

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, public entities, donor funding, public private partnerships, conditional allocations 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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Percentage of learners with access to required textbooks in all grades and in all subjects per year	Curriculum Policy, Support and Monitoring	Outcome 1: Quality basic education	97%	98%	91.8 %	100%	100%	100%	100%
Percentage of learners with access to required workbooks per grade per year	Curriculum Policy, Support and Monitoring		97.99%	97.7%	98.8%	100%	100%	100%	100%
Percentage of grade R practitioners with appropriate qualification per year	Curriculum Policy, Support and Monitoring		10%	20%	27%	7 680 (32%)	8 880 (37%)	9 600 (40%)	10 320 (43%)
Percentage of grade 1 learners who received formal grade R per year	Curriculum Policy, Support and Monitoring		83%	87.8%	93.9%	94%	95%	97%	98%

Table 14.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number and percentage of Funza Lushaka bursary holders placed by June of the year after qualifying as teachers	Teachers, Education Human Resources and Institutional Development	Outcome 1: Quality basic education	2 352 (75%)	1 804 (79%)	2 391 (82%)	2 500 (75%)	2 773 (85%)	2 531 (90%)	2 812 (100%)
Average number of hours per year spent by teachers on professional development activities	Teachers, Education Human Resources and Institutional Development		39 hours	— ¹	— ¹	51 hours	70 hours	70 hours	70 hours
Number of qualified teachers, aged 30 and below, entering the public service as teachers for the first time, also for grade R per year	Teachers, Education Human Resources and Institutional Development		7 744	8 227	6 762 ²	8 000	8 600	9 200	10 200
Number of accelerated schools infrastructure delivery initiative schools built and handed over against the target per year	Planning, Information and Assessment		0 ³	17	36	150	171	136	0 ⁴
Percentage of schools with adequate infrastructure in line with agreed norms and standards	Planning, Information and Assessment		— ⁵	— ⁵	— ⁵	95%	97%	100%	100%
Percentage of learners in grade 3 achieving at the required level in the annual national assessment per year in: - literacy - numeracy	Curriculum Policy, Support and Monitoring		47% 34%	52% 41%	51% 53%	75% 75%	75% 75%	75% 75%	75% 75%
Percentage of grade 6 learners achieving at the required level in the annual national assessment per year in: - home language - mathematics - first additional language	Curriculum Policy, Support and Monitoring		Language ⁶ : 30% Mathematics: 31%	Language ⁶ : 43% Mathematics: 27%	Language ⁶ : 59% Mathematics: 39%	 75% 75% 75%	 75% 75% 75%	 75% 75% 75%	 75% 75% 75%
Percentage of grade 9 learners achieving at the required level in the annual national assessments per year in: - home language - mathematics - first additional language	Curriculum Policy, Support and Monitoring		— ¹	Language ⁶ : 43% Mathematics: 13%	Language ⁶ : 43% Mathematics: 14%	 75% 75% 75%	 75% 75% 75%	 75% 75% 75%	 75% 75% 75%

1. Data was not collected in this year.

2. The figure drops as there is a challenge in post provisioning and employee compensation in larger provincial education departments. This has affected the rate of absorption of new entrants in these provinces, especially Eastern Cape.

3. Although this was the first year of the project, no schools were completed in this year.

4. The replacement of inappropriate schools will be completed by 2016/17. Hence no new projects are planned for 2017/18.

5. Historical data is not available, as the indicator was only introduced in 2014/15.

6. The split between home language and first additional language started from 2014/15.

Expenditure analysis

Over the MTEF period, the Department of Basic Education will focus on improving school infrastructure, improving curriculum delivery, eradicating illiteracy, and ensuring the adequate supply of quality teachers. It will also continue with the national school nutrition programme.

Improving school infrastructure

Outcome 1 of government's 2014-2019 medium term strategic framework (quality basic education) commits government to invest in schools and schools maintenance. Infrastructure activities account for the bulk of the department's spending over the medium term, particularly in the *Planning, Information and Assessment* programme.

The department will be funding the replacement of inappropriate infrastructure, and providing water, sanitation, and electricity to schools across South Africa over the medium term. Expenditure of R7 billion is projected for this through the school infrastructure backlogs conditional allocation. The department expects to have eradicated and replaced 510 inappropriate and unsafe school structures, and provided water to 1 120 schools, sanitation to 741 schools and electricity to 916 schools. The department has issued minimum norms and standards for school infrastructure, and all schools are expected to have met them by 2016/17. All new schools will have classrooms that meet the minimum size requirements and the regulated number of toilets in relation to

learner numbers, and they will have laboratories, a library and sport facilities. Provinces will ensure that schools are built and maintained to the norms and standards at a projected cost of R29.6 billion over the medium term, funded from the department's education infrastructure grant to provinces.

As a number of challenges, mainly with contractors, have delayed projects funded by the school infrastructure backlogs conditional allocation since its inception in 2011/12, Cabinet approved that reductions of R413.6 million will be effected on the allocation over the MTEF period. The allocation was also reduced in the 2013 Budget and the 2014 Budget to align it more closely with the department's capacity to spend the funds. In addition, the implementation period for the allocation was extended from the initial three years to six years, and the projects are now expected to be completed in 2017/18. Cabinet approved budget reductions will also be effected on the education infrastructure grant. The education infrastructure grant will however continue to grow at an average annual rate of 12.1 per cent over the period.

Improving curriculum delivery

Improving curriculum delivery means ensuring that learners have access to high quality learner and teacher support materials. The department projects spending R3 billion over the MTEF period on writing, printing and distributing approximately 170 million workbooks, 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 at the required standard, and they assist teachers to pace their work so that all elements of the curriculum can be completed on time. The department has seconded 45 provincial personnel to write the workbooks at a cost of R73.7 million, which accounts for the increase in compensation of employees in the *Curriculum and Quality Enhancement Programmes* subprogramme. The department will complement the development and distribution of workbooks by providing infrastructure, equipment and teacher training to improve participation and success rates in mathematics, science and technology. This is projected to cost R1.1 billion over the MTEF period through the mathematics, science and technology conditional allocation in the *Curriculum Implementation and Monitoring* subprogramme.

Eradicating illiteracy

The Kha Ri Gude mass literacy programme is aimed at reducing the rate of adult illiteracy through teaching illiterate learners aged 15 and older literacy and numeracy skills in the 11 official languages. The programme is informed by the Constitution, which states that 'everyone has the right to a basic education, including adult basic education'. By 2013/14, Kha Ri Gude had reached 3.4 million illiterate adults, and the department expects to reach its target of 4.7 million by 2016/17. The programme will then shift its focus to functionally illiterate adults (those with less than grade 7 schooling). Technically, a person who is illiterate cannot read anything at all, while a functionally illiterate person can read some words and can perform very basic reading tasks, but cannot manage more complex texts such as a newspaper, a contract or government form, detailed material of any kind, or written correspondence. From 2017/18, this will be Kha Ri Gude's focus, which does not require the mass based approach of the first phase and hence is less costly. Cabinet approved reductions of R200 million will be effected over the MTEF period on goods and services in the *Kha Ri Gude* programme, mainly under operating payments.

Ensuring the adequate supply of quality teachers

One of the education sector's primary goals is to ensure that every class has a qualified teacher, which is in line with sub-outcome 1 of outcome 1 of government's 2014-2019 medium term strategic framework (improved quality of teaching and learning through the development, supply and effective utilisation of teachers). Over the medium term, the Department of Basic Education aims to increase the number of qualified teachers aged 30 and below entering the public service to reach 10 200 in 2017/18. The department expects to award 38 000 bursaries over the medium term at a cost of R3.1 billion, including Funza Lushaka bursaries in specific subject areas where there are shortages, such as mathematics and science. 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.

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. The department will provide meals to 19 800 schools at a cost of R18 billion over the MTEF period through the national school nutrition programme conditional allocation to provinces 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	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Programme 1	291.5	293.7	268.6	309.6	311.3	307.7	326.5	334.1	353.7	347.4	351.4	351.4	100.5%	99.3%
Programme 2	1 558.1	1 568.4	1 700.3	1 437.6	1 736.0	1 701.6	1 849.7	1 865.0	1 775.9	1 954.9	1 895.9	1 805.2	102.7%	98.8%
Programme 3	524.9	525.8	548.0	755.6	872.8	828.0	996.6	991.7	1 025.8	1 268.2	1 281.2	1 281.2	103.9%	100.3%
Programme 4	6 400.4	6 586.5	6 020.1	8 370.2	8 127.1	6 897.9	8 989.0	8 994.1	8 435.6	10 379.4	10 420.4	10 420.4	93.1%	93.1%
Programme 5	5 093.3	5 106.1	4 809.2	5 470.6	5 156.7	5 150.7	5 430.0	5 434.4	5 420.2	5 730.2	5 740.9	5 722.2	97.1%	98.4%
Total	13 868.1	14 080.5	13 346.2	16 343.6	16 204.0	14 885.9	17 591.9	17 619.3	17 011.1	19 680.1	19 689.9	19 580.5	96.1%	95.9%
Change to 2014 Budget estimate										9.7				
Economic classification														
Current payments	2 136.9	2 157.2	1 971.5	2 041.3	2 149.3	2 067.2	2 269.7	2 277.8	2 272.1	2 480.2	2 440.3	2 375.3	97.3%	96.2%
Compensation of employees	325.6	321.5	295.4	349.6	356.7	325.2	389.4	388.4	371.7	414.7	414.4	414.4	95.1%	95.0%
Goods and services	1 811.3	1 784.9	1 623.6	1 641.6	1 742.6	1 690.6	1 819.7	1 828.7	1 850.1	2 016.5	1 976.9	1 911.9	97.1%	96.5%
of which:														
Computer services	52.8	56.9	47.7	52.8	44.5	45.6	51.6	55.5	59.6	74.4	64.9	64.9	94.1%	98.2%
Inventory: Learner and teacher support material	0.1	–	533.6	0.3	–	654.1	–	0.1	604.5	–	656.4	656.4	568 138.5%	373.0%
Consumables: Stationery, printing and office supplies	110.1	119.9	28.7	56.9	90.4	87.6	132.5	120.1	45.0	205.4	160.0	160.0	63.6%	65.5%
Property payments	131.0	70.5	67.4	77.2	77.2	73.9	71.2	71.3	84.9	90.7	90.7	90.7	85.6%	102.3%
Travel and subsistence	56.4	66.5	98.9	65.5	96.1	109.9	88.5	96.0	140.9	90.6	116.2	116.2	154.7%	124.3%
Operating payments	1 355.5	1 338.6	743.7	1 277.6	1 281.6	563.9	1 343.7	1 318.9	772.3	1 415.1	730.8	665.8	50.9%	58.8%
Interest and rent on land	–	50.9	52.5	50.1	50.1	51.5	60.7	60.7	50.3	49.0	49.0	49.0	127.2%	96.5%
Transfers and subsidies	11 025.3	11 215.8	11 283.9	11 972.0	11 974.1	11 940.9	13 372.1	13 390.3	13 350.3	14 267.4	14 714.1	14 669.8	101.2%	99.9%
Provinces and municipalities	10 546.4	10 736.9	10 803.0	11 246.6	11 246.6	11 205.9	12 343.3	12 370.6	12 326.3	13 169.5	13 577.0	13 532.6	101.2%	99.9%
Departmental agencies and accounts	468.0	468.0	468.0	713.9	714.4	714.4	991.7	991.7	991.7	1 055.0	1 055.0	1 055.0	100.0%	100.0%
Foreign governments and international organisations	10.9	10.9	10.5	11.4	11.4	12.0	12.0	12.0	15.1	12.8	12.8	12.8	106.8%	106.8%
Non-profit institutions	0.1	0.1	0.1	0.1	0.1	6.1	25.1	15.1	15.1	30.1	69.1	69.1	163.4%	107.1%
Households	–	–	2.4	–	1.7	2.6	–	0.9	2.2	–	0.3	0.3	–	254.7%
Payments for capital assets	706.0	707.4	90.8	2 330.3	2 080.5	877.8	1 950.1	1 951.1	1 388.5	2 932.5	2 535.4	2 535.4	61.8%	67.3%
Buildings and other fixed structures	700.0	700.0	85.3	2 322.4	2 072.4	872.5	1 943.7	1 943.7	1 381.6	2 924.1	2 526.4	2 526.4	61.7%	67.2%
Machinery and equipment	5.9	7.4	5.4	7.8	8.0	5.2	6.4	7.4	6.8	8.4	9.0	9.0	92.4%	83.1%
Software and other intangible assets	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.1	123.4%	119.8%
Payments for financial assets	–	–	–	–	–	–	–	–	0.1	–	–	–	–	–
Total	13 868.1	14 080.5	13 346.2	16 343.6	16 204.0	14 885.9	17 591.9	17 619.3	17 011.1	19 680.1	19 689.9	19 580.5	96.1%	95.9%

Expenditure estimates

Table 14.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Curriculum Policy, Support and Monitoring								
3. Teachers, Education Human Resources and Institutional Development								
4. Planning, Information and Assessment								
5. Educational Enrichment Services								
Programme	Revised estimate	Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ total: Average (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme 1	351.4	6.2%	2.0%	357.7	376.4	396.3	4.1%	1.7%
Programme 2	1 805.2	4.8%	10.8%	1 877.8	1 944.2	1 926.6	2.2%	8.6%
Programme 3	1 281.2	34.6%	5.7%	1 171.5	1 164.0	1 223.2	-1.5%	5.5%
Programme 4	10 420.4	16.5%	49.0%	12 129.7	12 754.3	13 706.6	9.6%	56.0%
Programme 5	5 722.2	3.9%	32.6%	5 974.5	6 289.7	6 607.6	4.9%	28.1%
Total	19 580.5	11.6%	100.0%	21 511.1	22 528.6	23 860.4	6.8%	100.0%
Change to 2014 Budget estimate				(379.1)	(568.9)	(398.1)		
Economic classification								
Current payments	2 375.3	3.3%	13.4%	2 431.9	2 544.4	2 558.4	2.5%	11.3%
Compensation of employees	414.4	8.8%	2.2%	440.9	470.2	500.0	6.5%	2.1%
Goods and services	1 911.9	2.3%	10.9%	1 943.4	2 027.9	2 009.7	1.7%	9.0%
of which:								
Computer services	64.9	4.5%	0.3%	55.2	57.6	60.2	-2.5%	0.3%
Inventory: Learner and teacher support material	656.4	2462.7%	3.8%	643.0	679.3	677.4	1.1%	3.0%
Consumable: Stationery, printing and office supplies	160.0	10.1%	0.5%	205.4	209.7	208.7	9.3%	0.9%
Property payments	90.7	8.8%	0.5%	100.0	117.8	125.7	11.5%	0.5%
Travel and subsistence	116.2	20.4%	0.7%	101.1	107.8	114.0	-0.6%	0.5%
Operating payments	665.8	-20.8%	4.2%	732.4	747.6	714.4	2.4%	3.3%
Interest and rent on land	49.0	-1.3%	0.3%	47.5	46.3	48.6	-0.2%	0.2%
Transfers and subsidies	14 669.8	9.4%	79.1%	17 033.9	17 621.7	18 697.0	8.4%	77.8%
Provinces and municipalities	13 532.6	8.0%	73.8%	15 856.5	16 373.0	17 267.3	8.5%	72.0%
Departmental agencies and accounts	1 055.0	31.1%	5.0%	1 104.0	1 162.5	1 220.6	5.0%	5.2%
Foreign governments and international organisations	12.8	5.5%	0.1%	13.3	14.0	14.8	5.0%	0.1%
Non-profit institutions	69.1	1013.6%	0.1%	60.1	72.2	194.3	41.2%	0.5%
Households	0.3	113.0%	–	–	–	–	-100.0%	–
Payments for capital assets	2 535.4	53.0%	7.5%	2 045.4	2 362.5	2 605.0	0.9%	10.9%
Buildings and other fixed structures	2 526.4	53.4%	7.5%	2 038.5	2 356.0	2 598.2	0.9%	10.9%
Machinery and equipment	9.0	6.8%	–	6.7	6.4	6.7	-9.3%	–
Software and other intangible assets	0.1	10.5%	–	0.1	0.1	0.1	17.4%	–
Total	19 580.5	11.6%	100.0%	21 511.1	22 528.6	23 860.4	6.8%	100.0%

Personnel information

Table 14.4 Vote personnel numbers and cost by salary level and programme¹

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																			
Number of posts estimated for 31 March 2015				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 (%)
			2013/14			2014/15			2015/16			2016/17			2017/18				
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
			2013/14			2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
Basic Education			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	797	4	755	371.7	0.5	795	414.4	0.5	795	441.3	0.6	795	470.4	0.6	795	500.0	0.6	–	100.0%
1 – 6	209	2	207	40.8	0.2	209	41.3	0.2	209	44.5	0.2	209	47.4	0.2	209	50.4	0.2	–	26.3%
7 – 10	288	–	271	97.3	0.4	286	99.5	0.3	288	112.1	0.4	288	119.0	0.4	288	127.7	0.4	0.2%	36.2%
11 – 12	203	–	195	115.6	0.6	204	126.1	0.6	202	134.9	0.7	202	143.1	0.7	202	154.1	0.8	-0.3%	25.5%
13 – 16	95	2	80	76.7	1.0	94	86.5	0.9	94	93.0	1.0	94	99.5	1.1	94	102.5	1.1	–	11.8%
Other	2	–	2	41.4	20.7	2	61.0	30.5	2	56.8	28.4	2	61.4	30.7	2	65.4	32.7	–	0.3%
Programme	797	4	755	371.7	0.5	795	414.4	0.5	795	441.3	0.6	795	470.4	0.6	795	500.0	0.6	–	100.0%
Programme 1	300	4	299	116.3	0.4	298	124.1	0.4	298	127.0	0.4	298	135.4	0.5	298	143.9	0.5	–	37.5%
Programme 2	95	–	93	75.5	0.8	95	78.1	0.8	95	85.8	0.9	95	91.5	1.0	95	97.2	1.0	–	11.9%
Programme 3	152	–	128	54.0	0.4	152	65.4	0.4	152	76.6	0.5	152	81.6	0.5	152	86.8	0.6	–	19.1%
Programme 4	182	–	176	94.6	0.5	182	112.6	0.6	182	116.9	0.6	182	124.6	0.7	182	132.5	0.7	–	22.9%
Programme 5	68	–	59	31.3	0.5	68	34.2	0.5	68	35.0	0.5	68	37.4	0.5	68	39.7	0.6	–	8.6%

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

2. Rand million.

Departmental receipts

Table 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 (%)
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
Departmental receipts	12 731	8 029	27 227	70 000	70 000	76.5%	100.0%	6 080	6 297	6 815	-54.0%	100.0%
Sales of goods and services produced by department	12 148	5 929	2 710	5 229	5 229	-24.5%	22.0%	1 537	1 647	1 762	-30.4%	11.4%
Sales by market establishments	121	118	110	125	125	1.1%	0.4%	125	125	130	1.3%	0.6%
of which:												
Market establishment:	121	118	110	125	125	1.1%	0.4%	125	125	130	1.3%	0.6%
Rental parking: Covered and open												
Administrative fees	11 944	5 727	-	5 000	5 000	-25.2%	19.2%	1 300	1 400	1 500	-33.1%	10.3%
of which:												
Services rendered: Exam certificates	1 198	1 306	-	1 200	1 200	0.1%	3.1%	1 300	1 400	1 500	7.7%	6.1%
Academic services: Course material	10 746	3 707	-	3 000	3 000	-34.6%	14.8%	-	-	-	-100.0%	3.4%
Sales: Tender documents	-	550	-	800	800	-	1.1%	-	-	-	-100.0%	0.9%
Sales: Entrance fees	-	164	-	-	-	-	0.1%	-	-	-	-	-
Other sales	83	84	2 600	104	104	7.8%	2.4%	112	122	132	8.3%	0.5%
of which:												
Services rendered: Commission on insurance and garnishees	80	81	2 600	102	102	8.4%	2.4%	110	120	130	8.4%	0.5%
Replacement of security cards	3	3	-	2	2	-12.6%	-	2	2	2	-	-
Sales of scrap, waste, arms and other used current goods	-	-	-	50	50	-	-	-	-	-	-100.0%	0.1%
of which:												
Waste paper	-	-	-	50	50	-	-	-	-	-	-100.0%	0.1%

Table 14.5 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 (%)
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
R thousand	2011/12	2012/13	2013/14	2014/15		2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Transfers received	–	501	346	–	–	–	0.7%	–	–	–	–	–
Fines, penalties and forfeits	2	–	–	–	–	-100.0%	–	–	–	–	–	–
Interest, dividends and rent on land	100	446	20 050	13 000	13 000	406.6%	28.5%	4 500	4 600	5 000	-27.3%	30.4%
Interest	100	446	20 050	13 000	13 000	406.6%	28.5%	4 500	4 600	5 000	-27.3%	30.4%
Sales of capital assets	–	–	1	600	600	–	0.5%	–	–	–	-100.0%	0.7%
Transactions in financial assets and liabilities	481	1 153	4 120	51 121	51 121	373.7%	48.2%	43	50	53	-89.9%	57.5%
Total	12 731	8 029	27 227	70 000	70 000	76.5%	100.0%	6 080	6 297	6 815	-54.0%	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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Ministry	24.7	22.9	29.7	24.6	-0.2%	8.0%	25.6	27.2	28.7	5.3%	7.2%
Department Management	37.4	60.4	71.9	66.8	21.3%	18.5%	65.4	68.3	71.8	2.5%	18.4%
Corporate Services	39.2	44.8	50.0	48.6	7.4%	14.3%	49.0	51.4	54.2	3.7%	13.7%
Office of the Chief Financial Officer	34.7	36.3	47.7	46.4	10.2%	12.9%	46.2	49.0	51.8	3.8%	13.1%
Internal Audit	2.4	4.3	5.4	6.3	37.2%	1.4%	5.4	5.7	6.1	-1.1%	1.6%
Office Accommodation	130.1	139.0	148.9	158.8	6.9%	45.0%	166.1	174.9	183.7	5.0%	46.1%
Total	268.6	307.7	353.7	351.4	9.4%	100.0%	357.7	376.4	396.3	4.1%	100.0%
Change to 2014 Budget estimate				4.0			(7.0)	(9.2)	(10.4)		
Economic classification											
Current payments	255.7	291.0	336.5	332.8	9.2%	94.9%	339.3	365.5	384.8	5.0%	96.0%
Compensation of employees	81.1	97.5	116.3	124.1	15.3%	32.7%	127.0	135.4	143.9	5.0%	35.8%
Goods and services	122.1	142.1	169.9	159.7	9.4%	46.3%	164.8	183.8	192.3	6.4%	47.3%
of which:											
Audit costs: External	8.6	8.5	13.6	10.7	7.8%	3.2%	9.9	10.4	10.6	-0.3%	2.8%
Communication	2.4	2.4	2.7	2.1	-5.2%	0.7%	2.1	2.1	2.2	2.1%	0.6%
Computer services	15.5	15.6	18.4	16.1	1.2%	5.1%	15.8	16.7	17.5	2.8%	4.5%
Consumables: Stationery, printing and office supplies	2.5	8.1	3.7	3.1	6.6%	1.4%	5.0	4.5	4.2	11.2%	1.1%
Property payments	67.4	73.9	84.9	90.7	10.4%	24.7%	99.8	117.6	125.6	11.4%	29.3%
Travel and subsistence	13.2	17.2	23.8	15.7	5.9%	5.5%	19.1	19.7	20.8	9.8%	5.1%
Interest and rent on land	52.5	51.5	50.3	49.0	-2.3%	15.9%	47.5	46.3	48.6	-0.2%	12.9%
Transfers and subsidies	0.6	0.3	0.4	0.3	-20.6%	0.1%	0.2	0.2	0.2	-11.2%	0.1%
Departmental agencies and accounts	0.2	0.2	0.2	0.2	4.1%	0.1%	0.2	0.2	0.2	5.0%	0.1%
Households	0.4	0.1	0.3	0.1	-35.3%	0.1%	–	–	–	-100.0%	–
Payments for capital assets	12.4	16.4	16.7	18.4	14.1%	5.0%	18.2	10.8	11.3	-14.9%	4.0%
Buildings and other fixed structures	9.2	12.9	11.5	12.8	11.4%	3.6%	14.2	7.2	7.6	-16.0%	2.8%
Machinery and equipment	3.1	3.5	5.1	5.5	21.6%	1.3%	3.9	3.4	3.6	-13.3%	1.1%
Software and other intangible assets	0.1	0.1	0.2	0.1	18.9%	–	0.1	0.1	0.1	14.6%	–
Total	268.6	307.7	353.7	351.4	9.4%	100.0%	357.7	376.4	396.3	4.1%	100.0%
Proportion of total programme expenditure to vote expenditure	2.0%	2.1%	2.1%	1.8%	–	–	1.7%	1.7%	1.7%	–	–
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	0.4	0.1	0.3	0.1	-35.3%	0.1%	–	–	–	-100.0%	–
Employee social benefits	0.4	0.1	0.2	0.1	-34.5%	0.1%	–	–	–	-100.0%	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	0.2	0.2	0.2	0.2	4.1%	0.1%	0.2	0.2	0.2	5.0%	0.1%
Education, Training and Development Practices	0.2	0.2	0.2	0.2	4.1%	0.1%	0.2	0.2	0.2	5.0%	0.1%
Sector Education and Training Authority											

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 2017.
- Contribute to job creation by recruiting and training 40 000 volunteer educators for the Kha Ri Gude mass literacy campaign in 2015/16.
- 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.
- Improve overall educational performance in the long term by improving access to grade R and providing quality learning materials and training opportunities for grade R educators each year.
- Increase learner participation and success rates in mathematics, science and technology by providing ICT equipment, machinery and subject specific resources to schools each year.

Subprogrammes

- *Programme Management: Curriculum Policy, Support and Monitoring* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions in the programme.
- *Curriculum Implementation and Monitoring* supports and monitors the implementation of the national strategy for learner attainment framework, to monitor the quality of teaching and to improve the quality of mathematics, science, technology and languages in all public schools from grades R to 12.
- *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.

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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Programme Management: Curriculum Policy, Support and Monitoring	2.0	2.7	2.6	2.5	7.0%	0.1%	2.6	2.8	2.9	6.0%	0.1%
Curriculum Implementation and Monitoring	27.2	29.9	35.0	88.3	48.1%	2.6%	36.2	38.5	40.9	-22.7%	2.7%
Kha Ri Gude Literacy Project	497.3	572.5	598.8	569.9	4.6%	31.6%	504.7	500.5	405.1	-10.8%	25.9%
Curriculum and Quality Enhancement Programmes	1 173.8	1 096.6	1 139.5	1 235.2	1.7%	65.7%	1 334.3	1 402.4	1 477.7	6.2%	71.3%
Total	1 700.3	1 701.6	1 775.9	1 895.9	3.7%	100.0%	1 877.8	1 944.2	1 926.6	0.5%	100.0%
Change to 2014				(59.0)			(48.3)	(82.0)	(202.0)		
Budget estimate											

Table 14.7 Curriculum Policy, Support and Monitoring expenditure trends and estimates by subprogramme and economic classification

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome							2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15				2014/15 - 2017/18		
Current payments	1 421.4	1 406.4	1 469.0	1 550.6	2.9%	82.7%	1 529.7	1 581.0	1 540.7	-0.2%	81.1%
Compensation of employees	63.9	65.8	75.5	78.1	6.9%	4.0%	85.8	91.5	97.2	7.6%	4.6%
Goods and services	1 357.5	1 340.7	1 393.5	1 472.5	2.7%	78.7%	1 443.9	1 489.5	1 443.5	-0.7%	76.5%
of which:											
Advertising	—	1.3	2.0	3.5	330.2%	0.1%	3.2	3.2	3.2	-2.8%	0.2%
Agency and support / outsourced services	35.3	35.8	34.0	31.2	-4.0%	1.9%	24.6	23.2	22.9	-9.8%	1.3%
Inventory: Learner and teacher support material	533.6	654.1	576.1	653.4	7.0%	34.2%	642.6	678.9	677.0	1.2%	34.7%
Consumables: Stationery, printing and office supplies	19.3	64.7	35.4	33.7	20.4%	2.2%	24.7	20.5	10.4	-32.4%	1.2%
Travel and subsistence	16.9	9.7	8.9	12.3	-10.2%	0.7%	9.7	10.3	9.7	-7.6%	0.5%
Operating payments	739.0	557.9	721.9	724.3	-0.7%	38.8%	729.1	744.1	710.6	-0.6%	38.0%
Transfers and subsidies	278.6	294.8	306.6	344.8	7.4%	17.3%	347.3	362.6	385.3	3.8%	18.8%
Provinces and municipalities	278.4	294.3	306.2	344.7	7.4%	17.3%	347.2	362.4	385.1	3.8%	18.8%
Foreign governments and international organisations	—	0.1	0.1	0.1	—	—	0.1	0.1	0.1	4.8%	—
Households	0.2	0.4	0.3	—	-56.3%	—	—	—	—	-100.0%	—
Payments for capital assets	0.3	0.4	0.3	0.6	30.2%	—	0.8	0.7	0.7	6.1%	—
Machinery and equipment	0.3	0.4	0.3	0.6	30.2%	—	0.7	0.6	0.7	5.6%	—
Total	1 700.3	1 701.6	1 775.9	1 895.9	3.7%	100.0%	1 877.8	1 944.2	1 926.6	0.5%	100.0%
Proportion of total programme expenditure to vote expenditure	12.7%	11.4%	10.4%	9.6%	—	—	8.7%	8.6%	8.1%	—	—
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	0.2	0.4	0.3	—	-56.3%	—	—	—	—	-100.0%	—
Employee social benefits	0.2	0.4	0.3	—	-56.3%	—	—	—	—	-100.0%	—
Foreign governments and international organisations											
Current	—	0.1	0.1	0.1	—	—	0.1	0.1	0.1	4.8%	—
Guidance Counselling and Youth Development Centre, Malawi	—	0.1	0.1	0.1	—	—	0.1	0.1	0.1	4.8%	—
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Capital	278.4	294.3	306.2	344.7	7.4%	17.3%	347.2	362.4	385.1	3.8%	18.8%
Maths, science and technology grant	278.4	294.3	306.2	344.7	7.4%	17.3%	347.2	362.4	385.1	3.8%	18.8%

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.
- Improve the quality of teaching and learning by ensuring an adequate supply of young and qualified teachers by awarding 13 500 Funza Lushaka bursaries to prospective teachers in 2015/16.
- Improve the capacity of 20 000 English first additional language and 20 000 mathematics teachers through self-diagnostic testing and the implementation of teacher development courses to improve content and pedagogical knowledge annually.

- Enhance accountability through monitoring and supporting the implementation of educator performance management systems and school evaluations in 2015/16.

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; educator performance management and development; whole school evaluation; 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				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome							2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15					2014/15 - 2017/18	
Programme Management: Teachers, Education Human Resources and Institutional Development	3.0	2.5	0.7	1.9	-14.1%	0.2%	2.0	2.1	2.2	4.9%	0.2%
Education Human Resources Management	55.7	62.0	66.0	277.8	70.8%	12.5%	142.6	80.3	85.1	-32.6%	12.1%
Education Human Resources Development	489.3	759.8	954.5	969.5	25.6%	86.2%	1 014.2	1 068.2	1 121.9	5.0%	86.2%
Curriculum and Professional Development unit	–	3.7	4.7	32.1	–	1.1%	12.7	13.4	14.1	-23.9%	1.5%
Total	548.0	828.0	1 025.8	1 281.2	32.7%	100.0%	1 171.5	1 164.0	1 223.2	-1.5%	100.0%
Change to 2014				13.0							
Budget estimate											
Economic classification											
Current payments	87.9	136.1	115.6	107.5	6.9%	12.1%	99.7	105.9	112.3	1.5%	8.8%
Compensation of employees	51.7	48.8	54.0	65.4	8.2%	6.0%	76.6	81.6	86.8	9.9%	6.4%
Goods and services	36.2	87.3	61.6	42.0	5.1%	6.2%	23.1	24.3	25.5	-15.4%	2.4%
of which:											
Catering: Departmental activities	1.5	1.3	0.5	0.6	-26.7%	0.1%	0.7	0.7	0.7	7.3%	0.1%
Consultants and professional services:	0.2	2.3	–	–	-100.0%	0.1%	3.1	2.6	2.7	–	0.2%
Business and advisory services											
Consumables: Stationery, printing and office supplies	4.3	8.4	1.7	2.9	-12.3%	0.5%	1.7	2.0	2.1	-9.9%	0.2%
Travel and subsistence	21.5	26.7	23.4	22.6	1.7%	2.6%	14.3	15.2	16.0	-10.9%	1.4%
Training and development	–	19.0	–	–	–	0.5%	0.7	0.7	0.8	–	–
Venues and facilities	3.2	4.0	1.3	0.8	-36.6%	0.3%	0.8	0.9	1.0	6.7%	0.1%
Transfers and subsidies	460.0	691.6	910.0	1 173.2	36.6%	87.8%	1 071.3	1 057.5	1 110.4	-1.8%	91.2%
Provinces and municipalities	–	–	–	213.0	–	5.8%	67.0	–	–	-100.0%	5.8%
Departmental agencies and accounts	449.4	671.9	893.9	947.5	28.2%	80.4%	991.1	1 043.6	1 095.8	5.0%	84.3%
Foreign governments and international organisations	10.5	11.9	15.0	12.6	6.5%	1.4%	13.2	13.9	14.6	5.0%	1.1%
Non-profit institutions	–	6.0	–	–	–	0.2%	–	–	–	–	–
Households	0.1	1.8	1.1	0.1	3.5%	0.1%	–	–	–	-100.0%	–
Payments for capital assets	0.2	0.3	0.2	0.5	41.9%	–	0.5	0.5	0.6	0.7%	–
Machinery and equipment	0.2	0.3	0.2	0.5	41.9%	–	0.5	0.5	0.6	0.7%	–
Total	548.0	828.0	1 025.8	1 281.2	32.7%	100.0%	1 171.5	1 164.0	1 223.2	-1.5%	100.0%
Proportion of total programme expenditure to vote expenditure	4.1%	5.6%	6.0%	6.5%	–	–	5.4%	5.2%	5.1%	–	–

Table 14.8 Teachers, Education Human Resources and Institutional 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 (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Households											
Social benefits											
Current	0.1	1.8	1.1	0.1	3.5%	0.1%	-	-	-	-100.0%	-
Employee social benefits	0.1	1.8	1.1	0.1	3.5%	0.1%	-	-	-	-100.0%	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	449.4	671.9	893.9	947.5	28.2%	80.4%	991.1	1 043.6	1 095.8	5.0%	84.3%
National Student Financial Aid Scheme	449.4	671.9	893.9	947.5	28.2%	80.4%	991.1	1 043.6	1 095.8	5.0%	84.3%
Foreign governments and international organisations											
Current	10.5	11.9	15.0	12.6	6.5%	1.4%	13.2	13.9	14.6	5.0%	1.1%
United Nations Educational, Scientific and Cultural Organisation	10.5	11.9	14.9	12.6	6.4%	1.4%	13.2	13.9	14.6	5.0%	1.1%
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Current	-	-	-	213.0	-	5.8%	67.0	-	-	-100.0%	5.8%
Occupational specific dispensation for education sector therapists allocation	-	-	-	213.0	-	5.8%	67.0	-	-	-100.0%	5.8%
Non-profit institutions											
Current	-	6.0	-	-	-	0.2%	-	-	-	-	-
International Mathematics Olympiad	-	6.0	-	-	-	0.2%	-	-	-	-	-

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 grade 3, 6 and 9 learners 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 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 learner unit record information. This is done in order to monitor and report on the implementation of education information policy in the basic education sector.
- *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.
- *National Assessments and Public Examinations* administers a credible national assessment in grades 1 to 6 and grade 9, and public examinations in grade 12. This 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 in this regard. 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 (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme Management: Planning, Information and Assessment	0.8	2.3	2.6	3.0	55.8%	–	2.6	2.8	3.0	-0.3%	–
Financial Planning, Information and Management Systems	38.2	35.0	31.9	37.3	-0.8%	0.4%	41.3	43.8	46.2	7.3%	0.3%
School Infrastructure	5 840.4	6 668.9	8 042.4	9 874.8	19.1%	95.8%	11 572.2	12 156.9	12 959.3	9.5%	95.0%
National Assessments and Public Examinations	123.1	159.8	296.1	394.6	47.4%	3.1%	416.2	439.0	461.8	5.4%	3.5%
National Education Evaluation and Development Unit	6.6	17.1	21.1	21.2	47.6%	0.2%	14.9	15.8	16.7	-7.6%	0.1%
Planning and Delivery Oversight Unit	11.0	14.9	41.6	89.4	101.3%	0.5%	82.5	96.1	219.7	34.9%	1.0%
Total	6 020.1	6 897.9	8 435.6	10 420.4	20.1%	100.0%	12 129.7	12 754.3	13 706.6	9.6%	100.0%
Change to 2014				41.0			(318.4)	(470.1)	(180.7)		
Budget estimate											

Table 14.9 Planning, Information and Assessment expenditure trends and estimates by subprogramme and economic classification

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Current payments	167.6	192.5	308.3	401.6	33.8%	3.4%	413.8	439.6	465.1	5.0%	3.5%
Compensation of employees	71.6	86.4	94.6	112.6	16.3%	1.1%	116.5	124.4	132.5	5.6%	1.0%
Goods and services	96.0	106.0	213.8	289.1	44.4%	2.2%	297.3	315.2	332.6	4.8%	2.5%
of which:											
Advertising	1.4	2.6	5.5	5.0	51.5%	–	5.3	6.3	7.4	13.5%	–
Computer services	31.7	29.4	41.1	47.4	14.3%	0.5%	37.7	39.3	41.1	-4.7%	0.3%
Consultants and professional services:	4.5	0.9	2.5	35.3	99.2%	0.1%	7.9	7.1	6.0	-44.5%	0.1%
Business and advisory services											
Agency and support / outsourced services	9.1	15.6	6.8	3.8	-25.6%	0.1%	7.4	7.8	8.5	31.1%	0.1%
Consumables: Stationery, printing and office supplies	1.3	2.2	3.0	117.8	353.0%	0.4%	171.9	181.2	190.3	17.3%	1.3%
Travel and subsistence	40.5	50.1	78.1	60.3	14.2%	0.7%	51.2	55.2	59.9	-0.2%	0.5%
Transfers and subsidies	5 774.8	5 844.9	6 756.3	7 503.1	9.1%	81.4%	9 690.3	9 964.5	10 649.4	12.4%	77.1%
Provinces and municipalities	5 756.4	5 802.4	6 643.3	7 326.6	8.4%	80.3%	9 517.6	9 773.7	10 330.6	12.1%	75.4%
Departmental agencies and accounts	18.4	42.3	97.7	107.4	80.1%	0.8%	112.7	118.7	124.6	5.1%	0.9%
Non-profit institutions	–	–	15.0	69.0	–	0.3%	60.0	72.1	194.2	41.2%	0.8%
Households	0.1	0.2	0.4	0.1	15.3%	–	–	–	–	-100.0%	–
Payments for capital assets	77.7	860.5	1 371.0	2 515.7	218.7%	15.2%	2 025.7	2 350.2	2 592.1	1.0%	19.4%
Buildings and other fixed structures	76.1	859.6	1 370.1	2 513.6	220.9%	15.2%	2 024.3	2 348.7	2 590.6	1.0%	19.3%
Machinery and equipment	1.6	0.9	0.8	2.1	8.5%	–	1.4	1.5	1.6	-9.0%	–
Total	6 020.1	6 897.9	8 435.6	10 420.4	20.1%	100.0%	12 129.7	12 754.3	13 706.6	9.6%	100.0%
Proportion of total programme expenditure to vote expenditure	45.1%	46.3%	49.6%	52.9%	–	–	56.4%	56.6%	57.4%	–	–
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	0.1	0.2	0.4	0.1	15.3%	–	–	–	–	-100.0%	–
Employee social benefits	0.1	0.2	0.4	0.1	15.3%	–	–	–	–	-100.0%	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	18.4	42.3	97.7	107.4	80.1%	0.8%	112.7	118.7	124.6	5.1%	0.9%
Umalusi Council for Quality Assurance in General and Further Education and Training	18.4	42.3	97.7	107.4	80.1%	0.8%	112.7	118.7	124.6	5.1%	0.9%
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Capital	5 756.4	5 802.4	6 643.3	7 326.6	8.4%	80.3%	9 517.6	9 773.7	10 330.6	12.1%	75.4%
Education infrastructure allocation	5 756.4	5 802.4	6 643.3	7 326.6	8.4%	80.3%	9 517.6	9 773.7	10 330.6	12.1%	75.4%
Non-profit institutions											
Current	–	–	15.0	69.0	–	0.3%	60.0	72.1	194.2	41.2%	0.8%
National Education Collaboration Trust	–	–	15.0	69.0	–	0.3%	60.0	72.1	194.2	41.2%	0.8%

Programme 5: Educational Enrichment Services

Programme purpose

Develop policies and programmes to improve the quality of learning in schools.

Objectives

- Reduce barriers to learning through the implementation of school sport, safety and social cohesion programmes each year 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.

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 for 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	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		
Programme Management: Educational Enrichment Services	3.5	3.0	3.2	2.7	-8.8%	0.1%	2.8	3.0	3.2	6.0%	–
Partnerships in Education	19.9	17.6	18.2	22.9	4.9%	0.4%	23.1	24.5	25.9	4.2%	0.4%
Care and Support in Schools	4 785.8	5 130.1	5 398.8	5 715.3	6.1%	99.6%	5 948.5	6 262.2	6 578.5	4.8%	99.6%
Total	4 809.2	5 150.7	5 420.2	5 740.9	6.1%	100.0%	5 974.5	6 289.7	6 607.6	4.8%	100.0%
Change to 2014				10.7			(5.3)	(7.5)	(5.0)		
Budget estimate											
Economic classification											
Current payments	39.0	41.2	42.6	47.9	7.1%	0.8%	49.4	52.5	55.6	5.1%	0.8%
Compensation of employees	27.2	26.7	31.3	34.2	7.9%	0.6%	35.0	37.4	39.7	5.1%	0.6%
Goods and services	11.8	14.6	11.3	13.7	5.0%	0.2%	14.3	15.1	15.9	5.1%	0.2%
of which:											
Catering: Departmental activities	0.2	0.3	0.3	0.3	12.7%	–	0.5	0.6	0.6	24.2%	–
Communication	0.7	0.3	0.4	0.3	-28.5%	–	0.4	0.4	0.4	18.1%	–
Consumable supplies	0.1	–	1.2	–	-44.3%	–	1.2	1.2	1.3	299.5%	–
Consumables: Stationery, printing and office supplies	1.2	4.2	1.1	2.5	25.8%	–	2.0	1.7	1.7	-11.4%	–
Travel and subsistence	6.7	6.3	6.6	5.3	-7.5%	0.1%	6.8	7.3	7.6	13.0%	0.1%
Venues and facilities	0.6	0.1	0.2	2.1	49.6%	–	1.9	2.0	2.1	0.2%	–
Transfers and subsidies	4 769.9	5 109.3	5 377.1	5 692.8	6.1%	99.2%	5 924.8	6 236.9	6 551.7	4.8%	99.2%
Provinces and municipalities	4 768.2	5 109.1	5 376.9	5 692.7	6.1%	99.2%	5 924.7	6 236.9	6 551.6	4.8%	99.2%
Non-profit institutions	0.1	0.1	0.1	0.1	2.0%	–	0.1	0.1	0.1	4.8%	–
Households	1.6	0.1	0.1	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	0.3	0.2	0.4	0.3	-4.2%	–	0.3	0.3	0.3	5.7%	–
Machinery and equipment	0.3	0.2	0.4	0.3	-4.2%	–	0.3	0.3	0.3	5.7%	–
Payments for financial assets	–	–	0.1	–	–	–	–	–	–	–	–
Total	4 809.2	5 150.7	5 420.2	5 740.9	6.1%	100.0%	5 974.5	6 289.7	6 607.6	4.8%	100.0%
Proportion of total programme expenditure to vote expenditure	36.0%	34.6%	31.9%	29.2%	–	–	27.8%	27.9%	27.7%	–	–

Table 14.10 Educational Enrichment Services 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	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Households											
Social benefits											
Current	1.6	0.1	0.1	–	-100.0%	–	–	–	–	–	–
Employee social benefits	1.6	0.1	0.1	–	-100.0%	–	–	–	–	–	–
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Current	4 768.2	5 109.1	5 376.9	5 692.7	6.1%	99.2%	5 924.7	6 236.9	6 551.6	4.8%	99.2%
National school nutrition programme grant	4 578.8	4 906.5	5 173.1	5 461.9	6.1%	95.3%	5 703.7	6 006.0	6 306.3	4.9%	95.4%
HIV and AIDS (life skills education) grant	189.5	202.7	203.8	230.8	6.8%	3.9%	221.0	230.8	245.3	2.1%	3.8%
Non-profit institutions											
Current	0.1	0.1	0.1	0.1	2.0%	–	0.1	0.1	0.1	4.8%	–
Childline South Africa	0.1	0.1	0.1	0.1	2.0%	–	0.1	0.1	0.1	4.8%	–

Public entities and other agencies

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 **Education Labour Relations Council** maintains labour peace within public education through processes of dispute prevention and dispute resolution. The council's total budget for 2015/16 is R70.9 million.
- 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 2015/16 is R53.6 million.
- The **Umalusi Council for Quality Assurance in General and Further Education and Training** sets and maintain 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 2015/16 is R130.9 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	
				2011/12	2012/13		2015/16	2017/18
Departmental infrastructure								
School infrastructure backlogs indirect 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	76.1	859.6	1 370.1	2 024.3	2 590.6
Infrastructure transfers to other spheres, agencies and departments								
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	5 756.4	5 802.4	6 643.3	9 517.6	10 330.6
Education infrastructure grant	31 new workshops built, 228 existing workshops refurbished, equipment delivered and installed at 300 workshops, and 4 590 technology teachers trained	Various	1 650.2	210.5	198.7	306.2	347.2	385.1
Total			148 344.3	6 043.0	6 860.7	8 319.6	11 889.1	13 306.3

Vote 15

Higher Education and Training

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	318.3	311.3	0.3	6.7	331.0	347.5
Human Resource Development, Planning and Monitoring Coordination	54.8	51.1	3.2	0.6	57.8	60.7
University Education	32 844.3	48.9	32 795.1	0.3	34 602.9	36 342.9
Vocational and Continuing Education and Training	8 515.8	7 302.2	1 210.0	3.6	8 985.9	9 439.3
Skills Development	110.7	87.7	21.8	1.2	116.7	126.6
Subtotal	41 844.0	7 801.2	34 030.5	12.3	44 094.2	46 317.0
Direct charge against the National Revenue Fund						
Sector education and training authorities	11 752.7	–	11 752.7	–	12 912.8	13 920.0
National Skills Fund	2 937.3	–	2 937.3	–	3 227.2	3 480.0
Total expenditure estimates	56 534.0	7 801.2	48 720.5	12.3	60 234.2	63 717.0

Executive authority Minister of Higher Education and Training
Accounting officer Director General of Higher Education and Training
Website address www.dhet.gov.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, public entities, donor funding, public private partnerships, conditional allocations 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 nationally planned system of higher education
- the Adult Basic Education and Training Act (2000), which provides for the establishment of public and private adult learning centres and for the governance of public centres
- the Further Education and Training Colleges Act (2006), which provides for the governance and funding of further education and training colleges
- 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 Education Policy Act (1996), which provides for the formulation of national policies in general and further education and training, curriculum assessment, and language policy and quality assurance
- the Employment of Educators Act (1998), which regulates the conditions of service, discipline, retirement and discharge of educators, and everything relating to educators employed by the state in further education and training institutions and public adult centres.

Selected performance indicators

Table 15.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of students enrolled in higher education institutions per year	University Education	Outcome 5: A skilled and capable workforce to support an inclusive growth path	886 033	938 201	953 373	983 698	1 000 000	1 020 000	1 035 000
Proportion of higher education enrolments in science, engineering and technology; business; and the humanities	University Education		28:31:41	29:30:41	29:30:41	29:29:42	29:28:43	30:28:42	30:28:42
Number of doctoral graduates from universities per year	University Education		1 637	1 576	1 879	2 051	2 060	2 200	2 350
Number of monitoring and evaluation reports on higher education produced and submitted for approval per year	University Education		— ¹	— ¹	— ¹	— ¹	12	12	12
Number of headcount enrolments in technical and vocational education and training colleges per year	Vocational and Continuing Education and Training		350 000	657 690	670 455	800 000	1 000 000	1 100 000	1 166 000
Number of full time equivalents enrolled in technical and vocational education and training institutions per year	Vocational and Continuing Education and Training		210 971	263 721	305 915	348 772	401 088	421 100	446 787
Number of teaching and learning support plans for the vocational and continuing education and training developed and approved per year	Vocational and Continuing Education and Training		— ¹	— ¹	— ¹	— ¹	2	1	1
Turnaround time for certificates issued to qualifying students after examinations (months) ²	Vocational and Continuing Education and Training		— ¹	— ¹	— ¹	12	12	3	3
Number of new artisans registered for training each year	Skills Development		24 378	21 849	27 670	28 750	29 750	30 750	31 750
Number of artisan learners competent each year	Skills Development		10 000	15 277 ³	18 110	19 110	20 110	21 110	22 110
Number of work based learning opportunities created per year	Skills Development		— ¹	— ¹	49 678	59 000	69 000	79 000	89 000

1. Historical data is not available, as this is a new indicator.

2. 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".

3. This output differs from what was published in the 2014 Estimates of National Expenditure, as performance was restated in the 2013/14 annual report.

Expenditure analysis

The national development plan and government's 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 significantly improved learning outcomes. Over the medium term, the Department of Higher Education and Training will focus on expanding access to universities and technical and vocational education and training colleges, through infrastructure projects, teaching and learning support plans, management and accountability improvements, and bursaries.

Universities

Transfers from the department's *University Subsidies* subprogramme in the *University Education* programme are projected to reach R29 billion in 2017/18, which is an increase over the medium term of 6.3 per cent. The transfers include spending on infrastructure at the newly established University of Mpumalanga and the Sol Plaatje University in the Northern Cape. These infrastructure projects have specifically been allocated R1.2 billion for operational costs and capital expenditure in 2015/16. Lecture rooms and laboratories will be built, as well as new student accommodation. These new universities will, in time, increase the number of places available at the university level of education.

Technical and vocational education and training

In addition to university access, the national development plan also recognises the need for expanding access to occupationally directed programmes to increase the availability of intermediate level skills in the economy, in particular, artisan skills. Over the medium term, expanding skills training, work opportunities and work placements for artisans will be supported by the sector education and training authorities and the National Skills Fund. By 31 March 2020, 7 teaching and learning support plans for technical and vocational education and training colleges will have been developed and implemented to upskill lecturers and provide a technical and

vocational curriculum that is responsive to the demands of the labour market. Together, the projected spending of the sector education and training authorities and the National Skills Fund amounts to R17.4 billion in 2017/18, increasing from R13.2 billion in 2014/15. The funds provide for the expected increase in numbers of both registered artisans and competent artisan learners. Partnerships between the sector education and training authorities and the technical and vocational education and training colleges will provide learners with workplace experience.

The technical and vocational education and training functions and the adult education and training functions will shift from the provincial to the national sphere of government. The function shifts will, among other things, streamline colleges' reporting, ensure equal funding based on programme enrolments, and improve the planning and financial management of the colleges. The Minister of Higher Education and Training will also be responsible for establishing and appointing college councils, which makes college principals accountable directly to the department. From 1 April 2015, the department will be responsible for paying the salaries of officials in the technical and vocational education and training sector and the adult education and training sector.

Bursaries

To accommodate the projected increase in enrolments at universities and technical and vocational education and training colleges, the National Student Financial Aid Scheme is expected to receive R19.9 billion over the medium term in transfers from the department for university loans and bursaries and college bursaries.

Expenditure trends

Table 15.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Human Resource Development, Planning and Monitoring Coordination														
3. University Education														
4. Vocational and Continuing Education and Training														
5. Skills 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	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Programme 1	161.6	218.8	222.6	175.5	221.7	229.2	200.6	254.0	267.4	217.1	285.7	280.6	132.5%	102.0%
Programme 2	33.8	40.1	42.3	40.7	48.0	46.5	48.1	51.6	47.7	48.8	54.7	59.8	114.5%	101.0%
Programme 3	23 429.5	23 428.0	23 428.4	26 234.0	26 232.7	26 228.7	28 093.8	28 300.7	28 299.3	30 448.0	30 443.7	30 443.6	100.2%	100.0%
Programme 4	6 288.5	6 223.0	6 209.6	7 136.2	6 874.5	6 876.2	7 702.5	7 660.6	7 656.0	8 164.0	8 098.0	8 096.4	98.5%	99.9%
Programme 5	128.3	132.8	122.0	100.1	100.7	93.3	105.6	105.1	99.7	110.6	106.3	106.7	94.9%	94.8%
Subtotal	30 041.6	30 042.7	30 024.9	33 686.3	33 477.6	33 473.9	36 150.6	36 372.0	36 370.0	38 988.5	38 988.5	38 987.3	100.0%	100.0%
Direct charge against the National Revenue Fund	10 025.3	10 095.1	10 025.3	9 606.1	11 694.5	11 694.5	12 403.0	12 300.0	12 090.2	13 440.0	13 200.0	13 200.0	103.4%	99.4%
Sector education and training authorities	8 021.4	8 077.3	8 021.4	7 684.9	9 355.6	9 355.6	9 922.4	9 840.6	9 673.8	10 752.6	10 560.6	10 560.6	103.4%	99.4%
National Skills Fund	2 003.8	2 017.8	2 003.8	1 921.2	2 338.9	2 338.9	2 480.6	2 459.4	2 416.4	2 687.4	2 639.4	2 639.4	103.4%	99.4%
Total	40 066.9	40 137.8	40 050.1	43 292.5	45 172.1	45 168.4	48 553.6	48 672.0	48 460.2	52 428.5	52 188.5	52 187.3	100.8%	99.8%
Change to 2014 Budget estimate										(240.0)				

Table 15.2 Vote expenditure trends by programme and economic classification

Economic classification	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget average (%)	Outcome/Adjusted appropriation average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Current payments	6 525.0	6 459.8	5 641.7	7 178.5	7 164.7	6 185.8	5 062.0	7 000.9	6 899.8	5 363.7	7 310.9	7 311.4	107.9%	93.2%
Compensation of employees	6 340.3	5 869.4	5 303.8	7 007.9	6 899.2	5 927.8	4 883.4	6 739.1	6 605.4	5 179.7	7 009.0	7 008.4	106.1%	93.7%
Goods and services	184.6	590.4	337.9	170.6	265.6	258.0	178.5	261.8	294.3	184.0	301.9	303.0	166.2%	84.0%
of which:														
Computer services	57.7	63.4	32.1	28.5	46.5	23.9	25.6	36.6	25.8	26.6	26.5	26.3	78.1%	62.5%
Consumables: Stationery, printing and office supplies	7.2	148.6	32.0	8.7	18.6	26.3	13.7	15.5	24.4	12.4	17.3	17.8	238.6%	50.2%
Property payments	45.1	133.2	30.0	43.9	54.0	25.9	48.6	33.9	40.5	46.0	49.2	49.5	79.4%	54.0%
Travel and subsistence	33.0	76.5	146.8	31.4	57.7	102.1	43.5	124.8	119.9	48.9	126.7	127.2	316.4%	128.6%
Training and development	1.1	0.3	7.6	1.0	1.1	6.8	1.9	1.6	8.8	2.5	9.5	9.3	498.5%	260.7%
Operating payments	6.2	40.7	7.9	8.6	13.7	7.8	4.6	6.3	8.8	6.2	8.0	8.1	127.2%	47.4%
Transfers and subsidies	33 533.8	33 664.1	34 403.3	36 106.4	38 001.1	38 975.7	43 487.6	41 665.4	41 552.9	47 061.1	44 872.5	44 872.4	99.8%	101.0%
Departmental agencies and accounts	14 178.6	14 177.2	14 107.3	15 201.0	16 996.4	16 996.5	18 075.8	18 182.6	17 972.7	19 699.9	19 459.9	19 459.9	102.1%	99.6%
Higher education institutions	19 352.7	19 354.2	19 354.2	20 902.9	20 902.9	20 902.8	22 388.8	22 388.8	22 388.8	24 155.1	24 155.1	24 155.1	100.0%	100.0%
Foreign governments and international organisations	2.4	2.4	2.4	2.5	2.5	2.6	2.9	2.9	2.9	2.9	2.9	2.8	100.2%	100.2%
Non-profit institutions	—	—	874.2	—	5.0	978.4	3 020.2	1 091.1	1 091.1	3 203.2	1 155.5	1 155.5	65.9%	182.1%
Households	—	130.3	65.3	—	94.3	95.5	—	0.1	97.4	—	99.1	99.1	—	110.3%
Payments for capital assets	8.1	13.9	5.0	7.6	6.3	6.8	4.0	5.7	7.5	3.7	5.1	3.5	97.6%	74.1%
Machinery and equipment	8.1	13.9	4.9	7.6	6.1	6.8	4.0	5.4	7.5	3.7	5.1	3.5	97.0%	74.6%
Software and other intangible assets	—	—	0.1	—	0.2	—	—	0.2	—	—	—	—	—	35.3%
Payments for financial assets	—	—	0.1	—	—	—	—	—	—	—	—	—	—	—
Total	40 066.9	40 137.8	40 050.1	43 292.5	45 172.1	45 168.4	48 553.6	48 672.0	48 460.2	52 428.5	52 188.5	52 187.3	100.8%	99.8%

Expenditure estimates

Table 15.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Human Resource Development, Planning and Monitoring Coordination								
3. University Education								
4. Vocational and Continuing Education and Training								
5. Skills Development								
Programme	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme 1	280.6	8.7%	0.5%	318.3	331.0	347.5	7.4%	0.5%
Programme 2	59.8	14.3%	0.1%	54.8	57.8	60.7	0.5%	0.1%
Programme 3	30 443.6	9.1%	58.3%	32 844.3	34 602.9	36 342.9	6.1%	57.7%
Programme 4	8 096.4	9.2%	15.5%	8 515.8	8 985.9	9 439.3	5.2%	15.1%
Programme 5	106.7	-7.0%	0.2%	110.7	116.7	126.6	5.9%	0.2%
Subtotal	38 987.3	9.1%	74.7%	41 844.0	44 094.2	46 317.0	5.9%	73.6%
Direct charge against the National Revenue Fund	13 200.0	9.4%	25.3%	14 690.0	16 140.0	17 400.0	9.6%	26.4%
Sector education and training authorities	10 560.6	9.3%	20.2%	11 752.7	12 912.8	13 920.0	9.6%	21.1%
National Skills Fund	2 639.4	9.4%	5.1%	2 937.3	3 227.2	3 480.0	9.7%	5.3%
Total	52 187.3	9.1%	100.0%	56 534.0	60 234.2	63 717.0	6.9%	100.0%
Change to 2014 Budget estimate				(21.5)	(31.6)	(21.3)		

Table 15.3 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 (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Current payments	7 311.4	4.2%	14.0%	7 801.2	8 233.7	8 651.6	5.8%	13.8%
Compensation of employees	7 008.4	6.1%	13.4%	7 308.2	7 732.5	8 137.7	5.1%	13.0%
Goods and services	303.0	-19.9%	0.6%	493.0	501.2	513.9	19.3%	0.8%
of which:								
Computer services	26.3	-25.5%	0.1%	52.6	52.9	53.8	27.0%	0.1%
Consumables: Stationery, printing and office supplies	17.8	-50.7%	0.1%	73.7	74.4	75.6	62.1%	0.1%
Property payments	49.5	-28.1%	0.1%	53.5	55.9	58.3	5.6%	0.1%
Travel and subsistence	127.2	18.5%	0.3%	147.0	148.4	151.3	6.0%	0.2%
Training and development	9.3	220.6%	–	26.7	28.0	29.3	46.4%	–
Operating payments	8.1	-41.6%	–	55.7	56.7	57.8	92.6%	0.1%
Transfers and subsidies	44 872.4	10.1%	86.0%	48 720.5	51 992.8	55 058.2	7.1%	86.2%
Departmental agencies and accounts	19 459.9	11.1%	36.9%	21 270.0	23 086.4	24 706.5	8.3%	38.0%
Higher education institutions	24 155.1	7.7%	46.7%	26 243.2	27 634.1	29 015.8	6.3%	46.0%
Foreign governments and international organisations	2.8	5.2%	–	3.2	3.3	3.5	7.0%	–
Non-profit institutions	1 155.5	–	2.2%	1 204.1	1 269.0	1 332.4	4.9%	2.1%
Households	99.1	-8.7%	0.2%	–	–	–	-100.0%	–
Payments for capital assets	3.5	-36.8%	–	12.3	7.7	7.2	27.3%	–
Machinery and equipment	3.5	-36.8%	–	12.3	7.7	7.2	27.3%	–
Total	52 187.3	9.1%	100.0%	56 534.0	60 234.2	63 717.0	6.9%	100.0%

Personnel information

Table 15.4 Vote personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. Human Resource Development, Planning and Monitoring Coordination																			
3. University Education																			
4. Vocational and Continuing Education and Training																			
5. Skills Development																			
Number of posts estimated for 31 March 2015			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 (%)				
		2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost						
Higher Education and Training			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	959	99	38 000	6 605.4	0.2	38 002	7 008.4	0.2	38 025	7 308.2	0.2	38 025	7 732.5	0.2	38 025	8 137.7	0.2	-	100.0%
1 – 6	414	99	541	73.4	0.1	513	71.4	0.1	11 323	2 072.2	0.2	11 323	2 217.0	0.2	11 323	2 335.3	0.2	180.5%	22.7%
7 – 10	345	-	349	115.5	0.3	345	116.7	0.3	7 999	2 837.5	0.4	7 999	2 969.0	0.4	7 999	3 119.2	0.4	185.1%	16.0%
11 – 12	128	-	102	56.2	0.6	128	71.1	0.6	612	389.5	0.6	612	416.7	0.7	612	440.0	0.7	68.5%	1.3%
13 – 16	72	-	64	56.6	0.9	72	67.2	0.9	89	92.8	1.0	89	99.0	1.1	89	105.0	1.2	7.3%	0.2%
Other	-	-	36 944	6 303.8	0.2	36 944	6 682.0	0.2	18 002	1 916.2	0.1	18 002	2 030.8	0.1	18 002	2 138.2	0.1	-21.3%	59.8%
Programme	959	99	38 000	6 605.4	0.2	38 002	7 008.4	0.2	38 025	7 308.2	0.2	38 025	7 732.5	0.2	38 025	8 137.7	0.2	0.0%	100.0%
Programme 1	338	41	381	147.4	0.4	380	164.7	0.4	379	170.6	0.5	379	184.4	0.5	379	194.3	0.5	-0.1%	1.0%
Programme 2	71	13	67	38.0	0.6	84	46.0	0.5	79	41.4	0.5	79	44.3	0.6	79	47.1	0.6	-2.0%	0.2%
Programme 3	91	7	96	33.1	0.3	98	37.0	0.4	98	43.0	0.4	98	46.0	0.5	98	48.9	0.5	-	0.3%
Programme 4	207	30	37 199	6 321.9	0.2	37 179	6 693.5	0.2	37 208	6 977.0	0.2	37 208	7 376.4	0.2	37 208	7 760.9	0.2	-	97.8%
Programme 5	252	8	257	65.0	0.3	261	67.2	0.3	261	76.1	0.3	261	81.3	0.3	261	86.5	0.3	-	0.7%

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

2. Rand million.

Departmental receipts

Table 15.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate 2014/15	Revised estimate 2014/15	Average growth rate (%) 2011/12 - 2014/15	Receipt item/ Total: Average (%) 2014/15	Medium-term receipts estimate			Average growth rate (%) 2014/15 - 2017/18	Receipt item/ Total: Average (%) 2017/18
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
Departmental receipts	10 272	10 913	11 880	10 323	11 293	3.2%	100.0%	10 864	11 494	12 167	2.5%	100.0%
Sales of goods and services produced by department	3 918	4 949	6 042	5 138	5 164	9.6%	45.3%	5 229	5 485	5 682	3.2%	47.1%
Sales by market establishments	390	457	383	496	342	-4.3%	3.5%	381	400	420	7.1%	3.4%
of which:												
Academic services:	219	107	220	386	252	4.8%	1.8%	265	278	292	5.0%	2.4%
Temporary accommodation	7	—	—	10	10	12.6%	—	11	12	13	9.1%	0.1%
Sale of assets less than R5 000	45	208	—	100	80	21.1%	0.8%	—	—	—	-100.0%	0.2%
Academic term	119	142	163	—	—	-100.0%	1.0%	105	110	115	—	0.7%
Commission	2 768	3 915	4 936	3 652	3 753	10.7%	34.7%	3 866	4 060	4 202	3.8%	34.7%
Administrative fees												
of which:												
Exams	725	874	1 352	1 080	1 100	14.9%	9.1%	1 155	1 212	1 263	4.7%	10.3%
Trade fee	1 850	2 944	2 878	2 294	2 300	7.5%	22.5%	2 415	2 537	2 613	4.3%	21.5%
Universities	44	39	60	56	107	34.5%	0.6%	112	118	123	4.8%	1.0%
Further education and training	149	58	3	175	175	5.5%	0.9%	184	193	203	5.1%	1.6%
Sports and club facilities/Sale of tender documents	—	—	643	47	71	—	1.6%	—	—	—	-100.0%	0.2%
Other sales	760	577	723	990	1 069	12.0%	7.1%	982	1 025	1 060	-0.3%	9.0%
of which:												
Boarding fees	210	86	118	100	124	-16.1%	1.2%	130	137	144	5.1%	1.2%
Parking	24	24	20	28	28	5.3%	0.2%	29	31	32	4.6%	0.3%
Sale of meals and refreshments	202	157	182	176	231	4.6%	1.7%	243	255	262	4.3%	2.2%
Commission	—	—	—	266	266	—	0.6%	139	139	146	-18.1%	1.5%
Rental	324	310	403	420	420	9.0%	3.3%	441	463	476	4.3%	3.9%
Sales of scrap, waste, arms and other used current goods	39	16	29	18	30	-8.4%	0.3%	32	33	35	5.3%	0.3%
of which:												
Waste paper	39	16	29	18	30	-8.4%	0.3%	32	33	35	5.3%	0.3%
Transfers received	—	80	—	—	—	—	0.2%	—	—	—	—	—
Interest, dividends and rent on land	3 512	3 458	3 374	3 394	4 326	7.2%	33.1%	4 109	4 503	5 104	5.7%	39.4%
Interest	3 512	3 458	3 374	3 394	4 326	7.2%	33.1%	4 109	4 503	5 104	5.7%	39.4%
Sales of capital assets	7	—	—	—	—	-100.0%	—	—	—	—	—	—
Transactions in financial assets and liabilities	2 796	2 410	2 435	1 773	1 773	-14.1%	21.2%	1 494	1 473	1 346	-8.8%	13.3%
Total	10 272	10 913	11 880	10 323	11 293	3.2%	100.0%	10 864	11 494	12 167	2.5%	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	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Ministry	29.9	29.6	29.7	29.5	-0.5%	11.8%	28.9	30.1	32.8	3.6%	9.5%
Department Management	25.7	32.2	37.8	35.3	11.1%	13.0%	35.8	37.7	40.0	4.2%	11.6%
Corporate Services	84.6	88.0	91.0	95.2	4.0%	35.7%	105.1	110.1	115.4	6.6%	33.2%
Office of the Chief Financial Officer	47.1	46.3	61.4	68.7	13.4%	22.2%	86.2	88.2	91.1	9.8%	26.1%
Internal Audit	7.6	8.6	9.0	8.9	5.3%	3.4%	9.9	9.8	11.0	7.3%	3.1%
Office Accommodation	27.6	24.5	38.4	48.0	20.3%	13.8%	52.4	55.0	57.3	6.1%	16.6%
Total	222.6	229.2	267.4	285.7	8.7%	100.0%	318.3	331.0	347.5	6.8%	100.0%
Change to 2014				3.8			(0.3)	(3.7)	96.9		
Budget estimate											
Economic classification											
Current payments	219.1	223.6	262.4	282.9	8.9%	98.3%	311.3	328.0	345.0	6.8%	98.8%
Compensation of employees	101.4	123.6	147.4	163.8	17.3%	53.4%	170.6	184.4	194.3	5.8%	55.6%
Goods and services	117.7	99.9	115.0	119.1	0.4%	45.0%	140.8	143.6	150.8	8.2%	43.2%
of which:											
Audit costs: External	11.1	9.7	11.3	11.9	2.4%	4.4%	13.2	13.9	14.4	6.4%	4.2%
Computer services	16.9	11.9	13.7	14.3	-5.4%	5.7%	21.3	22.3	22.4	16.0%	6.3%
Consultants and professional services:	0.6	0.4	0.6	1.0	16.8%	0.3%	6.4	6.1	7.6	98.2%	1.6%
Business and advisory services											
Property payments	29.7	24.8	39.9	48.1	17.4%	14.2%	52.5	55.0	57.4	6.1%	16.6%
Travel and subsistence	22.6	21.4	22.0	19.9	-4.2%	8.5%	18.4	17.3	19.6	-0.5%	5.9%
Operating payments	4.0	3.5	2.0	1.3	-32.0%	1.1%	10.2	10.6	11.0	106.4%	2.6%
Transfers and subsidies	0.3	1.2	-	0.2	-9.5%	0.2%	0.3	0.3	0.3	20.0%	0.1%
Departmental agencies and accounts	0.2	0.2	-	0.2	3.3%	0.1%	0.3	0.3	0.3	25.5%	0.1%
Households	0.1	1.0	-	-	-39.0%	0.1%	-	-	-	-100.0%	-
Payments for capital assets	3.2	4.4	5.0	2.5	-7.8%	1.5%	6.7	2.6	2.2	-5.1%	1.1%
Machinery and equipment	3.1	4.4	4.9	2.5	-6.7%	1.5%	6.7	2.6	2.2	-5.1%	1.1%
Software and other intangible assets	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Payments for financial assets	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Total	222.6	229.2	267.4	285.7	8.7%	100.0%	318.3	331.0	347.5	6.8%	100.0%
Proportion of total programme expenditure to vote expenditure	0.7%	0.7%	0.7%	0.7%	-	-	0.8%	0.8%	0.8%	-	-

Programme 2: Human Resource Development, Planning and Monitoring Coordination

Programme purpose

Provide strategic direction in the development, implementation and monitoring of departmental policies and the human resource development strategy for South Africa.

Objectives

- Ensure a sound post-school education and training system by developing and reviewing post-school education and training policies and legislation over the medium term.
- Ensure the effective implementation of oversight of the post-school education and training system by developing a sector monitoring and evaluation framework by December 2016, and producing annual monitoring reports thereafter.
- Improve access to quality teaching and learning in the post-school education and training system by developing and implementing a prototype system demonstrating open learning and teaching as well as learning strategies, by 31 March 2018.
- Provide support to current and prospective students in the post-school education and training system through the development of career development services, by 31 March 2018.

- Determine efficiency, equity and effectiveness in the utilisation of resources, and the actual costs of provision of education and training across the post-school education and training system, by 31 March 2017, by:
 - exploring and developing an integrated funding model, a funding management information system, and a funding shortfall monitoring mechanism
 - investigating alternative sources of funding for the post-school education and training system.
- Ensure the provision of statistical information on the performance of the post-school education and training system for effective policy and planning by:
 - developing an online work integrated learning system by December 2017
 - producing and publishing annual post-school statistical reports, including reports on skills supply and demand.

Subprogrammes

- *Programme Management: Human Resource Development, Planning and Monitoring Coordination* 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 Human Resource Development, Planning and Monitoring Coordination 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million				2014/15	2011/12 - 2014/15					2014/15 - 2017/18	
Programme Management: Human Resource Development, Planning and Monitoring Coordination	3.0	4.0	3.7	2.9	-1.3%	7.1%	3.0	3.2	3.4	5.8%	5.5%
Human Resource Development, Strategic Planning and Coordination	10.0	9.1	11.2	12.7	8.2%	22.5%	11.5	12.2	12.8	0.3%	21.6%
Planning, Information, Monitoring and Evaluation Coordination	4.9	6.5	7.4	9.5	25.2%	14.8%	8.6	9.2	9.6	0.3%	16.2%
International Relations	9.9	10.9	10.3	10.5	1.8%	21.7%	11.2	11.9	12.6	6.3%	20.2%
Legal and Legislative Services	11.0	10.8	11.3	14.6	9.9%	25.0%	15.6	16.2	17.0	5.1%	27.8%
Social Inclusion in Education	3.5	5.2	3.8	4.5	9.5%	8.9%	4.9	5.0	5.4	5.6%	8.7%
Total	42.3	46.5	47.7	54.7	9.0%	100.0%	54.8	57.8	60.7	3.5%	100.0%
Change to 2014 Budget estimate				1.8			(2.2)	(2.7)	2.0		

Table 15.7 Human Resource Development, Planning and Monitoring Coordination 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 (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
R million											
Current payments	39.6	43.6	44.2	51.4	9.1%	93.5%	51.1	54.3	57.0	3.5%	93.7%
Compensation of employees	29.9	36.1	38.0	42.4	12.4%	76.6%	41.4	44.3	47.1	3.5%	76.8%
Goods and services	9.7	7.5	6.2	9.0	-2.5%	16.9%	9.6	10.0	9.9	3.4%	16.9%
of which:											
Communication	0.7	0.7	0.9	0.8	8.2%	1.6%	0.6	0.7	0.7	-6.1%	1.2%
Computer services	–	0.1	–	0.1	164.5%	0.1%	0.3	0.3	0.4	71.5%	0.5%
Consultants and professional services:	3.0	1.6	1.4	3.4	4.9%	4.9%	3.5	3.6	3.7	2.6%	6.3%
Legal costs											
Consumables: Stationery, printing and office supplies	0.5	0.4	0.7	0.5	1.2%	1.1%	0.6	0.8	0.7	6.5%	1.1%
Travel and subsistence	3.9	3.1	2.4	2.8	-10.0%	6.4%	3.2	3.3	3.3	5.6%	5.6%
Operating payments	0.2	0.4	0.2	0.7	61.2%	0.7%	0.6	0.6	0.5	-8.8%	1.1%
Transfers and subsidies	2.4	2.6	3.1	2.9	7.0%	5.8%	3.2	3.3	3.5	6.2%	5.6%
Foreign governments and international organisations	2.4	2.6	2.9	2.9	7.0%	5.7%	3.2	3.3	3.5	6.2%	5.6%
Households	–	–	0.2	–	–	0.1%	–	–	–	–	–
Payments for capital assets	0.3	0.3	0.3	0.4	5.8%	0.7%	0.6	0.2	0.2	-13.9%	0.6%
Machinery and equipment	0.3	0.3	0.3	0.4	5.8%	0.7%	0.6	0.2	0.2	-13.9%	0.6%
Total	42.3	46.5	47.7	54.7	9.0%	100.0%	54.8	57.8	60.7	3.5%	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											
Households											
Social benefits											
Current	–	–	0.2	–	–	0.1%	–	–	–	–	–
Employee social benefits	–	–	0.2	–	–	0.1%	–	–	–	–	–
Foreign governments and international organisations											
Current	2.4	2.6	2.9	2.9	7.0%	5.7%	3.2	3.3	3.5	6.2%	5.6%
Indian-Brazil-South Africa Trilateral Commission	0.4	0.4	0.5	0.5	9.7%	1.0%	0.5	0.5	0.6	3.4%	0.9%
Commonwealth of Learning	2.0	2.2	2.4	2.4	6.5%	4.7%	2.7	2.8	2.9	6.7%	4.7%

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 to national institutes for higher education.

Objectives

- Facilitate and ensure a sound provision of university education by developing and reviewing university education policies and legislation, over the medium term.
- Enable collaboration between university education and other post-school education and training sectors through the development of integrated plans, specifically the development of a draft national plan for post-school education and training by March 2016, and a final approved plan by March 2017.
- Ensure that public universities and private higher education institutions function effectively and efficiently by producing 12 annual university education oversight reports covering key aspects of university management, governance, research, teaching development and infrastructure development, by March 2016.
- Develop and implement a capacity improvement programme for teaching and learning development and produce an implementation report by March 2016, to strengthen the institutional capacity of universities in the training and development of educators in the primary, secondary, tertiary and vocational sub-sectors; and to conduct relevant research in education.

- Improve student leadership in higher education institutions through the development and implementation of a concise capacity development strategy and programme by March 2016.
- Provide support to current and prospective students in the post-school education and training system through the operationalisation of the central applications system for the university sector by March 2018.
- Facilitate the stakeholder network through the establishment of a think tank made up of the Brazil-Russia-India-China-South Africa group of countries by March 2016, and reporting on the progress of the think tank's activities annually.

Subprogrammes

- *Programme Management: University Education* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions for the programme.
- *University – Academic Planning and Management* plans and monitors the university system. This entails analysing institutional and national plans, and maintaining programmes and qualification combinations.
- *University – Financial Planning and Information Systems* coordinates and manages the development and maintenance of universities' information systems 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 (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		
Programme Management: University Education	1.8	1.6	1.8	1.5	-7.3%	–	1.6	1.6	1.7	5.9%	–
University - Academic Planning and Management	4 044.2	5 290.7	5 870.9	6 248.4	15.6%	19.8%	6 558.0	6 923.1	7 279.5	5.2%	20.1%
University - Financial Planning and Information Systems	7.9	9.9	8.7	8.4	2.1%	–	9.1	9.5	9.7	5.0%	–
University - Policy and Development	13.7	16.8	20.2	19.9	13.2%	0.1%	21.3	22.6	23.8	6.1%	0.1%
Teacher Education	6.6	6.9	8.9	10.5	17.0%	–	11.1	11.9	12.4	5.6%	–
University Subsidies	19 354.2	20 902.8	22 388.8	24 155.1	7.7%	80.1%	26 243.2	27 634.1	29 015.8	6.3%	79.7%
Total	23 428.4	26 228.7	28 299.3	30 443.7	9.1%	100.0%	32 844.3	34 602.9	36 342.9	6.1%	100.0%
Change to 2014 Budget estimate				(4.3)			(9.9)	(13.9)	(5.2)		
Current payments	36.0	38.9	41.9	44.4	7.2%	0.1%	48.9	51.9	54.2	6.9%	0.1%
Compensation of employees	28.8	30.6	33.1	38.4	10.0%	0.1%	43.0	46.0	48.9	8.4%	0.1%
Goods and services	7.2	8.3	8.8	6.0	-5.9%	–	5.9	5.9	5.3	-4.2%	–
of which:											
Communication	0.4	0.4	0.5	0.5	5.0%	–	0.3	0.3	0.3	-16.4%	–
Computer services	0.3	0.3	0.2	0.7	38.6%	–	0.7	0.7	0.8	0.9%	–
Consultants and professional services:	0.3	1.2	0.5	–	-51.3%	–	0.3	0.4	0.4	121.2%	–
Business and advisory services											
Consumables: Stationery, printing and office supplies	0.4	0.3	0.4	0.3	-7.4%	–	0.5	0.5	0.5	15.3%	–
Travel and subsistence	3.9	4.3	4.4	3.2	-6.1%	–	3.4	3.4	2.8	-4.3%	–
Venues and facilities	0.2	0.1	0.7	0.1	-13.1%	–	0.2	0.2	0.2	14.6%	–

Table 15.8 University Education 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 (%)
	2011/12	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18			
Transfers and subsidies	23 392.2	26 189.5	28 257.1	30 399.0	9.1%	99.9%	32 795.1	34 550.8	36 288.5	6.1%	99.9%	
Departmental agencies and accounts	4 035.1	5 281.4	5 860.8	6 236.5	15.6%	19.8%	6 544.1	6 908.5	7 264.1	5.2%	20.1%	
Higher education institutions	19 354.2	20 902.8	22 388.8	24 155.1	7.7%	80.1%	26 243.2	27 634.1	29 015.8	6.3%	79.7%	
Non-profit institutions	3.0	5.0	7.0	7.4	35.2%	–	7.8	8.2	8.6	5.0%	–	
Households	–	0.3	0.6	–	–	–	–	–	–	–	–	
Payments for capital assets	0.1	0.3	0.3	0.3	39.8%	–	0.3	0.2	0.2	-17.4%	–	
Machinery and equipment	0.1	0.3	0.3	0.3	39.8%	–	0.3	0.2	0.2	-17.4%	–	
Total	23 428.4	26 228.7	28 299.3	30 443.7	9.1%	100.0%	32 844.3	34 602.9	36 342.9	6.1%	100.0%	
Proportion of total programme expenditure to vote expenditure	78.0%	78.4%	77.8%	78.1%	–	–	78.5%	78.5%	78.5%	–	–	
Details of selected transfers and subsidies												
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	4 035.1	5 281.4	5 860.8	6 236.5	15.6%	19.8%	6 544.1	6 908.5	7 264.1	5.2%	20.1%	
Claims against the state	–	–	0.1	–	–	–	–	–	–	–	–	
National Student Financial Aid Scheme	3 956.8	5 195.7	5 769.4	6 138.8	15.8%	19.4%	6 448.6	6 810.7	7 151.2	5.2%	19.8%	
Council on Higher Education	36.8	40.0	41.9	42.7	5.1%	0.1%	40.8	40.9	47.9	3.9%	0.1%	
South African Qualifications Authority	41.4	45.7	49.4	55.0	9.9%	0.2%	54.8	56.9	64.9	5.7%	0.2%	
Higher education institutions												
Current	17 714.5	19 088.4	20 227.7	21 442.1	6.6%	72.4%	22 928.4	24 116.8	25 325.1	5.7%	69.9%	
University subsidies	17 714.5	19 026.6	20 077.7	21 283.1	6.3%	72.0%	22 762.1	23 941.7	25 141.3	5.7%	69.4%	
University of Mpumalanga and Sol Plaatje University	–	61.8	28.7	159.0	–	0.2%	166.3	175.1	183.9	5.0%	0.5%	
University of Mpumalanga	–	–	58.2	–	–	0.1%	–	–	–	–	–	
Sol Plaatje University	–	–	63.1	–	–	0.1%	–	–	–	–	–	
Capital	1 639.7	1 814.4	2 161.1	2 713.0	18.3%	7.7%	3 314.8	3 517.3	3 690.7	10.8%	9.9%	
University subsidies	1 639.7	1 814.4	2 011.1	2 213.0	10.5%	7.1%	2 314.8	2 464.3	2 585.0	5.3%	7.1%	
University of the Witwatersrand: University of Mpumalanga and Sol Plaatje University	–	–	150.0	500.0	–	0.6%	1 000.0	1 053.0	1 105.7	30.3%	2.7%	
Non-profit institutions												
Current	3.0	5.0	7.0	7.4	35.2%	–	7.8	8.2	8.6	5.0%	–	
Higher Education South Africa	3.0	5.0	7.0	7.4	35.2%	–	7.8	8.2	8.6	5.0%	–	

Programme 4: Vocational and Continuing Education and Training

Programme purpose

Plan, develop, monitor, maintain and evaluate national policy, programmes, assessment practices and systems for vocational and continuing education and training, including for technical and vocational education and training colleges and post-literacy adult education and training.

Objectives

- Steer the vocational and continuing education and training subsystem by developing and reviewing legislative and policy frameworks over the medium term.
- Ensure that all vocational and continuing education and training institutions are functioning optimally within the acts, policies and regulations over the medium term by standardising the level of governance across 50 public technical and vocational education and training institutions and monitoring and compiling quarterly reports; and taking appropriate action where deficiencies are detected, each year.
- Ensure the effective and efficient delivery of credible assessment and examination services throughout the technical and vocational education and training colleges by concluding 7 credible assessments and examination cycles per academic year.
- Provide vocational and continuing education and training teaching and learning support through the development and approval of 7 teaching and learning support plans for vocational and continuing education and training institutions by March 2018.

- Improve success in programmes offered in vocational and continuing education and training institutions through the development and implementation of appropriate student support plans by 31 March 2018.
- Plan and implement funding interventions for vocational and continuing education and training institutions by 31 March 2018 in order to increase access to and improve success in programmes leading to intermediate and high-level learning.
- Ensure a more equitable geographic spread of technical and vocational education and training institutions through the establishment of additional sites of delivery over the medium term.

Subprogrammes

- *Programme Management: Vocational and Continuing Education and Training* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions.
- *Planning and Institutional Support* provides the framework, coordination and support to further education and training colleges for the efficient and effective management, governance and delivery of vocational and occupational programmes; manages the further education and training colleges subsidies to 50 further education and training colleges; and regulates the provision of education and training by private education institutions offering qualifications in the further education and training band of the national qualifications framework.
- *Programmes and Qualifications* develops and maintains vocational education and training programmes, provides for implementing the student support services framework, provides leadership and support for training and developing lecturers, and supports the education of post-school adults pursuing general education and training certificates and the national senior certificate qualifications.
- *National Examination and Assessment* administers and manages the conduct of national assessment in the further education and training college and adult education and training sector.

Expenditure trends and estimates

Table 15.9 Vocational and Continuing 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 (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		
Programme Management: Vocational and Continuing Education and Training	1.3	4.7	8.1	9.8	97.0%	0.1%	10.2	10.8	11.4	5.3%	0.1%
Planning and Institutional Support	4 496.0	4 974.6	5 609.6	5 958.1	9.8%	72.9%	6 326.7	6 670.9	7 005.9	5.5%	74.1%
Programmes and Qualifications	1 576.4	1 732.7	1 865.1	1 942.7	7.2%	24.7%	2 001.2	2 116.9	2 224.0	4.6%	23.6%
National Examination and Assessment	135.9	164.1	173.2	187.4	11.3%	2.3%	177.6	187.3	197.9	1.8%	2.1%
Total	6 209.6	6 876.2	7 656.0	8 098.0	9.3%	100.0%	8 515.8	8 985.9	9 439.3	5.2%	100.0%
Change to 2014 Budget estimate				3.0			(3.1)	(3.7)	(112.2)		
Current payments	5 272.4	5 807.9	6 475.0	6 849.8	9.1%	84.6%	7 302.2	7 707.0	8 096.7	5.7%	85.5%
Compensation of employees	5 080.5	5 676.3	6 321.9	6 695.2	9.6%	82.4%	6 977.0	7 376.4	7 760.9	5.0%	82.2%
Goods and services	191.9	131.6	153.1	154.6	-6.9%	2.2%	325.1	330.6	335.8	29.5%	3.3%
of which:											
Computer services	14.9	11.6	11.9	11.3	-8.7%	0.2%	29.8	29.6	30.3	38.9%	0.3%
Consumables: Stationery, printing and office supplies	23.7	20.4	17.1	10.6	-23.6%	0.2%	64.5	65.2	65.9	84.0%	0.6%
Operating leases	6.6	2.9	3.2	6.4	-0.8%	0.1%	13.8	13.9	14.1	30.1%	0.1%
Travel and subsistence	113.2	70.1	87.8	98.8	-4.4%	1.3%	119.5	122.2	123.4	7.7%	1.3%
Training and development	3.0	2.0	3.5	4.0	10.0%	—	23.5	24.8	26.0	86.7%	0.2%
Operating payments	2.8	3.2	5.9	5.7	26.7%	0.1%	44.7	45.4	46.2	101.1%	0.4%
Transfers and subsidies	936.3	1 067.1	1 180.0	1 247.2	10.0%	15.4%	1 210.0	1 275.3	1 338.9	2.4%	14.5%
Departmental agencies and accounts	—	—	—	—	-100.0%	—	13.7	14.4	15.2	—	0.1%
Non-profit institutions	871.2	973.4	1 084.1	1 148.1	9.6%	14.1%	1 196.4	1 260.8	1 323.8	4.9%	14.1%
Households	65.1	93.7	95.9	99.1	15.0%	1.2%	—	—	—	-100.0%	0.3%
Payments for capital assets	0.9	1.2	1.0	1.1	5.8%	—	3.6	3.6	3.6	50.7%	—
Machinery and equipment	0.9	1.2	1.0	1.1	5.8%	—	3.6	3.6	3.6	50.7%	—
Total	6 209.6	6 876.2	7 656.0	8 098.0	9.3%	100.0%	8 515.8	8 985.9	9 439.3	5.2%	100.0%
Proportion of total programme expenditure to vote expenditure	20.7%	20.5%	21.1%	20.8%	—	—	20.4%	20.4%	20.4%	—	—

Table 15.9 Vocational and Continuing Education and Training expenditure trends and estimates by subprogramme and economic classification

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome							2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	65.1	93.7	95.9	99.1	15.0%	1.2%	–	–	–	-100.0%	0.3%
Employee social benefits	65.1	93.7	95.9	99.1	15.0%	1.2%	–	–	–	-100.0%	0.3%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	–	–	–	–	-100.0%	–	13.7	14.4	15.2	–	0.1%
Transfer to sector education and training authorities	–	–	–	–	–	–	13.7	14.4	15.2	–	0.1%
Non-profit institutions											
Current	871.2	973.4	1 084.1	1 148.1	9.6%	14.1%	1 196.4	1 260.8	1 323.8	4.9%	14.1%
Technical and vocational education and training colleges	871.2	973.4	1 084.1	1 148.1	9.6%	14.1%	1 140.9	1 202.5	1 262.5	3.2%	13.6%
Adult education and training centres	–	–	–	–	–	–	55.4	58.3	61.3	–	0.5%

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 review of existing and the development of new policies and legislation, and regulations and guidelines, over the medium term.
- Address non-alignment in the post-school education and training system through the development of an integrated skills development plan that facilitates the coherent implementation of the vision for the post-school education and training system by August 2016.
- Improve the quality of skills development by monitoring, evaluating and reporting on skills development initiatives delivered by the post-school education and training system and correct any deficiencies detected annually.
- Effectively manage the national artisan development services, encompassing trade testing and recognition of artisans' prior learning in order to produce 22 110 qualified artisans per year by 31 March 2018.
- Improve the efficiency and effectiveness of the Institute for the National Development of Learnerships, Employment Skills and Labour Assessments (the only public trade test centre) by upgrading security infrastructure and investigating the possibility of recapitalising the institute by December 2016.
- Enhance the national information system in order to improve the collation of information on the artisan and skills development levy for monitoring and evaluation as well as reporting, by 31 March 2016.
- Coordinate and establish the post-school education and training stakeholder network through the facilitation of a seamless delivery of skills development services by December 2017.

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 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 the council's operations.

Expenditure trends and estimates

Table 15.10 Skills Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome							2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme Management: Skills Development	4.3	2.0	1.2	1.1	-36.1%	2.0%	0.8	0.5	0.6	-20.1%	0.6%
SETA Coordination	65.4	65.0	69.1	75.0	4.7%	65.1%	79.0	83.7	89.2	6.0%	71.0%
National Skills Development Services	25.5	5.9	7.7	7.0	-34.9%	10.9%	9.1	9.4	9.9	12.2%	7.7%
Quality Development and Promotion	26.9	20.4	21.7	23.2	-4.8%	21.9%	21.8	23.1	26.9	5.1%	20.7%
Total	122.0	93.3	99.7	106.3	-4.5%	100.0%	110.7	116.7	126.6	6.0%	100.0%
Change to 2014				(4.3)			(6.0)	(7.5)	(2.8)		
Budget estimate											
Economic classification											
Current payments	74.7	71.8	76.3	82.4	3.3%	72.4%	87.7	92.5	98.7	6.2%	78.5%
Compensation of employees	63.2	61.3	65.0	69.2	3.1%	61.4%	76.1	81.3	86.5	7.7%	68.0%
Goods and services	11.5	10.6	11.2	13.2	4.7%	11.0%	11.5	11.1	12.2	-2.6%	10.4%
of which:											
Assets less than the capitalisation threshold	0.1	0.1	–	0.5	54.7%	0.2%	0.2	0.4	0.8	18.7%	0.4%
Communication	1.2	1.1	1.4	1.5	7.5%	1.2%	1.0	1.1	1.2	-7.9%	1.0%
Consumables: Stationery, printing and office supplies	1.3	0.6	3.1	3.2	34.0%	2.0%	4.9	4.6	5.3	17.9%	3.9%
Operating leases	0.4	0.5	0.7	1.0	30.8%	0.6%	0.6	0.6	0.6	-14.8%	0.6%
Property payments	0.1	1.0	0.5	1.1	101.0%	0.7%	1.0	0.9	0.9	-7.1%	0.9%
Travel and subsistence	3.2	3.2	3.2	2.0	-14.6%	2.8%	2.5	2.2	2.2	2.7%	1.9%
Transfers and subsidies	46.9	20.9	22.5	23.2	-20.9%	26.9%	21.8	23.1	26.9	5.1%	20.7%
Departmental agencies and accounts	46.8	20.4	21.7	23.2	-20.9%	26.6%	21.8	23.1	26.9	5.1%	20.7%
Households	0.0	0.5	0.7	–	-100.0%	0.3%	–	–	–	–	–
Payments for capital assets	0.4	0.5	0.9	0.8	19.6%	0.6%	1.2	1.1	1.0	10.8%	0.9%
Machinery and equipment	0.4	0.5	0.9	0.8	19.6%	0.6%	1.2	1.1	1.0	10.8%	0.9%
Total	122.0	93.3	99.7	106.3	-4.5%	100.0%	110.7	116.7	126.6	6.0%	100.0%
Proportion of total programme expenditure to vote expenditure	0.4%	0.3%	0.3%	0.3%	–	–	0.3%	0.3%	0.3%	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	46.8	20.4	21.7	23.2	-20.9%	26.6%	21.8	23.1	26.9	5.1%	20.7%
National Skills Fund	19.9	–	–	–	-100.0%	4.7%	–	–	–	–	–
Quality Council for Trades and Occupations	26.9	20.4	21.7	23.2	-4.8%	21.9%	21.8	23.1	26.9	5.1%	20.7%

Public entities and other agencies

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, undertaking research for the better utilisation of financial resources, and advising the minister on matters relating to financial aid for students.

Selected performance indicators

Table 15.11 National Student Financial Aid Scheme performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Percentage of students migrated to the new student centred model (cumulative)	Administration	Entity mandate	— ¹	— ¹	— ¹	— ¹	30%	50%	75%
Number of students assisted in higher education per year	Student centred financial aid	Outcome 5: A skilled and capable workforce to support an inclusive growth path	216 874	194 504	194 923	204 669	225 648	236 930	248 777
Percentage of students in the student centred model paid allowances on or before the due date	Student centred financial aid	Entity mandate	— ¹	— ¹	— ¹	— ¹	95%	95%	98%
Percentage of claims paid to institutions outside of the student centred model on or before due date	Student centred financial aid	Outcome 5: A skilled and capable workforce to support an inclusive growth path	— ¹	— ¹	— ¹	— ¹	100%	100%	100%
Total number of bursary recipients in technical and vocational education and training	Student centred financial aid		114 968	188 182	220 978	243 076	267 991	281 391	295 460

1. Historical data is not available, as this is a new indicator.

Expenditure analysis

The National Student Financial Aid Scheme's focus over the medium term will be on the provision of loans and bursaries to qualifying students through the implementation of a new student centred model. This focus is directly aligned with the national development plan's objectives of addressing the importance of ensuring quality post-school education and access for students who cannot afford to pay for their own studies. These objectives are mirrored in government's 2014-2019 medium term strategic framework, specifically outcome 5 (a skilled and capable workforce to support an inclusive growth path), which envisages increasing access to intermediate and high level learning.

R19.9 billion will be spent on student loans and bursaries over the medium term to support 711 355 students in higher education institutions, and 844 842 students in technical and vocational education and training colleges. Student loan repayments are expected to amount to R409 million in 2015/16, in line with the policy that final year students have their loans converted into bursaries for that year if they pass.

The scheme intends to have fully rolled out the new student centred model by 2017/18, which will allow students to apply directly to the scheme and involves only one registration for funding. This will give the scheme greater control over the number of students it supports, and increase efficiency by ensuring that more students receive their assistance on time. Currently, 6 of the 25 universities and 5 of the 50 public technical and vocational education and training colleges are part of the pilot project. This rollout of the new student centred model, which forms part of the scheme's transformation project, will directly affect expenditure on specific goods and services items and compensation of employees over the medium term.

Spending on computer services will grow by 21 per cent, from R9.2 million in 2014/15 to R16.4 million in 2017/18, due to the acquisition of new software and computer equipment for the planned recruitment of new employees. Expenditure on compensation of employees is expected to increase from R79 million in 2014/15 to R115.3 million in 2017/18, mainly due to the expected filling of vacancies, which will increase the number of personnel from 263 in 2014/15 to 281 in 2017/18.

To ensure that all stakeholders understand the new central applications process for loans and bursaries, as well as the scheme's mandate, the organisation will make use of radio campaigns and stakeholder communication and consultations. This accounts for the projected increased expenditure on communications, which is set to more than double over the medium term from R5.9 million in 2014/15 to R13.3 million in 2017/18.

The new student centred model will require more documents to be scanned due to the expected increase in the volume of applications, and this service will be outsourced as the scheme does not have the operational capacity to undertake the substantial additional workload. This is expected to result in an increase in expenditure on outsourced services from R10.2 million in 2014/15 to R24.5 million in 2017/18.

Programmes/objectives/activities

Table 15.12 National Student Financial Aid Scheme 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 (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Administration	36.8	89.2	82.4	109.9	44.0%	1.1%	126.4	158.0	128.7	5.4%	1.6%
Student centred financial aid	4 939.7	6 747.0	7 788.6	8 420.0	19.5%	98.9%	7 292.9	7 656.4	8 050.6	-1.5%	98.4%
Total	4 976.4	6 836.2	7 871.0	8 529.8	19.7%	100.0%	7 419.3	7 814.5	8 179.4	-1.4%	100.0%

Statements of historical financial performance and position

Table 15.13 National Student Financial Aid Scheme 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	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15	
Revenue										
Non-tax revenue	497.0	526.9	655.7	687.0	708.2	670.6	27.6	27.6		101.2%
Sale of goods and services other than capital assets	—	2.5	—	17.3	19.7	14.9	27.6	27.6		131.8%
of which:										
Administrative fees	—	2.5	—	17.3	19.7	14.9	27.6	27.6		131.8%
Other non-tax revenue	497.0	524.3	655.7	669.6	688.5	655.8	—	—		100.5%
Transfers received	4 734.1	5 359.6	6 701.0	7 337.2	8 142.4	7 999.5	13 435.1	8 502.2		88.4%
Total revenue	5 231.1	5 886.4	7 356.8	8 024.2	8 850.6	8 670.2	13 462.7	8 529.8		89.1%
Expenses										
Current expenses	76.3	1 181.7	83.6	1 909.7	130.3	2 202.2	143.8	154.1		1 255.0%
Compensation of employees	34.0	28.7	35.4	38.9	52.3	65.9	84.6	78.9		103.0%
Goods and services	39.2	1 147.0	44.3	1 855.1	72.6	2 130.4	52.1	68.0		2 497.3%
Depreciation	3.1	6.0	3.8	15.6	5.4	5.9	7.1	7.1		177.7%
Transfers and subsidies	2 348.8	3 794.8	4 857.7	4 926.5	6 000.7	5 668.9	6 911.9	8 375.8		113.2%
Total expenses	2 425.1	4 976.4	4 941.3	6 836.2	6 131.0	7 871.0	7 055.7	8 529.8		137.3%
Surplus/(Deficit)	2 806.0	910.0	2 415.0	1 188.0	2 720.0	799.0	6 407.0	—		—
Carrying value of assets	9.3	14.7	9.3	23.7	9.8	62.2	10.4	10.4		285.2%
of which:										
Acquisition of assets	—	3 898.0	—	13 562.2	—	69 317.0	—	6 634.3		—
Investments	586.3	499.8	603.9	186.4	635.9	—	670.9	670.9		54.3%
Loans	—	6 729.4	5 298.8	6 357.8	7 560.0	7 444.5	7 938.0	7 938.0		136.9%
Receivables and prepayments	451.7	385.7	465.3	1 020.9	489.9	925.0	516.9	516.9		148.1%
Cash and cash equivalents	336.5	855.6	2 217.2	433.6	2 334.7	1 842.4	2 463.1	2 463.1		76.1%
Total assets	1 383.8	8 485.1	8 594.4	8 022.5	11 030.3	10 274.1	11 599.2	11 599.2		117.7%
Accumulated surplus/(deficit)	—	910.0	(387.5)	1 188.0	1 572.4	799.2	1 621.1	1 621.1		161.0%
Capital and reserves	10 707.2	6 681.9	8 805.5	6 494.0	9 272.2	7 682.0	9 782.1	9 782.1		79.4%
Deferred income	160.3	799.6	165.1	248.9	173.9	1 400.8	183.5	183.5		385.6%
Trade and other payables	10.3	20.7	11.3	30.1	11.9	327.6	12.6	12.6		849.2%
Provisions	—	72.9	—	61.5	—	64.5	—	—		—
Total equity and liabilities	10 877.8	8 485.1	8 594.4	8 022.5	11 030.3	10 274.1	11 599.2	11 599.2		91.2%

Statements of estimates of financial performance and position

Table 15.14 National Student Financial Aid Scheme statements of estimates of financial performance and position

Statement of financial performance								Expenditure/ Total: Average (%)
	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Revenue								
Non-tax revenue	27.6	-62.6%	6.4%	32.0	30.0	32.0	5.0%	0.3%
Sale of goods and services other than capital assets	27.6	121.7%	0.2%	32.0	30.0	32.0	5.0%	0.3%
of which:								
Administrative fees	27.6	121.7%	0.2%	32.0	30.0	32.0	5.0%	0.3%
Transfers received	8 502.2	16.6%	93.6%	8 925.2	9 413.0	9 883.7	5.1%	99.7%
Total revenue	8 529.8	13.2%	100.0%	8 957.2	9 443.0	9 915.7	5.1%	100.0%

Table 15.14 National Student Financial Aid Scheme 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							
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Expenses								
Current expenses	154.1	-49.3%	20.4%	176.9	212.8	197.6	8.7%	2.3%
Compensation of employees	78.9	40.1%	0.7%	103.0	109.2	115.3	13.5%	1.3%
Goods and services	68.0	-61.0%	19.5%	69.8	99.2	77.8	4.6%	1.0%
Depreciation	7.1	6.1%	0.1%	4.1	4.3	4.5	-14.0%	0.1%
Transfers and subsidies	8 375.8	30.2%	79.6%	7 242.4	7 601.7	7 981.8	-1.6%	97.7%
Total expenses	8 529.8	19.7%	100.0%	7 419.3	7 814.5	8 179.4	-1.4%	100.0%
Surplus/(Deficit)	-	-100.0%	-	1 538.0	1 629.0	1 736.0	-	-
Statement of financial position								
Carrying value of assets	10.4	-10.8%	0.3%	11.0	11.6	12.1	5.3%	0.1%
Investments	670.9	10.3%	3.5%	711.1	746.7	784.0	5.3%	5.8%
Loans	7 938.0	5.7%	74.9%	8 334.9	8 751.6	9 189.2	5.0%	68.3%
Receivables and prepayments	516.9	10.3%	7.7%	547.9	575.3	604.0	5.3%	4.5%
Cash and cash equivalents	2 463.1	42.3%	13.7%	2 610.9	2 741.4	2 878.5	5.3%	21.3%
Total assets	11 599.2	11.0%	100.0%	12 215.8	12 826.6	13 467.9	5.1%	100.0%
Accumulated surplus/(deficit)	1 621.1	21.2%	11.8%	1 638.9	1 720.9	1 806.9	3.7%	13.6%
Capital and reserves	9 782.1	13.5%	79.7%	10 369.1	10 887.5	11 431.9	5.3%	84.7%
Deferred income	183.5	-38.8%	6.9%	194.5	204.2	214.4	5.3%	1.6%
Trade and other payables	12.6	-15.4%	1.0%	13.3	14.0	14.7	5.3%	0.1%
Total equity and liabilities	11 599.2	11.0%	100.0%	12 215.8	12 826.6	13 467.9	19.7%	100.0%

Personnel information

Table 15.15 National Student Financial Aid Scheme personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015			Number and cost ¹ of personnel posts filled/planned for on funded establishment															Number	
National Student Financial Aid Scheme	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)			
			2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost		Unit Cost	
Salary level	263	–	232	65.9	0.3	263	78.9	0.3	278	103.0	0.4	281	109.2	0.4	281	115.3	0.4	13.5%	100.0%
1 – 6	149	149	130	18.3	0.1	149	27.2	0.2	158	34.2	0.2	160	36.6	0.2	160	38.6	0.2	12.3%	56.8%
7 – 10	80	80	58	16.7	0.3	80	23.5	0.3	75	25.6	0.3	75	27.0	0.4	75	28.5	0.4	6.7%	27.7%
11 – 12	15	15	21	11.7	0.6	15	10.9	0.7	19	16.8	0.9	19	17.8	0.9	19	18.8	1.0	19.7%	6.5%
13 – 16	19	19	22	16.9	0.8	19	17.3	0.9	25	26.4	1.1	26	27.9	1.1	26	29.4	1.1	19.3%	8.7%
17 – 22	–	–	1	2.3	2.3	–	–	–	1	–	–	1	–	–	1	–	–	–	0.3%

¹. Rand million.

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 purpose of the act, as determined by the director general of the Department of Higher Education and Training.

Selected performance indicators

Table 15.16 National Skills Fund performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of learners funded for training through National Skills Fund projects per year	Grant disbursement	Outcome 5: A skilled and capable workforce to support an inclusive growth path	37 793	95 554	70 000	70 000	70 000	70 000	70 000
Percentage of reserve funds committed towards skills development	Grant disbursement		11% (R0.8bn)	100% (R7.7bn)	100% (R8.5bn)	100%	100%	100%	100%
Percentage of grants disbursed versus grant income received	Grant disbursement		65% (R1.2bn)	100% (R2.6bn)	100% (R3.2bn)	90%	90%	90%	90%

Expenditure analysis

In responding to the national development plan's focus on creating greater opportunities for young people, the National Skills Fund will continue to invest in education and skills development, as well as meeting the training needs of the unemployed. In line with government's 2014-2019 medium term strategic framework, the fund will be used to initiate and respond to national skills priorities by reducing skills gaps and resource shortages to address national priorities by, among other things, funding bursaries in the post-school sector.

The fund will continue to support projects that are of national priority to strengthen the skills and human resource bases over the medium term. This will advance the fund's human resource development strategy and support the National Skills Authority in its work, which includes constituency capacity building; funding new growth path education and health projects, justice and crime prevention projects, and technical and vocational education and training programmes.

The fund's main source of revenue is derived from 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. The National Skills Fund will receive R9.6 billion from the skills development levy over the medium term. The bulk of spending centres on providing targeted skills development funding to address key shortcomings identified in the post-school education and training system. The fund has commitments of R11.3 billion towards this over the medium term.

R3.1 billion over the medium term is expected to be spent on skills infrastructure. This includes infrastructure development for technical and vocational education and training colleges, specifically the building of 12 new college campuses; the refurbishment of 7 existing college campuses, community education and training centres, and public delivery infrastructure. The expansion of the technical and vocational education and training college campuses will allow for greater student intake, with a focus on the scarce skills needed for economic growth, such as electrical and metallurgical engineering.

Expenditure of R1.1 billion, provided via the National Research Foundation and earmarked for bursaries, will allow for the funding of 70 000 students each year over the medium term. Further allocations over the medium term include: R3.5 billion to government priorities (of which R1.7 billion is to increase public sector capacity by attracting skilled graduates and youth with the potential to work in the public service); R1.3 billion for director general priorities (R544 million of which is for the Department of Higher Education and Training's projects for academia, research and development); R632 million for bursaries; R605 million for rural development projects; R520 million for national artisan development; and R448 million for new growth path projects.

The fund's expenditure is expected to increase from R3.7 billion in 2014/15 to R5.1 billion in 2015/16, with a projected decline to R3.5 billion in 2017/18. The main reason for this decline is that the construction of 12 college campuses will be completed by then.

The number of personnel increased from 51 in 2013/14 to 81 in 2014/15, and is projected to increase to 130 in 2015/16 and remain constant over the MTEF period. The increase in personnel is to improve oversight capacity for the monitoring and evaluation of projects.

Programmes/objectives/activities

Table 15.17 National Skills Fund 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 (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Administration	82.7	84.8	95.4	268.5	48.1%	4.9%	256.3	225.6	231.3	-4.9%	6.4%
Grant disbursement	1 304.9	2 575.1	3 118.8	3 394.4	37.5%	95.1%	4 866.4	3 057.8	3 300.4	-0.9%	93.6%
Total	1 387.6	2 659.9	3 214.2	3 662.9	38.2%	100.0%	5 122.7	3 283.4	3 531.7	-1.2%	100.0%

Statements of historical financial performance and position

Table 15.18 National Skills Fund 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	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15	
Revenue										
Non-tax revenue	343.8	409.6	378.2	444.9	399.0	1 496.1	419.5	353.2		175.5%
Other non-tax revenue	343.8	409.6	378.2	444.9	399.0	1 496.1	419.5	353.2		175.5%
Transfers received	1 859.6	2 041.5	1 959.1	2 254.0	2 480.6	2 495.2	3 247.9	2 640.0		98.8%
Total revenue	2 203.4	2 451.1	2 337.3	2 698.9	2 879.6	3 991.3	3 667.4	2 993.2		109.4%
Expenses										
Current expenses	179.2	34.3	198.4	36.2	207.6	46.6	110.5	161.5		40.0%
Compensation of employees	35.1	14.1	40.3	17.7	47.0	24.3	53.2	54.1		62.8%
Goods and services	144.1	20.3	158.1	18.4	160.6	22.0	57.3	107.4		32.3%
Depreciation	—	—	—	—	—	0.3	—	—		—
Transfers and subsidies	2 612.6	1 353.3	2 764.5	2 623.8	2 508.8	3 167.5	4 487.8	3 501.4		86.0%
Total expenses	2 791.8	1 387.6	2 962.9	2 659.9	2 716.5	3 214.2	4 598.3	3 662.9		83.6%
Surplus/(Deficit)	(588.0)	1 063.0	(626.0)	39.0	163.0	777.0	(931.0)	(670.0)		—
Carrying value of assets of which:	—	—	—	0.1	—	1.0	—	—		—
Acquisition of assets	—	—	—	0.1	—	1.2	—	—		—
Investments	555.1	7 196.7	164.8	7 346.6	4 094.7	5 797.8	4 094.7	2 412.5		255.4%
Loans	—	—	51.1	—	—	—	—	—		—
Receivables and prepayments	38.2	1 313.2	—	1 781.1	—	2 950.7	—	—		15 845.2%
Cash and cash equivalents	69.4	117.8	—	4.8	—	1 161.9	—	—		1 850.0%
Taxation	—	—	73.1	—	—	—	—	—		—
Total assets	662.7	8 627.7	288.9	9 132.6	4 094.7	9 911.4	4 094.7	2 412.5		329.1%
Accumulated surplus/(deficit)	632.1	7 645.7	—	7 684.7	—	6 015.2	—	2 412.5		3 758.7%
Capital and reserves	—	—	164.8	—	—	2 446.6	—	—		1 484.9%
Capital reserve fund	—	788.7	134.5	830.8	—	981.2	—	—		1 934.1%
Trade and other payables	30.6	6.5	—	14.7	—	25.4	—	—		152.2%
Taxation	—	—	30.3	—	—	—	—	—		—
Provisions	—	186.8	—	602.4	—	443.1	—	—		—
Total equity and liabilities	662.7	8 627.7	329.5	9 132.6	—	9 911.4	—	2 412.5		3 031.9%

Statements of estimates of financial performance and position

Table 15.19 National Skills Fund statements of estimates of financial performance and position

Statement of financial performance										Expenditure/ Total: Average (%)
	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)		
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18			
Revenue										
Non-tax revenue	353.2	-4.8%	20.6%	262.3	198.6	154.0	-24.2%	7.5%		
Other non-tax revenue	353.2	-4.8%	20.6%	262.3	198.6	154.0	-24.2%	7.5%		
Transfers received	2 640.0	8.9%	79.4%	2 937.3	3 227.2	3 480.0	9.6%	92.5%		
Total revenue	2 993.2	6.9%	100.0%	3 199.6	3 425.8	3 634.0	6.7%	100.0%		
Expenses										
Current expenses	161.5	67.6%	2.4%	143.3	106.3	106.1	-13.1%	3.4%		
Compensation of employees	54.1	56.7%	1.0%	57.1	60.3	63.3	5.4%	1.6%		
Goods and services	107.4	74.3%	1.4%	86.1	46.1	42.8	-26.4%	1.8%		
Transfers and subsidies	3 501.4	37.3%	97.6%	4 979.5	3 177.0	3 425.6	-0.7%	96.6%		
Total expenses	3 662.9	38.2%	100.0%	5 122.7	3 283.4	3 531.7	-1.2%	100.0%		
Surplus/(Deficit)	(670.0)	-185.7%	—	(1 923.0)	142.0	102.0	-153.4%	—		

Table 15.19 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 (%)
R million		2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Investments		2 412.5	-30.5%	80.6%	2 482.7	2 612.4	2 683.8	3.6%	100.0%
Total assets		2 412.5	-34.6%	100.0%	2 482.7	2 612.4	2 683.8	3.6%	100.0%
Accumulated surplus/(deficit)		2 412.5	-31.9%	83.4%	2 482.7	2 612.4	2 683.8	3.6%	100.0%
Total equity and liabilities		2 412.5	-34.6%	100.0%	2 482.7	2 612.4	2 683.8	3.6%	100.0%

Personnel information

Table 15.20 National Skills Fund personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015			Number and cost ¹ of personnel posts filled/planned for on funded establishment														Number			
Salary level	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
			2013/14			2014/15			2015/16			2016/17			2017/18					2014/15 - 2017/18
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
National Skills Fund			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
130	–		51	24.3	0.5	81	54.1	0.7	130	57.1	0.4	130	60.3	0.5	130	63.3	0.5	5.4%	100.0%	
1 – 6	16	16	10	2.3	0.2	9	2.4	0.3	16	2.5	0.2	16	2.6	0.2	16	2.8	0.2	5.4%	12.0%	
7 – 10	84	84	27	10.3	0.4	47	27.5	0.6	84	29.0	0.3	84	30.6	0.4	84	32.1	0.4	5.4%	63.0%	
11 – 12	22	22	7	5.7	0.8	18	16.3	0.9	22	17.3	0.8	22	18.2	0.8	22	19.1	0.9	5.4%	18.2%	
13 – 16	8	8	7	6.0	0.9	7	7.9	1.1	8	8.4	1.0	8	8.8	1.1	8	9.3	1.2	5.4%	6.8%	

1. Rand million.

Sector education and training authorities

Mandate

The mandate of 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.

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 by creating a training system that caters for different needs and produces skilled individuals, thereby contributing towards economic growth. These objectives include providing quality learning opportunities for the youth, for adults who want to upgrade their skills or change their careers, for people who left school before completing their secondary education, and for the unemployed who wish to start a career. The authorities' key function is to develop and implement sector specific strategic programmes that fall within the framework of the third national skills development strategy.

The authorities' focus over the medium term will be on addressing priority skills shortages, developing relevant skills that will meet social and economic demands, providing support in reducing poverty and unemployment, improving public sector capacity, and ensuring the alignment between the supply and demand for labour in the South African labour market. The authorities expect to achieve this through rolling out skills programmes, learnerships, internships and apprenticeships in their sectors, which include transport, manufacturing, health and welfare, and finance.

The authorities' primary source of revenue is from 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. Other revenue comes mainly from interest earned on investments. The authorities' spending is in line with the goals identified in the third national skills development strategy, and will continue to focus on artisan development, apprenticeships, learnerships, internships and bursaries, as well as on establishing partnerships

with technical and vocational education and training colleges, universities and the labour market to provide opportunities for workplace experience.

The authorities are expected to operate at an operational deficit over the MTEF period, which narrows from R731 million in 2015/16 to R313 million in 2017/18. The decline in the authorities' operational surpluses is mainly due to the implementation of grant regulations pertaining to the authorities, which require them to accumulate surpluses linked to their unspent discretionary grants (an average 49.5 per cent of their budget), and transfer uncommitted funds to the National Skills Fund by 1 October of each year.

Statements of historical financial performance and position

Table 15.21 Sector education and training authorities consolidated 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	2011/12 - 2014/15
R million	2011/12		2012/13		2013/14		2014/15		
Revenue									
Non-tax revenue	358.2	551.3	387.2	688.1	565.3	903.1	611.3	1 699.2	199.9%
Sale of goods and services other than capital assets	0.9	1.1	–	–	–	–	–	–	125.4%
of which:									
Sales by market establishment	0.9	1.1	–	–	–	–	–	–	124.0%
Other non-tax revenue	357.3	550.2	387.2	688.1	565.3	903.1	611.3	1 699.2	199.9%
Transfers received	6 624.1	8 300.6	7 808.4	9 188.0	9 468.4	10 172.5	10 252.3	10 731.7	112.4%
Total revenue	6 982.3	8 851.9	8 195.6	9 876.2	10 033.7	11 075.6	10 746.9	12 430.9	117.5%
Expenses									
Current expenses	907.8	1 025.9	1 087.8	1 231.4	1 287.8	1 423.6	1 573.9	1 672.6	110.2%
Compensation of employees	460.5	546.5	562.4	616.4	644.4	731.8	758.9	793.7	110.8%
Goods and services	424.9	432.0	506.2	564.2	623.3	641.6	775.9	826.1	105.7%
Depreciation	19.0	47.2	18.8	50.5	19.6	48.9	38.9	52.8	207.0%
Interest, dividends and rent on land	3.4	0.3	0.4	0.3	0.5	1.3	0.2	–	40.7%
Transfers and subsidies	6 687.8	6 316.3	7 450.3	7 100.0	7 548.4	7 611.8	8 415.1	9 698.8	102.1%
Total expenses	7 595.6	7 342.3	8 538.0	8 331.4	8 836.3	9 035.4	9 989.0	11 371.4	103.2%
Surplus/(Deficit)	(613.0)	1 510.0	(342.0)	1 545.0	1 197.0	2 040.0	758.0	1 059.0	–
Statement of financial position									
Carrying value of assets	162.3	115.0	172.0	127.4	237.6	188.9	348.5	390.5	89.3%
of which:									
Acquisition of assets	(0.2)	17.1	–	29.5	(0.1)	86.1	–	201.0	-112 732.0%
Investments	2 219.1	935.2	1 595.9	1 020.0	1 759.0	1 320.0	1 206.0	1 298.7	67.5%
Inventory	1.8	2.9	1.5	3.0	1.7	4.1	2.7	4.2	182.0%
Accrued investment interest	60.7	9.4	7.5	22.5	9.1	62.4	42.1	38.1	110.9%
Receivables and prepayments	110.9	251.8	169.4	246.1	115.2	177.4	123.5	159.1	160.7%
Cash and cash equivalents	3 400.8	8 048.5	4 241.0	9 855.3	4 837.0	11 813.4	5 664.6	8 920.9	213.0%
Non-current assets held for sale	–	–	–	–	–	0.5	–	–	–
Derivatives financial instruments	–	–	7.5	–	–	–	–	–	–
Total assets	5 955.6	9 362.7	6 194.8	11 274.3	6 959.6	13 566.6	7 387.5	10 811.4	169.9%
Accumulated surplus/(deficit)	4 716.8	3 675.9	2 216.6	4 037.2	2 770.8	5 119.5	3 252.9	3 977.7	129.7%
Capital and reserves	155.4	3 562.4	3 064.2	4 730.2	2 446.4	6 061.4	1 958.9	4 371.6	245.6%
Capital reserve fund	–	19.8	–	95.7	–	112.9	–	120.4	–
Borrowings	3.6	1.2	1.1	1.1	1.2	1.0	1.0	1.0	61.3%
Finance lease	–	2.6	139.9	5.6	145.0	3.9	1.9	4.5	5.8%
Deferred income	3.0	28.4	30.2	35.8	11.9	32.0	14.7	12.5	181.7%
Trade and other payables	1 025.2	1 098.9	919.2	1 421.0	980.6	1 049.8	1 282.7	1 171.9	112.7%
Taxation	–	–	0.0	–	–	–	–	–	–
Provisions	41.2	385.9	78.0	541.2	214.3	720.7	572.0	837.8	274.5%
Managed funds (e.g. poverty alleviation fund)	–	–	–	–	0.3	–	0.4	–	–
Derivatives financial instruments	10.3	587.5	–	406.6	7.0	465.5	151.3	314.2	1 052.2%
Total equity and liabilities	5 955.6	9 362.7	6 449.2	11 274.3	6 577.5	13 566.6	7 235.7	10 811.6	171.7%

Statements of estimates of financial performance and position

Table 15.22 Sector education and training authorities consolidated 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	2014/15			2015/16	2016/17	2017/18		
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Revenue								
Non-tax revenue	1 699.2	45.5%	8.8%	597.7	579.5	585.9	-29.9%	7.1%
Other non-tax revenue	1 699.2	45.6%	8.8%	597.7	579.5	585.9	-29.9%	7.1%
Transfers received	10 731.7	8.9%	91.2%	10 742.9	11 418.3	11 661.2	2.8%	92.9%
Total revenue	12 430.9	12.0%	100.0%	11 340.6	11 997.7	12 247.1	-0.5%	100.0%
Expenses								
Current expenses	1 672.6	17.7%	14.8%	1 805.1	1 915.2	2 010.7	6.3%	15.4%
Compensation of employees	793.7	13.2%	7.5%	872.4	917.5	970.5	6.9%	7.4%
Goods and services	826.1	24.1%	6.8%	879.8	946.0	988.4	6.2%	7.6%
Depreciation	52.8	3.9%	0.6%	52.8	51.7	51.7	-0.7%	0.4%
Interest, dividends and rent on land	–	-53.0%	–	–	–	–	-29.9%	–
Transfers and subsidies	9 698.8	15.4%	85.2%	10 270.2	10 183.4	10 549.9	2.8%	84.6%
Total expenses	11 371.4	15.7%	100.0%	12 075.2	12 098.6	12 560.5	3.4%	100.0%
Surplus/(Deficit)	1 059.0	-11.2%	–	(735.0)	(101.0)	(313.0)	-166.6%	–
Carrying value of assets	390.5	50.3%	1.8%	421.2	437.0	454.9	5.2%	4.3%
of which:								
Acquisition of assets	201.0	127.3%	0.7%	54.2	30.4	30.6	-46.6%	0.8%
Investments	1 298.7	11.6%	10.2%	1 317.5	986.0	900.0	-11.5%	11.3%
Inventory	4.2	13.2%	–	4.0	4.4	4.5	2.7%	–
Accrued investment interest	38.1	59.3%	0.3%	33.4	35.8	41.9	3.2%	0.4%
Receivables and prepayments	159.1	-14.2%	1.9%	145.2	151.3	158.7	-0.1%	1.5%
Cash and cash equivalents	8 920.9	3.5%	85.7%	7 803.3	7 938.5	8 166.8	-2.9%	82.5%
Total assets	10 811.4	4.9%	100.0%	9 724.6	9 552.9	9 726.9	-3.5%	100.0%
Accumulated surplus/(deficit)	3 977.7	2.7%	37.4%	4 211.3	3 931.0	4 023.8	0.4%	40.7%
Capital and reserves	4 371.6	7.1%	41.3%	3 214.2	3 274.8	3 338.1	-8.6%	35.5%
Capital reserve fund	120.4	82.5%	0.8%	126.0	132.9	139.6	5.1%	1.3%
Borrowings	1.0	-7.0%	–	1.0	1.1	1.2	6.0%	–
Finance lease	4.5	20.1%	–	4.1	7.0	4.0	-3.6%	–
Deferred income	12.5	-24.0%	0.2%	5.1	5.4	5.6	-23.4%	0.1%
Trade and other payables	1 171.9	2.2%	10.7%	1 151.2	1 190.3	1 210.5	1.1%	11.9%
Provisions	837.8	29.5%	5.5%	707.5	699.4	687.2	-6.4%	7.4%
Derivatives financial instruments	314.2	-18.8%	4.1%	304.2	311.2	317.0	0.3%	3.1%
Total equity and liabilities	10 811.6	4.9%	100.0%	9 724.7	9 553.1	9 727.1	-29.1%	100.0%

Other public entities and agencies

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 **Council on Higher Education** implements the higher education qualifications framework by generating and setting standards and other quality assurance functions, and monitors and evaluates the achievement of South African higher education policy goals and objectives. The council's total budget for 2015/16 is R47.8 million.
- The **Quality Council for Trades and Occupations** was established in terms of the Skills Development Act (1998) and became operational in 2010. The primary functions of the organisation are to design, develop and maintain occupational standards and qualifications, to submit them for registration on the national qualifications framework, and to ensure the quality of occupational standards and qualifications and learning in and for the workplace. The organisation's total budget for 2015/16 is R59.4 million.
- The **South African Qualifications Authority** ensures access, quality, redress and development for all learners through an integrated national framework of learning achievements. The organisation's total budget for 2015/16 is R107.3 million.

Additional table: Summary of expenditure on infrastructure

Project name R million	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
Infrastructure transfers to other spheres, agencies and departments										
Tertiary institutions infrastructure	Hostels, lecture halls, laboratories	Various	33 108.5	1 625.3	1 799.9	2 000.0	2 200.0	2 301.2	2 450.0	2 570.0
New universities in Mpumalanga and Northern Cape	Hostels, lecture halls, laboratories	Various	11 705.2	–	–	150.0	500.0	1 000.0	1 053.0	1 105.7
Total			44 813.7	1 625.3	1 799.9	2 150.0	2 700.0	3 301.2	3 503.0	3 675.7

Vote 16

Health

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	457.1	447.5	2.0	7.6	456.0	492.1
National Health Insurance, Health Planning and Systems Enablement	587.8	488.2	97.1	2.6	576.6	682.1
HIV and AIDS, Tuberculosis, and Maternal and Child Health	14 442.1	539.9	13 900.4	1.8	16 002.7	17 972.9
Primary Health Care Services	225.0	219.8	2.9	2.3	239.3	251.8
Hospitals, Tertiary Health Services and Human Resource Development	19 159.1	460.5	18 048.5	650.0	19 961.4	21 220.0
Health Regulation and Compliance Management	1 596.9	195.7	1 397.6	3.6	1 687.7	1 718.4
Total expenditure estimates	36 468.0	2 351.5	33 448.5	668.0	38 923.5	42 337.2

Executive authority Minister of Health
 Accounting officer Director General of Health
 Website address www.health.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, public entities, donor funding, public private partnerships, conditional allocations 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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Total number of private providers contracted to work in public health facilities	National Health Insurance, Health Planning and Systems Enablement	Outcome 2: A long and healthy life for all South Africans	— ¹	— ¹	119	900 ²	400	600	800
Tuberculosis new client treatment success rate	HIV and AIDS, Tuberculosis, Maternal and Child Health		— ¹	— ¹	— ¹	82%	83%	84%	85%
Tuberculosis treatment defaulter rate	HIV and AIDS, Tuberculosis, Maternal and Child Health		6.8%	6.1%	6.2%	6%	5.5%	5%	5%
Total clients remaining on antiretroviral therapy at the end of the month	HIV and AIDS, Tuberculosis, Maternal and Child Health		— ¹	— ¹	2.4 million	3 million	3.6 million	4.2 million	5.1 million
Rate of first antenatal first visit before 20 weeks	HIV and AIDS, Tuberculosis, Maternal and Child Health		40.2%	44%	50%	65%	60%	64%	68%
Immunisation coverage under 1 year of age (annualised)	HIV and AIDS, Tuberculosis, Maternal and Child Health		83.8%	83.6%	84.3%	90%	91%	92%	93%

Table 16.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Second dose immunisation coverage for measles annualised	HIV and AIDS, Tuberculosis, Maternal and Child Health	Outcome 2: A long and healthy life for all South Africans	77%	75%	75%	79%	85%	87%	90%
Infant first polymerase chain reaction test positive within 2 months after birth as a proportion of live births to HIV positive women	HIV and AIDS, Tuberculosis, Maternal and Child Health		4%	3%	2%	2%	2%	2%	1%
Cervical cancer screening coverage	HIV and AIDS, Tuberculosis, Maternal and Child Health		41.8%	55.4%	58.3%	60%	64%	68%	70%
Human papilloma virus first dose immunisation coverage	HIV and AIDS, Tuberculosis, Maternal and Child Health		— ¹	— ¹	— ¹	70%	73.5%	75%	80%
Number of ports of entry that are compliant with international health regulations per year	Primary Health Care Services		— ¹	— ¹	— ¹	20	40	60	75
Number of functional ward based outreach teams established	Primary Health Care Services		— ¹	945	1 063	1 500	2 000	2 500	3 500
Median waiting time for blood alcohol results	Hospitals, Tertiary Health Services and Human Resource Development		— ¹	— ¹	— ¹	— ¹	6 weeks	5 weeks	5 weeks
Turnaround times for toxicology tests and reports	Hospitals, Tertiary Health Services and Human Resource Development		— ¹	— ¹	— ¹	— ¹	6 months	5 months	5 months
Turnaround times for perishable food product tests and reports	Hospitals, Tertiary Health Services and Human Resource Development		— ¹	— ¹	— ¹	— ¹	60 days	45 days	45 days

1. Historical data is not available, as this is a new indicator.

2. The 2014/15 target of 900 will not be achieved. The revised estimate is 200.

Expenditure analysis

Significant progress has been made over the last 10 years towards ensuring a long and healthy life for all South Africans, which is outcome 2 of government's 2014-2019 medium term strategic framework. Life expectancy has increased from 52.2 years in 2004 to 61.2 years in 2014, but this is still shorter than in most other upper middle income countries and great challenges remain. Over the medium term, the Department of Health will continue to contribute to increased life expectancy and improved quality of life for South Africans through sustaining the expansion of the HIV and AIDS treatment and prevention programme, revitalising public health care facilities, and ensuring the provision of specialised tertiary hospital services. Spending on these three areas takes up 85.2 per cent of the department's total budget over the MTEF period, and the activities 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) of outcome 2. In line with the national development plan and government's 2014-2019 medium term strategic framework, national health insurance is also a major priority for the department over the medium term, although not a large spending area at this early stage of its implementation.

R1.4 billion of the R2.4 billion Cabinet approved budget reductions will be effected on most of the conditional allocations to provincial departments of health over the MTEF period, and the department will be required to find efficiencies, particularly in its provision of infrastructure.

Sustained expansion of the HIV and AIDS treatment and prevention programme

The department's expansion of antiretroviral treatment is projected to enable 4.8 million patients to be on treatment by the end of 2017/18. The department is also expected to be able to test 10 million adults for HIV every year, among other HIV prevention interventions. The HIV and AIDS treatment and prevention programme is supported by a Cabinet approved additional allocation of R1.2 billion in 2017/18, hence the projected average annual growth of 13 per cent over the MTEF period in the comprehensive HIV and AIDS conditional allocation in the *HIV and AIDS, TB, Maternal and Child Health* programme.

The number of deaths during the first year of life per 1 000 live births has been significantly reduced, largely due to the success of the department's programme to prevent mother-to-child transmission of HIV. Mother-to-child-transmission of HIV is expected to decline to below 1 per cent by 2017/18.

Revitalisation of public health care facilities

Many public health care facilities are in a dire state and need maintenance, refurbishment and in some cases complete replacement. Government's 2014-2019 medium term strategic framework highlights this in sub-outcome 7 (improved health facility planning and infrastructure delivery). Over the medium term, the department will prioritise monitoring and oversight of provincial health infrastructure delivery and implementing national health insurance infrastructure projects, funded by the R16.6 million transfer to provinces through the health facility revitalisation grant in the *Hospitals, Tertiary Health Services and Human Resource Development* programme.

The *Hospitals, Tertiary Health Services and Human Resource Development* programme also manages the health facility revitalisation component of the national health allocation in kind to provinces. Due to underspending on the allocation since its inception in 2013/14, R411.6 million will be reprioritised to other key areas, such as for new equipment and staff in the four forensic chemistry laboratories, sector wide procurement (which deals with all the medicines and medical supplies procurement for the department), port health services, and the new Office of Health Standards Compliance.

The department estimates that it will invest R19.5 billion in infrastructure over the MTEF period: R6.1 billion in 2015/16, R6.4 billion in 2016/17, and R6.8 billion in 2017/18, excluding investments by provincial health departments via their provincial equitable share allocations. 8 mega infrastructure projects (costing more than R1 billion) are currently being implemented by national and provincial departments: Shoshanguve Hospital, Tshilidzini Hospital, Cecilia Makiwane Hospital, Natalspruit Hospital, King Dinuzulu Hospital complex (formerly King George V Hospital), Ngwelezane Hospital, Lower Umfolozi War Memorial Hospital complex, and Dr Pixley ka Seme Memorial Hospital. 50 large projects (costing more than R250 million, but less than R1 billion) are also being implemented, at a projected cost of R9 billion over the medium term. Small projects, such as the construction and upgrading of clinics, community health centres and nursing colleges and schools, under the provincial departments of health, will continue over the medium term, including the installation of mobile doctors' consulting rooms in the national health insurance pilot districts. Spending on small infrastructure projects is projected at R8 billion over the medium term.

Ensuring the provision of specialised tertiary hospital services

Over the medium term, the department aims to provide tertiary health services in 33 hospitals and hospital complexes and to modernise tertiary facilities to improve equitable access. Tertiary health services are usually for inpatients in a hospital that has specialised personnel and facilities for advanced medical investigation and treatment. After the Cabinet approved reduction, the national tertiary services conditional allocation in the *Hospitals, Tertiary Health Services and Human Resource Development* programme is set to grow by 4.3 per cent over the MTEF period (R10.4 million in 2015/16, R10.8 million in 2016/17, and R11.5 million in 2017/18).

National health insurance

The Department of Health is in its fourth year of the phased 15-year rollout of national health insurance, government's chosen path to universal, quality and affordable health care. Pilot activities are under way in 11 districts, and early in 2015 the department plans to release the White Paper on National Health Insurance, which will elaborate on the proposed policy. National health insurance entails major financing reforms in the health sector and the department is piloting innovative health financing mechanisms, including contracting with private general practitioners to provide services in public facilities and developing a new hospital reimbursement mechanism.

Difficulties in contracting private general practitioners due to poor working conditions was the main cause of slow spending on rolling out national health insurance, and funding in the national health insurance conditional allocation in the *National Health Insurance, Health Planning and Systems Enablement* programme has been reduced by Cabinet by R355.3 million to R884.2 million over the MTEF period.

To improve data collection and financial management for national health insurance, the department will be testing diagnosis related groups as the basis for paying for services provided by central hospitals. Diagnosis related groups classify hospital cases to allow hospitals to work within a more predictable and structured reimbursement system. Diagnosis related groups are used in most of the developed world for hospital

reimbursement, but the groups have to be adapted for each country, and this is what the Department of Health will be engaged with over the medium term. R82.1 million over the MTEF period in the *National Health Insurance, Health Planning and Systems Enablement* programme has been earmarked for the diagnosis related group project.

In addition to the current focus on contracting private health professionals and developing a new hospital reimbursement mechanism, the department plans to establish a national health insurance fund over the medium term to purchase health care services on behalf of the population. Details of how the fund will function are being determined and will be set out in the white paper. Further, provinces will be piloting health system innovations and reforms, such as strengthening monitoring and evaluation and supply chain management systems at the district level, through funds from the national health insurance grant in the *National Health Insurance, Health Planning and Systems Enablement* programme.

Expenditure trends

Table 16.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. National Health Insurance, Health Planning and Systems Enablement														
3. HIV and AIDS, Tuberculosis, and Maternal and Child Health														
4. Primary Health Care Services														
5. Hospitals, Tertiary Health Services and Human Resource Development														
6. Health Regulation and Compliance Management														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Programme 1	330.4	347.3	311.0	357.9	403.3	372.9	411.0	405.7	347.3	389.7	389.7	389.7	95.4%	91.9%
Programme 2	160.8	176.5	182.2	315.1	315.1	315.4	491.9	491.8	222.6	652.0	658.9	328.9	64.8%	63.9%
Programme 3	7 845.9	7 821.8	7 735.4	9 089.9	9 074.9	8 979.3	10 829.9	10 842.8	10 763.5	12 840.7	12 840.7	12 772.3	99.1%	99.2%
Programme 4	180.5	209.3	281.5	193.4	224.9	206.3	214.0	207.2	183.5	200.5	216.2	216.2	112.6%	103.5%
Programme 5	16 730.2	16 919.8	16 745.0	16 921.0	17 351.0	17 399.6	17 911.2	17 722.4	17 497.3	18 929.5	18 816.5	18 514.2	99.5%	99.1%
Programme 6	983.6	993.3	957.7	1 063.4	1 071.6	1 009.0	1 252.1	1 261.7	1 214.4	1 367.6	1 403.1	1 403.1	98.2%	96.9%
Total	26 231.5	26 467.9	26 212.7	27 940.6	28 440.8	28 282.5	31 110.1	30 931.6	30 228.5	34 380.0	34 325.1	33 624.3	98.9%	98.5%
Change to 2014 Budget estimate										(54.9)				
Economic classification														
Current payments	1 303.1	1 419.4	1 165.2	1 365.4	1 473.0	1 265.6	1 743.3	1 732.5	1 262.3	2 041.0	2 247.1	1 736.8	84.1%	79.0%
Compensation of employees	507.9	509.0	484.6	567.3	575.0	554.3	631.8	631.8	628.0	649.1	656.5	656.5	98.6%	97.9%
Goods and services	795.2	910.4	680.6	798.2	897.9	711.3	1 111.5	1 100.7	634.4	1 391.9	1 590.6	1 080.3	75.8%	69.0%
of which:														
Consultants and professional services:	119.0	233.6	111.6	122.2	184.8	186.2	146.2	148.2	156.7	108.5	296.5	114.4	114.7%	65.9%
Business and advisory services														
Contractors	8.8	9.1	6.6	20.9	26.0	9.8	318.2	313.8	16.9	416.0	227.9	85.8	15.6%	20.6%
Agency and support/outsourced services	15.7	12.7	8.9	18.7	13.6	19.8	14.2	15.2	3.7	12.4	17.4	17.4	81.7%	84.7%
Inventory: Medical supplies	172.7	152.2	124.2	135.6	135.6	112.4	140.8	140.8	70.5	149.2	153.2	153.2	77.0%	79.1%
Operating leases	58.4	93.8	92.5	93.6	96.1	85.6	102.0	106.0	86.9	109.3	111.3	111.3	103.5%	92.4%
Travel and subsistence	134.9	113.7	74.4	129.2	120.6	88.6	112.7	111.2	81.9	62.3	78.3	72.6	72.3%	74.9%
Transfers and subsidies	24 895.4	25 012.9	25 017.2	26 546.4	26 932.1	26 990.9	28 541.0	28 732.6	28 791.4	31 314.1	31 589.1	31 589.1	101.0%	100.1%
Provinces and municipalities	23 902.2	23 989.3	23 989.3	25 501.9	25 882.9	25 882.0	27 317.5	27 686.5	27 487.2	29 902.1	30 164.1	30 164.1	100.8%	99.8%
Departmental agencies and accounts	812.7	830.8	843.1	846.7	850.8	890.5	1 026.9	839.5	1 089.1	1 202.9	1 212.9	1 212.9	103.8%	108.1%
Higher education institutions	1.1	14.5	12.8	3.0	3.0	21.0	3.0	7.0	4.0	3.0	3.0	3.0	402.6%	148.0%
Foreign governments and international organisations	–	–	–	–	–	–	–	–	–	–	2.7	2.7	–	100.0%

Table 16.2 Vote expenditure trends by programme and economic classification

Economic classification	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Public corporations and private enterprises	–	–	–	–	–	–	–	–	0.2	–	–	–	–	475.0%
Non-profit institutions	179.3	173.1	166.9	194.8	195.3	196.2	193.6	199.7	209.6	206.1	206.4	206.4	100.7%	100.6%
Households	–	5.1	5.0	–	–	1.1	–	–	1.5	–	–	–	13789.1%	146.8%
Payments for capital assets	33.0	35.6	28.5	28.8	35.7	20.3	825.9	466.5	173.0	1 024.9	488.9	298.4	27.2%	50.7%
Buildings and other fixed structures	–	–	–	–	–	–	807.0	440.0	113.7	979.9	378.4	188.0	16.9%	36.9%
Machinery and equipment	33.0	35.5	28.4	28.8	35.7	20.3	18.8	26.4	59.3	45.1	100.7	100.7	166.0%	105.2%
Software and other intangible assets	–	0.1	0.1	–	–	–	–	–	–	–	9.8	9.8	–	100.0%
Payments for financial assets	–	–	1.8	–	–	5.7	–	–	1.7	–	–	–	–	–
Total	26 231.5	26 467.9	26 212.7	27 940.6	28 440.8	28 282.5	31 110.1	30 931.6	30 228.5	34 380.0	34 325.1	33 624.3	98.9%	98.5%

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	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme 1	389.7	3.9%	1.2%	457.1	456.0	492.1	8.1%	1.2%
Programme 2	328.9	23.1%	0.9%	587.8	576.6	682.1	27.5%	1.4%
Programme 3	12 772.3	17.8%	34.0%	14 442.1	16 002.7	17 972.9	12.1%	40.4%
Programme 4	216.2	1.1%	0.7%	225.0	239.3	251.8	5.2%	0.6%
Programme 5	18 514.2	3.0%	59.3%	19 159.1	19 961.4	21 220.0	4.7%	52.1%
Programme 6	1 403.1	12.2%	3.9%	1 596.9	1 687.7	1 718.4	7.0%	4.2%
Total	33 624.3	8.3%	100.0%	36 468.0	38 923.5	42 337.2	8.0%	100.0%
Change to 2014				(610.8)	(936.1)	(660.4)		
Budget estimate								
Economic classification								
Current payments	1 736.8	7.0%	4.6%	2 351.5	2 226.0	2 388.1	11.2%	5.7%
Compensation of employees	656.5	8.9%	2.0%	772.1	813.8	854.7	9.2%	2.0%
Goods and services	1 080.3	5.9%	2.6%	1 579.5	1 412.3	1 533.4	12.4%	3.7%
of which:								
Consultants and professional services: Business and advisory services	114.4	-21.2%	0.5%	123.1	142.4	126.8	3.5%	0.3%
Contractors	85.8	111.5%	0.1%	341.5	324.4	412.3	68.7%	0.8%
Agency and support/outsourced services	17.4	10.9%	–	222.4	234.9	236.5	138.8%	0.5%
Inventory: Medical supplies	153.2	0.2%	0.4%	189.3	210.1	192.6	7.9%	0.5%
Operating leases	111.3	5.8%	0.3%	127.9	132.5	139.8	7.9%	0.3%
Travel and subsistence	72.6	-13.9%	0.3%	66.1	95.4	110.7	15.1%	0.2%
Transfers and subsidies	31 589.1	8.1%	95.0%	33 448.5	36 002.7	39 196.8	7.5%	92.7%
Provinces and municipalities	30 164.1	7.9%	90.9%	31 857.9	34 338.2	37 495.5	7.5%	88.4%
Departmental agencies and accounts	1 212.9	13.4%	3.4%	1 416.4	1 493.9	1 516.1	7.7%	3.7%
Higher education institutions	3.0	-40.9%	–	3.1	3.3	3.5	5.0%	–
Foreign governments and international organisations	2.7	–	–	–	–	–	-100.0%	–

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 (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Non-profit institutions	206.4	6.0%	0.7%	171.1	167.2	181.8	-4.2%	0.5%
Households	–	-85.7%	–	–	–	–	-100.0%	–
Payments for capital assets	298.4	103.1%	0.4%	668.0	694.8	752.3	36.1%	1.6%
Buildings and other fixed structures	188.0	–	0.3%	562.5	587.1	634.0	50.0%	1.3%
Machinery and equipment	100.7	41.6%	0.2%	105.5	107.7	118.4	5.5%	0.3%
Software and other intangible assets	9.8	317.8%	–	–	–	–	-100.0%	–
Total	33 624.3	8.3%	100.0%	36 468.0	38 923.5	42 337.2	8.0%	100.0%

Personnel information

Table 16.4 Vote personnel numbers and cost by salary level and programme¹

Programmes

- Administration
- National Health Insurance, Health Planning and Systems Enablement
- HIV and AIDS, Tuberculosis, and Maternal and Child Health
- Primary Health Care Services
- Hospitals, Tertiary Health Services and Human Resource Development
- Health Regulation and Compliance Management

Number of posts estimated for 31 March 2015			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 (%)						
			2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18					
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost	Unit Cost		
Health			1 504	–	–	1 842	628.0	0.3	1 880	656.5	0.3	1 898	772.1	0.4	1 898	813.8	0.4	1 897	854.7	0.5	0.3%	100.0%
Salary level	1 504	–	–	1 842	628.0	0.3	1 880	656.5	0.3	1 898	772.1	0.4	1 898	813.8	0.4	1 897	854.7	0.5	0.3%	100.0%		
1 – 6	539	–	–	608	96.9	0.2	626	99.2	0.2	637	119.8	0.2	637	126.2	0.2	637	132.6	0.2	0.6%	33.5%		
7 – 10	591	–	–	877	287.9	0.3	856	284.8	0.3	858	330.5	0.4	858	348.9	0.4	857	366.4	0.4	0.0%	45.3%		
11 – 12	246	–	–	241	136.0	0.6	267	153.5	0.6	269	181.5	0.7	269	191.6	0.7	269	201.3	0.7	0.2%	14.2%		
13 – 16	128	–	–	116	107.2	0.9	131	119.1	0.9	134	140.3	1.0	134	147.1	1.1	134	154.5	1.2	0.8%	7.0%		
Programme	1 504	–	–	1 842	628.0	0.3	1 880	656.5	0.3	1 898	772.1	0.4	1 898	813.8	0.4	1 897	854.7	0.5	0.3%	100.0%		
Programme 1	458	–	–	506	149.9	0.3	468	156.1	0.3	468	177.1	0.4	468	185.9	0.4	467	195.2	0.4	-0.1%	24.7%		
Programme 2	194	–	–	184	85.6	0.5	177	78.7	0.4	177	96.1	0.5	177	101.4	0.6	177	106.5	0.6	–	9.3%		
Programme 3	137	–	–	132	62.5	0.5	137	64.4	0.5	137	68.9	0.5	137	72.7	0.5	137	76.4	0.6	–	7.2%		
Programme 4	105	–	–	437	140.9	0.3	440	147.7	0.3	458	176.5	0.4	458	186.2	0.4	458	195.5	0.4	1.3%	24.0%		
Programme 5	291	–	–	282	95.0	0.3	300	106.4	0.4	300	116.0	0.4	300	122.4	0.4	300	128.5	0.4	–	15.8%		
Programme 6	319	–	–	301	94.2	0.3	358	103.2	0.3	358	137.4	0.4	358	145.1	0.4	358	152.6	0.4	–	18.9%		

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

2. Rand million.

Departmental receipts

Table 16.5 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 (%)
R thousand	2011/12	2012/13	2013/14	2014/15		2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Departmental receipts	55 300	33 830	71 606	69 819	69 819	8.1%	100.0%	32 772	34 772	50 600	-10.2%	100.0%
Sales of goods and services produced by department	32 922	37 714	67 091	63 420	63 420	24.4%	87.2%	31 524	33 524	48 998	-8.2%	94.4%
Sales by market establishments	113	145	165	138	138	6.9%	0.2%	132	132	180	9.3%	0.3%
of which:												
Parking	113	145	165	138	138	6.9%	0.2%	132	132	180	9.3%	0.3%
Administrative fees	32 557	37 307	66 677	63 035	63 035	24.6%	86.6%	31 152	33 152	48 550	-8.3%	93.6%
of which:												
Medical (drug control) licences	1 786	2 223	3 193	3 044	3 044	19.5%	4.4%	3 000	3 000	3 000	-0.5%	6.4%
Drug control	30 771	35 084	63 484	59 991	59 991	24.9%	82.1%	28 152	30 152	45 550	-8.8%	87.2%

Table 16.5 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 (%)
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
R thousand	2011/12	2012/13	2013/14	2014/15	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Other sales	252	262	249	247	247	-0.7%	0.4%	240	240	268	2.8%	0.5%
of which:												
Yellow fever	43	79	33	32	32	-9.4%	0.1%	36	36	56	20.5%	0.1%
Replacement of security cards	13	11	10	14	14	2.5%	-	12	12	12	-5.0%	-
Commission on insurance	147	172	206	201	201	11.0%	0.3%	192	192	200	-0.2%	0.4%
Assets less than R5 000	49	-	-	-	-	-100.0%	-	-	-	-	-	-
Sales of scrap, waste, arms and other used current goods	45	36	45	23	23	-20.0%	0.1%	36	36	42	22.2%	0.1%
of which:												
Scrap paper	45	36	16	23	23	-20.0%	0.1%	36	36	42	22.2%	0.1%
Scrap	-	-	29	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	425	460	1 858	457	457	2.4%	1.4%	300	300	420	-2.8%	0.8%
Interest	425	460	1 858	457	457	2.4%	1.4%	300	300	420	-2.8%	0.8%
Sales of capital assets	67	-	-	-	-	-100.0%	-	-	-	-	-	-
Transactions in financial assets and liabilities	21 841	(4 380)	2 612	5 919	5 919	-35.3%	11.3%	912	912	1 140	-42.2%	4.7%
Total	55 300	33 830	71 606	69 819	69 819	8.1%	100.0%	32 772	34 772	50 600	-10.2%	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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Ministry	27.3	25.5	27.6	31.0	4.4%	7.8%	31.9	32.4	33.8	2.9%	7.2%
Management	14.2	13.0	13.9	16.4	4.9%	4.0%	19.6	20.2	21.0	8.7%	4.3%
Corporate Services	145.3	158.1	157.8	184.6	8.3%	45.5%	213.5	204.5	218.0	5.7%	45.7%
Office Accommodation	92.1	93.0	93.5	105.8	4.7%	27.1%	125.8	137.5	154.1	13.3%	29.2%
Financial Management	32.2	83.3	54.5	51.7	17.2%	15.6%	66.2	61.3	65.1	8.0%	13.6%
Total	311.0	372.9	347.3	389.7	7.8%	100.0%	457.1	456.0	492.1	8.1%	100.0%
Change to 2014							30.6	6.2	17.5		
Budget estimate											
Economic classification											
Current payments	299.6	362.2	340.6	382.1	8.5%	97.4%	447.5	449.4	485.2	8.3%	98.3%
Compensation of employees	108.0	134.0	149.9	156.1	13.1%	38.6%	177.1	185.9	195.2	7.7%	39.8%
Goods and services	191.6	228.3	190.8	226.0	5.7%	58.9%	270.4	263.4	290.0	8.7%	58.5%
of which:											
Audit costs: External	19.5	22.8	30.6	26.3	10.5%	7.0%	32.0	30.0	35.2	10.2%	6.9%
Communication	13.5	10.4	8.4	14.2	1.6%	3.3%	14.3	18.2	15.9	3.9%	3.5%
Contractors	3.3	5.9	4.8	11.2	49.7%	1.8%	13.9	20.5	10.0	-3.6%	3.1%
Operating leases	89.4	82.7	83.9	102.9	4.8%	25.3%	120.0	127.3	134.5	9.3%	27.0%
Property payments	3.7	9.6	11.4	5.6	14.2%	2.1%	8.8	9.6	23.0	60.5%	2.6%
Travel and subsistence	17.6	20.9	15.4	14.5	-6.3%	4.8%	15.4	20.7	23.1	16.9%	4.1%
Transfers and subsidies	4.6	0.6	2.0	1.4	-32.8%	0.6%	2.0	2.1	2.2	16.0%	0.4%
Departmental agencies and accounts	0.4	0.5	1.3	1.4	48.8%	0.3%	2.0	2.1	2.2	16.0%	0.4%
Households	4.2	0.1	0.7	-	-100.0%	0.4%	-	-	-	-	-
Payments for capital assets	6.5	5.4	4.2	6.1	-2.2%	1.6%	7.6	4.5	4.7	-8.5%	1.3%
Machinery and equipment	6.5	5.4	4.2	6.1	-1.9%	1.6%	7.6	4.5	4.7	-8.5%	1.3%
Software and other intangible assets	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Payments for financial assets	0.3	4.7	0.5	-	-100.0%	0.4%	-	-	-	-	-
Total	311.0	372.9	347.3	389.7	7.8%	100.0%	457.1	456.0	492.1	8.1%	100.0%
Proportion of total programme expenditure to vote expenditure	1.2%	1.3%	1.1%	1.1%	-	-	1.3%	1.2%	1.2%	-	-

Table 16.6 Administration 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											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 -	2017/18
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	0.4	0.5	1.3	1.4	48.8%	0.3%	2.0	2.1	2.2	16.0%	0.4%
Health and Welfare Sector Education and Training Authority	0.4	0.5	1.3	1.3	46.2%	0.2%	2.0	2.1	2.2	18.0%	0.4%
Public Service Sector Education and Training Authority	–	–	0.1	0.1	–	–	–	–	–	-100.0%	–

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, over the medium term.
- Implement the eHealth strategy through the development of the required business and enterprise architecture with the systems design for a national integrated patient based information system completed by 2018/19.
- Establish a national health research observatory, which will facilitate the rationalisation of research resources, better alignment of health research to health sector priorities, and the effective use of research to inform service delivery and policy direction, over the medium term.
- Enhance the capacity of the monitoring and evaluation system for effective performance management in the health sector 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 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 the selection of essential medicines and equipment, the development of standard treatment guidelines, the administration of health tenders, and the licensing of persons and premises that deliver pharmaceutical services.
- *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 allocations.

- *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 (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12	2014/15	2015/16	2016/17	2017/18	2014/15	2017/18	
Programme Management	3.0	1.4	0.4	1.6	-18.1%	0.5%	3.0	3.2	3.3	26.6%	0.4%	
Technical Policy and Planning	14.6	24.9	16.7	23.3	17.0%	5.8%	19.9	25.3	27.1	5.1%	3.8%	
Health Information Management, Monitoring and Evaluation	58.0	50.0	44.4	71.5	7.2%	16.2%	57.3	59.2	62.4	-4.4%	10.0%	
Sector-wide Procurement	15.6	19.8	20.8	23.0	13.9%	5.7%	29.7	30.4	32.0	11.7%	4.6%	
Health Financing and National Health Insurance	39.8	166.4	76.0	487.2	130.5%	55.8%	414.4	390.0	486.4	-0.1%	71.0%	
International Health and Development	51.2	53.0	64.3	52.3	0.7%	16.0%	63.5	68.5	70.9	10.7%	10.2%	
Total	182.2	315.4	222.6	658.9	53.5%	100.0%	587.8	576.6	682.1	1.2%	100.0%	
Change to 2014 Budget estimate				6.9			(43.6)	(85.4)	(20.0)			
Economic classification												
Current payments	167.4	141.3	154.8	570.4	50.5%	75.0%	488.2	473.1	573.1	0.2%	84.0%	
Compensation of employees	65.5	81.8	85.6	78.7	6.3%	22.6%	96.1	101.4	106.5	10.6%	15.3%	
Goods and services	101.9	59.5	69.1	491.7	69.0%	52.4%	392.1	371.7	466.6	-1.7%	68.7%	
of which:												
Consultants and professional services:	2.5	2.7	9.8	14.6	80.2%	2.1%	2.4	3.3	7.8	-18.8%	1.1%	
Business and advisory services												
Consultants and professional services:	—	—	—	32.5	3091.3%	2.4%	6.3	18.2	20.5	-14.2%	3.1%	
Scientific and technological services												
Contractors	0.7	0.1	5.1	395.8	714.7%	29.1%	321.9	293.0	383.6	-1.0%	55.7%	
Consumables: Stationery, printing and office supplies	1.4	3.1	1.3	4.7	48.5%	0.8%	6.1	6.0	1.4	-33.1%	0.7%	
Travel and subsistence	15.5	17.7	21.2	12.9	-6.0%	4.9%	14.0	18.7	23.4	21.8%	2.8%	
Operating payments	14.9	18.0	23.2	12.4	-5.8%	5.0%	17.5	20.9	19.8	16.8%	2.8%	
Transfers and subsidies	13.9	172.6	66.4	85.9	83.4%	24.6%	97.1	100.8	106.1	7.3%	15.6%	
Provinces and municipalities	—	150.0	51.0	70.0	—	19.6%	72.0	75.4	80.2	4.6%	11.9%	
Departmental agencies and accounts	5.4	9.5	—	—	-100.0%	1.1%	0.9	—	—	—	—	
Non-profit institutions	8.5	12.9	15.2	15.9	23.1%	3.8%	24.1	25.4	25.9	17.8%	3.6%	
Households	—	0.3	0.2	—	-100.0%	—	—	—	—	—	—	
Payments for capital assets	0.8	1.3	1.4	2.7	47.1%	0.4%	2.6	2.7	2.9	3.0%	0.4%	
Machinery and equipment	0.8	1.3	1.4	2.7	50.6%	0.4%	2.6	2.7	2.9	3.0%	0.4%	
Software and other intangible assets	0.1	—	—	—	-100.0%	—	—	—	—	—	—	
Payments for financial assets	—	0.2	—	—	-100.0%	—	—	—	—	—	—	
Total	182.2	315.4	222.6	658.9	53.5%	100.0%	587.8	576.6	682.1	1.2%	100.0%	
Proportion of total programme expenditure to vote expenditure	0.7%	1.1%	0.7%	1.9%	—	—	1.6%	1.5%	1.6%	—	—	
Details of selected transfers and subsidies												
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	5.4	9.5	—	—	-100.0%	1.1%	0.9	—	—	—	—	
Council for Science and Industrial Research	—	4.0	—	—	—	0.3%	—	—	—	—	—	
South African Medical Research Council	—	5.0	—	—	—	0.4%	—	—	—	—	—	
Human Sciences Research Council	5.4	—	—	—	-100.0%	0.4%	0.9	—	—	—	—	
National Health Laboratory Services Cancer Registry	—	0.5	—	—	—	—	—	—	—	—	—	

Table 16.7 National Health Insurance, Health Planning and Systems Enablement 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	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Non-profit institutions											
Current	8.5	12.9	15.2	15.9	23.1%	3.8%	24.1	25.4	25.9	17.8%	3.6%
Wits Health Consortium	–	–	–	–	–	–	0.7	0.7	–	–	0.1%
Non Profit Institutions	–	4.6	–	–	–	0.3%	–	–	–	–	–
Health Information Systems Programme	2.4	–	5.0	5.0	27.7%	0.9%	12.1	12.7	13.4	38.8%	1.7%
Health Systems Trust	6.1	8.3	10.3	10.9	21.2%	2.6%	11.4	12.0	12.6	5.0%	1.9%
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	–	150.0	51.0	70.0	–	19.6%	72.0	75.4	80.2	4.6%	11.9%
National health insurance grant	–	150.0	51.0	70.0	–	19.6%	72.0	75.4	80.2	4.6%	11.9%

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; to minimise maternal and child mortality and morbidity; and to optimise good health for children, adolescents and women; support the implementation of national policies, guidelines, and norms and standards; and monitor and evaluate the outcomes and impact of these.

Objectives

- Reduce the maternal mortality ratio to under 100 per 100 000 live births by 2019 through upscaling and sustaining essential steps to manage obstetric emergencies training, 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 through capacitating healthcare workers in the management of sick and small neonates and the procurement of essential equipment such as continuous positive airway pressure machines.
- Improve access to sexual and reproductive health services by expanding the availability of contraceptives and introducing the sub-dermal contraceptive implants; training more than 5 000 healthcare workers on family planning; and performing more than 500 000 sub-dermal implant insertions, by 2019.
- Expand the prevention of mother-to-child transmission coverage to pregnant women by ensuring that all HIV positive antenatal clients are placed on antiretrovirals and retained in medical care, thus reducing the rate of HIV transmission to below 1 per cent by 2019.
- Reduce the mortality rate for children under five years as a result of diarrhoea, prematurity and HIV and AIDS to less than 23 per 1 000 live births 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 for health related barriers to learning, by 2019.
- Improve the effectiveness and efficiency of the routine tuberculosis control programme by increasing the identification of tuberculosis patients, to ensure that they take and complete their treatment, achieving a success rate of 85 per cent in tuberculosis treatment and a 5 per cent or less tuberculosis defaulter rate, by 2019.
- Improve the functioning of the multi-drug resistant tuberculosis control programme by providing earlier initiation and decentralised treatment to patients in order to achieve a 65 per cent treatment success rate by 2019.
- Increase the number of people accessing antiretrovirals to 5.1 million by 2019 by initiating eligible children, adolescents and adults including pregnant and breastfeeding women on antiretroviral therapy according to departmental guidelines.

Subprogrammes

- *Programme Management* is responsible for ensuring that all efforts by all stakeholders are harnessed to support the overall purpose. 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 allocation from National Treasury for 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 and monitors the implementation of these in line with the 20-year vision, 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, and monitors the implementation of these.
- *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.

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 (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2014/15 - 2017/18	2014/15 - 2017/18
Programme Management	1.1	3.5	3.9	3.6	50.9%	–	3.7	3.9	4.0	3.9%	–
HIV and AIDS	7 672.3	8 938.3	10 705.1	12 575.2	17.9%	98.9%	14 170.8	15 930.9	17 897.0	12.5%	98.9%
Tuberculosis	16.6	13.4	23.8	26.4	16.8%	0.2%	27.8	27.7	28.9	3.0%	0.2%
Women's Maternal and Reproductive Health	15.5	10.7	14.1	17.1	3.2%	0.1%	18.8	18.8	20.5	6.4%	0.1%
Child, Youth and School Health	29.9	13.4	16.6	218.4	94.0%	0.7%	221.2	21.5	22.5	-53.1%	0.8%
Total	7 735.4	8 979.3	10 763.5	12 840.7	18.4%	100.0%	14 442.1	16 002.7	17 972.9	11.9%	100.0%
Change to 2014							(286.4)	(296.9)	(342.5)		
Budget estimate											
Economic classification											
Current payments	258.2	219.5	213.8	522.6	26.5%	3.0%	539.9	375.4	357.2	-11.9%	2.9%
Compensation of employees	53.0	59.4	62.5	64.4	6.7%	0.6%	68.9	72.7	76.4	5.8%	0.5%
Goods and services	205.2	160.0	151.3	458.2	30.7%	2.4%	471.0	302.7	280.8	-15.1%	2.5%
of which:											
Advertising	19.8	6.0	5.8	46.3	32.6%	0.2%	14.7	13.3	3.9	-56.2%	0.1%
Consultants and professional services:	2.8	9.5	12.9	16.5	80.7%	0.1%	18.4	28.5	13.5	-6.4%	0.1%
Business and advisory services											
Inventory: Medical supplies	124.1	112.4	70.1	152.4	7.1%	1.1%	187.5	208.6	191.1	7.8%	1.2%
Inventory: Medicine	20.0	–	–	141.9	92.1%	0.4%	195.0	–	–	-100.0%	0.5%
Travel and subsistence	16.3	18.9	15.5	8.4	-19.8%	0.1%	12.0	23.7	18.4	29.8%	0.1%
Operating payments	4.0	5.4	25.9	13.4	49.1%	0.1%	8.2	10.4	21.3	16.6%	0.1%
Transfers and subsidies	7 474.8	8 758.8	10 548.5	12 305.9	18.1%	96.9%	13 900.4	15 625.5	17 614.0	12.7%	97.0%
Provinces and municipalities	7 312.4	8 573.2	10 334.7	12 102.1	18.3%	95.0%	13 737.3	15 466.6	17 440.3	13.0%	95.9%
Departmental agencies and accounts	–	7.0	26.0	15.0	–	0.1%	15.8	16.7	17.5	5.4%	0.1%
Higher education institutions	5.6	–	–	3.0	-18.6%	–	3.1	3.3	3.5	5.0%	–
Non-profit institutions	156.9	178.5	187.6	185.8	5.8%	1.8%	144.1	138.8	152.6	-6.3%	1.0%
Households	–	–	0.3	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	0.8	1.0	1.2	12.2	149.1%	–	1.8	1.8	1.8	-47.5%	–
Machinery and equipment	0.8	1.0	1.2	12.2	150.7%	–	1.8	1.8	1.8	-47.5%	–
Payments for financial assets	1.5	0.1	–	–	-100.0%	–	–	–	–	–	–
Total	7 735.4	8 979.3	10 763.5	12 840.7	18.4%	100.0%	14 442.1	16 002.7	17 972.9	11.9%	100.0%
Proportion of total programme expenditure to vote expenditure	29.5%	31.7%	35.6%	37.4%	–	–	39.6%	41.1%	42.5%	–	–

Table 16.8 HIV and AIDS, Tuberculosis, and Maternal and Child Health expenditure trends and estimates by subprogramme and economic classification

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											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	–	7.0	26.0	15.0	–	0.1%	15.8	16.7	17.5	5.4%	0.1%
Human Sciences Research Council	–	7.0	–	–	–	–	–	–	–	–	–
South African National AIDS Council	–	–	26.0	15.0	–	0.1%	15.8	16.7	17.5	5.4%	0.1%
Non-profit institutions											
Current	156.9	178.5	187.6	185.8	5.8%	1.8%	144.1	138.8	152.6	-6.3%	1.0%
Lifeline	16.5	17.6	18.3	19.0	4.9%	0.2%	19.9	21.0	22.0	5.0%	0.1%
loveLife	62.0	66.1	70.4	69.8	4.0%	0.7%	54.4	57.8	61.2	-4.3%	0.4%
Soul City	13.0	13.9	22.8	15.6	6.2%	0.2%	16.3	17.1	18.0	5.0%	0.1%
HIV and AIDS non-governmental organisations	65.0	67.9	76.1	79.9	7.1%	0.7%	53.5	42.9	51.5	-13.7%	0.4%
South African AIDS Vaccine Institute	–	13.0	–	–	–	–	–	–	–	–	–
Maternal, child and women's health	0.4	–	–	1.4	51.4%	–	–	–	–	-100.0%	–
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Current	7 312.4	8 573.2	10 334.7	12 102.1	18.3%	95.0%	13 737.3	15 466.6	17 440.3	13.0%	95.9%
Comprehensive HIV and AIDS grant	7 312.4	8 573.2	10 334.7	12 102.1	18.3%	95.0%	13 737.3	15 466.6	17 440.3	13.0%	95.9%
Higher education institutions											
Current	5.6	–	–	3.0	-18.6%	–	3.1	3.3	3.5	5.0%	–
University of Limpopo: Pharmacovigilance	0.6	–	–	2.0	52.7%	–	2.1	2.2	2.3	5.0%	–
University of Cape Town: Pharmacovigilance	–	–	–	1.0	–	–	1.0	1.1	1.2	5.0%	–
University of the Witwatersrand	5.0	–	–	–	-100.0%	–	–	–	–	–	–

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 management and leadership of the district health system through the establishment of approved standardised district management structures, over the medium term.
- Improve access to community based primary health care services and quality of services at primary health care facilities through the ideal clinic initiative and the establishment of 3 500 ward based primary health care outreach teams, by 2019.
- Ensure that port health services at 75 ports of entry are rendered in line with the international health regulations in order to protect the South African public from acute public health risks, by 2019.
- 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 MTEF period.
- Improve access to and quality of mental health services in South Africa through the implementation of the approved national mental health policy framework and strategic plan, over the medium term.
- Strengthen health promotion, surveillance, vector control, and case management of malaria in order to eliminate it, by 2018.
- 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.

Subprogrammes

- *Programme Management* supports 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 reengineering on ward based 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.
- *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.
- *Environmental and Port Health Services* coordinates the delivery of environmental health including the monitoring and delivery of municipal health services, and supports the integration of port health services from provinces to the national department.

Expenditure trends and estimates

Table 16.9 Primary Health Care Services¹ 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Programme Management	2.5	1.9	1.7	3.0	6.8%	1.1%	3.1	3.3	3.4	4.5%	1.4%
District Health Services	45.0	24.9	14.0	23.7	-19.3%	13.6%	24.5	32.2	31.8	10.4%	12.0%
Communicable Diseases	9.7	43.6	13.8	31.3	47.7%	12.4%	16.6	16.7	17.5	-17.7%	8.8%
Non-Communicable Diseases	24.2	22.7	25.5	25.7	2.1%	12.4%	28.3	29.2	29.5	4.7%	12.1%
Health Promotion and Nutrition	12.3	14.1	23.9	21.8	21.0%	9.1%	22.5	22.7	24.8	4.4%	9.8%
Environmental and Port Health Services	93.9	99.1	104.6	110.7	5.6%	51.5%	130.1	135.2	144.8	9.4%	55.9%
Total	187.5	206.4	183.5	216.2	4.9%	100.0%	225.0	239.3	251.8	5.2%	100.0%
Change to 2014				15.7			(112.8)	(121.5)	(125.6)		
Budget estimate											
Economic classification											
Current payments	184.7	201.5	174.8	207.2	3.9%	96.8%	219.8	234.4	246.3	5.9%	97.4%
Compensation of employees	123.0	126.9	140.9	147.7	6.3%	67.9%	176.5	186.2	195.5	9.8%	75.7%
Goods and services	61.8	74.6	33.9	59.5	-1.2%	29.0%	43.3	48.1	50.7	-5.2%	21.6%
of which:											
Consultants and professional services:	35.0	4.4	0.1	6.5	-42.9%	5.8%	3.7	2.8	2.1	-31.4%	1.6%
Business and advisory services											
Consultants and professional services:	9.9	10.6	11.1	13.1	10.0%	5.6%	11.2	17.1	12.5	-1.6%	5.8%
Scientific and technological services											
Agency and support/outourced services	—	8.7	—	—	2.3%	1.1%	—	4.0	5.0	593.4%	1.0%
Consumables: Stationery, printing and office supplies	3.8	2.1	4.8	5.6	13.6%	2.0%	5.1	3.7	5.7	0.8%	2.1%
Travel and subsistence	7.2	8.3	8.7	14.2	25.7%	4.8%	6.4	7.1	14.5	0.6%	4.5%
Operating payments	0.5	4.2	3.4	1.9	52.1%	1.3%	2.0	5.1	4.8	36.7%	1.5%
Transfers and subsidies	2.0	3.5	6.9	7.5	54.7%	2.5%	2.9	3.0	3.2	-24.8%	1.8%
Foreign governments and international organisations	—	—	—	2.7	—	0.3%	—	—	—	-100.0%	0.3%
Public corporations and private enterprises	—	—	0.2	—	—	—	—	—	—	—	—
Non-profit institutions	1.5	3.5	6.7	4.8	47.1%	2.1%	2.9	3.0	3.2	-12.8%	1.5%
Households	0.5	—	0.1	—	-69.2%	0.1%	—	—	—	-100.0%	—
Payments for capital assets	0.8	0.6	0.7	1.5	24.6%	0.4%	2.3	1.9	2.4	17.4%	0.9%
Machinery and equipment	0.8	0.6	0.7	1.5	24.6%	0.4%	2.3	1.9	2.4	17.4%	0.9%
Payments for financial assets	—	0.7	1.1	—	-100.0%	0.2%	—	—	—	—	—
Total	187.5	206.4	183.5	216.2	4.9%	100.0%	225.0	239.3	251.8	5.2%	100.0%
Proportion of total programme expenditure to vote expenditure	0.7%	0.7%	0.6%	0.6%	—	—	0.6%	0.6%	0.6%	—	—

Table 16.9 Primary Health Care Services¹ 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	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Households											
Other transfers to households											
Current	0.5	–	–	–	-100.0%	0.1%	–	–	–	–	–
Donation for conference on Paediatric Cardiology and Cardiac Surgery	0.5	–	–	–	-100.0%	0.1%	–	–	–	–	–
Non-profit institutions											
Current	1.5	3.5	6.7	4.8	47.1%	2.1%	2.9	3.0	3.2	-12.8%	1.5%
Non-communicable disease non-governmental organisations	–	1.1	–	–	–	0.1%	–	–	–	–	–
District services and environmental health non-governmental organisations	–	0.8	–	–	–	0.1%	–	–	–	–	–
South African Federation for Mental Health	0.3	0.3	0.3	0.3	4.9%	0.2%	0.3	0.4	0.4	5.1%	0.1%
South African National Council for the Blind	0.6	0.7	0.7	0.7	5.0%	0.3%	0.8	0.8	0.8	5.0%	0.3%
Medical Research Council: South African Community Epidemiology Network on Drug Abuse	0.3	0.4	0.4	0.5	14.1%	0.2%	0.5	0.5	0.5	4.9%	0.2%
Inter-Academy Medical Panel	–	–	0.1	–	–	–	–	–	–	–	–
Mental health non-governmental organisations	–	–	0.2	0.2	154.8%	–	0.2	0.2	0.2	4.9%	0.1%
National Council Against Smoking	0.3	0.3	5.0	0.8	37.9%	0.8%	0.8	0.8	0.9	4.9%	0.4%
National Kidney Foundation of South Africa	–	–	–	0.4	–	–	0.4	0.4	0.4	–	0.2%
Health Systems Global: South Africa	–	–	–	2.0	–	0.3%	–	–	–	-100.0%	0.2%
Foreign governments and international organisations											
Current	–	–	–	2.7	–	0.3%	–	–	–	-100.0%	0.3%
World Health Organisation	–	–	–	2.7	–	0.3%	–	–	–	-100.0%	0.3%

1. The Port Health Services function shift will only start in 2015/16. This is shown retrospectively for comparative purposes.

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, and ensure that the planning of health infrastructure meets the health needs of the country.

Objectives

- Enhance capacity to deliver health infrastructure in order to accelerate the construction, maintenance, upgrading and rehabilitation of new and existing health infrastructure, over the medium term.
- Increase the management capacity of central hospitals to strengthen local decision making and accountability to facilitate semi-autonomy of 10 central hospitals through training, coaching and mentoring and the implementation of cost centre management, over the medium term.
- Ensure equitable access to tertiary health services through the implementation of the national tertiary health services plan by ensuring that the full designated tertiary health services package is provided in an increasing number of tertiary hospitals, over the medium term.
- Ensure appropriate and affordable staffing levels and staffing mix at all health facilities through the development and implementation of health workforce staffing norms and standards, over the medium term.
- Provide improved access to quality health care by ensuring that the number, distribution, quality and standard of health facilities comply with gazetted infrastructure norms and standards, over the medium term.
- Improve the quality of nursing training and practice by ensuring that all nursing colleges are accredited to offer the new nursing qualification by 2018/19.
- Ensure access to an efficient effective delivery of quality emergency medical services by improving ambulance turnaround times, over the medium term.

- Improve the functioning of the criminal justice system by reducing the forensic chemistry laboratory turnaround times for blood, toxicology and food samples on an ongoing basis.

Subprogrammes

- *Programme Management* supports 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 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	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme Management	1.7	0.8	2.3	3.6	28.5%	–	3.6	3.8	4.0	3.9%	–
Health Facilities Infrastructure Management	6 121.0	6 314.8	5 546.1	6 162.3	0.2%	34.2%	6 231.7	6 469.5	6 890.9	3.8%	32.5%
Tertiary Health Care Planning and Policy	8 051.8	8 882.3	9 624.4	10 171.4	8.1%	52.1%	10 401.1	10 850.2	11 529.7	4.3%	54.3%
Hospital Management	9.4	21.4	5.7	5.4	-16.8%	0.1%	5.2	5.4	5.7	1.6%	–
Human Resources for Health	2 001.0	2 111.8	2 212.9	2 342.5	5.4%	12.3%	2 398.4	2 501.6	2 658.1	4.3%	12.5%
Nursing Services	–	0.5	1.1	2.5	–	–	4.9	3.1	3.3	8.8%	–
Forensic Chemistry Laboratories	650.3	64.2	93.9	122.9	-42.6%	1.3%	107.0	120.4	120.4	-0.7%	0.6%
Violence, Trauma and EMS	3.7	3.7	11.0	5.9	16.7%	–	7.1	7.4	7.9	10.3%	–
Total	16 838.9	17 399.6	17 497.2	18 816.5	3.8%	100.0%	19 159.1	19 961.4	21 220.0	4.1%	100.0%
Change to 2014				(113.0)			(538.2)	(803.9)	(585.2)		
Budget estimate											

Table 16.10 Hospitals, Tertiary Health Services and Human Resource Development expenditure trends and estimates by subprogramme and economic classification

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Current payments	136.0	207.1	227.7	371.0	39.7%	1.3%	460.5	485.1	508.3	11.1%	2.3%
Compensation of employees	55.9	66.0	95.0	106.4	23.9%	0.5%	116.0	122.4	128.5	6.5%	0.6%
Goods and services	80.1	141.2	132.8	264.6	48.9%	0.9%	344.5	362.7	379.7	12.8%	1.7%
of which:											
Consultants and professional services:	52.9	112.9	104.5	48.8	-2.7%	0.5%	79.9	79.3	80.5	18.1%	0.4%
Business and advisory services											
Consultants and professional services:	–	–	–	171.5	–	0.2%	13.0	13.0	13.0	-57.7%	0.3%
Infrastructure and planning											
Contractors	2.1	2.0	1.6	4.5	28.1%	–	1.1	7.6	13.5	44.2%	–
Agency and support/outourced services	2.2	2.6	1.6	1.8	-5.6%	–	209.8	222.5	227.4	398.8%	0.8%
Inventory: Other supplies	5.1	6.3	7.5	8.6	18.8%	–	11.6	12.4	13.0	14.8%	0.1%
Travel and subsistence	6.7	8.4	9.0	4.2	-14.5%	–	5.4	8.4	18.0	62.7%	–
Transfers and subsidies	16 684.2	17 181.2	17 105.6	17 992.0	2.5%	97.7%	18 048.5	18 796.2	19 975.0	3.5%	94.5%
Provinces and municipalities	16 677.0	17 158.8	17 101.5	17 992.0	2.6%	97.7%	18 048.5	18 796.2	19 975.0	3.5%	94.5%
Higher education institutions	7.2	21.0	4.0	–	-100.0%	–	–	–	–	–	–
Non-profit institutions	–	1.3	–	–	–	–	–	–	–	–	–
Households	–	0.1	0.1	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	18.7	11.2	163.9	453.5	189.2%	0.9%	650.0	680.1	736.7	17.6%	3.2%
Buildings and other fixed structures	–	–	113.7	378.4	–	0.7%	562.5	587.1	634.0	18.8%	2.7%
Machinery and equipment	18.7	11.2	50.2	75.1	58.8%	0.2%	87.5	93.0	102.7	11.0%	0.5%
Total	16 838.9	17 399.6	17 497.2	18 816.5	3.8%	100.0%	19 159.1	19 961.4	21 220.0	4.1%	100.0%
Proportion of total programme expenditure to vote expenditure	64.2%	61.5%	57.9%	54.8%	–	–	52.5%	51.3%	50.1%	–	–
Details of selected transfers and subsidies											
Non-profit institutions											
Current	–	1.3	–	–	–	–	–	–	–	–	–
Health facilities and infrastructure management: Non-profit institutions	–	1.3	–	–	–	–	–	–	–	–	–
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	10 616.6	10 968.3	11 810.7	12 490.0	5.6%	65.0%	12 772.8	13 323.5	14 158.0	4.3%	66.6%
Health professions training and development grant	1 977.3	2 075.2	2 190.4	2 321.8	5.5%	12.1%	2 374.7	2 476.7	2 631.8	4.3%	12.4%
National tertiary services grant	8 048.9	8 878.0	9 620.4	10 168.2	8.1%	52.0%	10 398.0	10 846.8	11 526.1	4.3%	54.2%
Forensic pathology services grant	590.4	–	–	–	-100.0%	0.8%	–	–	–	–	–
2013 Africa Cup of Nations medical services grant	–	15.0	–	–	–	–	–	–	–	–	–
Capital	6 060.4	6 190.6	5 290.8	5 502.0	-3.2%	32.7%	5 275.8	5 472.7	5 817.0	1.9%	27.9%
Health facility revitalisation grant	5 925.3	4 289.6	5 290.8	5 502.0	-2.4%	29.8%	5 275.8	5 472.7	5 817.0	1.9%	27.9%
Health infrastructure grant	–	1 801.0	–	–	–	2.6%	–	–	–	–	–
Nursing colleges grant	–	100.0	–	–	–	0.1%	–	–	–	–	–
Infrastructure rant to provinces	135.1	–	–	–	-100.0%	0.2%	–	–	–	–	–
Higher education institutions											
Current	7.2	21.0	4.0	–	-100.0%	–	–	–	–	–	–
University of the Witwatersrand	7.2	9.0	–	–	-100.0%	–	–	–	–	–	–
University of Cape Town	–	4.0	–	–	–	–	–	–	–	–	–
University of Limpopo	–	4.0	–	–	–	–	–	–	–	–	–
University of Stellenbosch	–	4.0	–	–	–	–	–	–	–	–	–
Walter Sisulu University	–	–	4.0	–	–	–	–	–	–	–	–

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 the quality of health care.

Objectives

- Regulate the sale of complementary and alternative medicines, medical devices and in-vitro diagnostics to ensure that South Africans have access to products that are safe, effective and of good quality, on an ongoing basis.
- Improve the efficiency of the regulation of health products by establishing the South African Health Products Regulation Authority as a public entity, over the medium term.
- Strengthen food safety by expanding laboratory testing capabilities for adulterants (colourants, protein, and allergens) and creating partnerships with food laboratories, over the medium term.
- Improve time for the registration of antiretroviral, oncology, tuberculosis medicines and vaccines through the prioritisation of these applications, on an ongoing basis.
- Improve the performance of health entities and statutory councils through increased oversight of planning, budget procedures, financial reporting, and governance, on an ongoing basis.
- Improve the performance of the compensation system for miners and ex-miners through reforms to the certification and reimbursement processes, over the medium term.
- Provide for coordinated disease and injury surveillance and research by establishing the National Public Health Institute of South Africa, 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 pharmaceutical 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; and 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 and ex-miners who have been certified to be suffering from lung related diseases as a result of the risk work they performed in mines or classified 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 (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	Expenditure/ Total: Average (%)	2015/16	2016/17	2017/18	2014/15 - 2017/18	Expenditure/ Total: Average (%)
R million											
Programme Management	2.4	2.7	2.8	4.1	19.1%	0.3%	3.7	3.9	4.1	-0.5%	0.2%
Food Control	5.9	9.9	7.2	7.5	8.7%	0.7%	9.8	10.2	10.6	12.2%	0.6%
Pharmaceutical Trade and Product Regulation	79.7	85.8	105.8	137.0	19.8%	8.9%	124.8	134.9	140.3	0.8%	8.4%
Public Entities Management	835.8	874.3	1 062.2	1 198.6	12.8%	86.6%	1 400.0	1 477.1	1 498.4	7.7%	87.0%
Compensation Commissioner for Occupational Diseases and Occupational Health	33.9	36.2	36.4	55.9	18.2%	3.5%	58.6	61.6	65.1	5.2%	3.8%
Total	957.7	1 009.0	1 214.4	1 403.1	13.6%	100.0%	1 596.9	1 687.7	1 718.4	7.0%	100.0%
Change to 2014				35.5			339.6	365.5	395.3		
Budget estimate											

Table 16.11 Health Regulation and Compliance Management expenditure trends and estimates by subprogramme and economic classification

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Current payments	119.3	133.9	150.7	193.7	17.6%	13.0%	195.7	208.7	218.0	4.0%	12.7%
Compensation of employees	79.3	86.3	94.2	103.2	9.2%	7.9%	137.4	145.1	152.6	13.9%	8.4%
Goods and services	40.0	47.7	56.5	90.5	31.3%	5.1%	58.3	63.6	65.4	-10.2%	4.3%
of which:											
Assets less than the capitalisation threshold	1.0	0.6	0.2	11.3	127.8%	0.3%	8.8	2.6	2.5	-39.5%	0.4%
Audit costs: External	2.7	1.0	0.0	4.2	16.1%	0.2%	3.5	3.1	3.5	-6.1%	0.2%
Computer services	0.1	0.9	2.1	12.4	356.2%	0.3%	3.3	1.5	6.9	-17.8%	0.4%
Consultants and professional services: Business and advisory services	16.0	20.4	25.8	24.6	15.5%	1.9%	15.4	23.8	18.8	-8.6%	1.3%
Consumables: Stationery, printing and office supplies	1.2	1.2	1.5	4.7	59.4%	0.2%	3.9	2.1	1.7	-28.9%	0.2%
Travel and subsistence	11.1	14.5	12.1	18.3	18.2%	1.2%	12.8	16.8	13.3	-10.2%	1.0%
Transfers and subsidies	837.6	874.1	1 062.0	1 196.5	12.6%	86.6%	1 397.6	1 475.2	1 496.4	7.7%	86.9%
Departmental agencies and accounts	837.3	873.6	1 061.8	1 196.5	12.6%	86.6%	1 397.6	1 475.2	1 496.4	7.7%	86.9%
Households	0.3	0.5	0.1	—	-100.0%	—	—	—	—	—	—
Payments for capital assets	0.8	0.9	1.8	12.9	149.6%	0.4%	3.6	3.8	4.0	-32.5%	0.4%
Machinery and equipment	0.8	0.9	1.8	3.1	55.7%	0.1%	3.6	3.8	4.0	8.3%	0.2%
Software and other intangible assets	—	—	—	9.8	—	0.2%	—	—	—	-100.0%	0.2%
Total	957.7	1 009.0	1 214.4	1 403.1	13.6%	100.0%	1 596.9	1 687.7	1 718.4	7.0%	100.0%
Proportion of total programme expenditure to vote expenditure	3.7%	3.6%	4.0%	4.1%	—	—	4.4%	4.3%	4.1%	—	—
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	834.5	870.6	1 058.8	1 193.3	12.7%	86.3%	1 394.3	1 471.6	1 492.6	7.7%	86.7%
South African Medical Research Council	283.6	283.9	419.5	446.3	16.3%	31.3%	623.9	657.6	615.0	11.3%	36.6%
National Health Laboratory Service	534.5	558.8	603.5	665.3	7.6%	51.5%	678.9	711.9	746.5	3.9%	43.7%
Office of Health Standards Compliance	12.3	23.7	31.3	77.0	84.3%	3.1%	88.9	100.5	125.7	17.8%	6.1%
Council for Medical Schemes	4.2	4.3	4.5	4.8	4.2%	0.4%	2.6	1.6	5.5	5.0%	0.2%
Departmental agencies and accounts											
Social security funds											
Current	2.8	2.9	3.1	3.2	5.0%	0.3%	3.4	3.5	3.7	5.0%	0.2%
Compensation Fund	2.8	2.9	3.1	3.2	5.0%	0.3%	3.4	3.5	3.7	5.0%	0.2%

Public entities and other agencies

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. It's specialised divisions include the National Institute for Communicable Diseases, the National Institute for Occupational Health, the National Cancer Registry and the Anti-Venom Unit.

Selected performance indicators

Table 16.12 National Health Laboratory Service performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Percentage of CD4 tests completed within 72 hours in laboratory	Deliver a quality customer focused service	Outcome 2: A long and healthy life for all South Africans	85%	85%	90%	90%	90%	90%	90%
Number of CD4 tests completed per year	Deliver a quality customer focused service		3 825 122	3 858 025	3 925 325	4 013 800	2 000 311	1 414 851	1 114 974
Percentage of viral load tests completed within 4 days in lab	Deliver a quality customer focused service		87%	85%	86%	90%	90%	90%	90%
Number of viral load tests completed per year	Deliver a quality customer focused service		1 495 398	2 059 765	2 629 142	2 821 000	3 672 674	3 953 869	4 230 319
Percentage of tuberculosis microscopy/GeneXpert tests completed within 48 hours in lab	Deliver a quality customer focused service		94%	90%	92%	90%	90%	90%	90%
Number of tuberculosis microscopy/GeneXpert tests completed per year	Deliver a quality customer focused service		5 421 376	4 856 175	4 275 060	4 100 000	3 860 640	4 053 672	4 256 356
Percentage of HIV polymerase chain reaction tests completed within 5 days	Deliver a quality customer focused service		85%	85%	82%	90%	90%	90%	90%
Number of HIV polymerase chain reaction tests completed per year	Deliver a quality customer focused service		299 508	323 797	330 270	336 875	353 448	371 120	389 676
Percentage of cervical smear tests completed within 13 days in laboratory	Deliver a quality customer focused service		— ¹	— ¹	63%	70%	75%	80%	85%
Number of cervical smear tests completed per year	Deliver a quality customer focused service		— ¹	— ¹	725 300	725 500	1 077 898	1 131 793	1 188 383

1. Historical data is not available, as this is a new indicator.

Expenditure analysis

The National Health Laboratory Service's focus is on providing laboratory services predominantly to public healthcare facilities. Through the administration of critical tests for HIV and AIDS and tuberculosis, the organisation provides vital services in line with the national development plan's vision of preventing and controlling epidemic burdens, as well as outcome 2 of government's 2014-2019 medium term strategic framework (a long and healthy life for all South Africans).

A key cost driver is laboratory test supplies from foreign suppliers, which accounts for R15.8 billion (79.4 per cent) of the service's total expenditure over the MTEF period, mainly due to higher international prices and a less favourable exchange rate for the Rand. The medium term expenditure estimate includes a growth in compensation of employees of 9.1 per cent to cater for inflation, and slight growth in personnel 7 164 in 2014/15 to 7 354 in 2017/18 to fill critical posts that were previously vacant due to the organisation's poor cash flow position. As a result, the service's expenditure will grow by an average annual rate of 12 per cent over the medium term.

The improved quality of tests and quicker turnaround times will be made possible through these gains in efficiency and growth in personnel and expenditure. In addition to the service's budget, R741.3 million will be allocated over the MTEF period for the surveillance of communicable diseases in Africa through the National Institute for Communicable Diseases, and R332 million will be allocated for the National Institute for Occupational Health. The council is mandated to teach and train pathologists, medical technologists, medical technicians and medical scientists in its laboratories, which is estimated to cost the organisation a further R846 million. These functions are partially funded by a transfer of R2.1 billion from the Department of Health over the MTEF period.

To reduce the financial and administrative burden of unnecessary and repeat testing, measures have been put in place to improve staff productivity, the quality of services rendered, and operational and process efficiency. These include improved process design, the standardisation of services, and the implementation of rigid monitoring and evaluation procedures. The organisation has also embarked on initiatives such as gatekeeping and supply chain reforms to drive down the cost of laboratory tests.

The service derives the large majority of its revenue from laboratory test fees paid by provincial departments of health. Revenue is expected to grow at an average annual rate of 12.5 per cent to R7.4 billion over the medium

term. The expenditure for 2014/15 decreased by 13.2 per cent from 2013/14, mainly due to the impairment of the KwaZulu-Natal department's debt of R800 million in 2012/13 and R900 million in 2013/14. The non-payment for services by the KwaZulu-Natal and Gauteng health departments has resulted in the organisation being unable to pay its suppliers, as well as service providers in some cases placing accounts on hold.

To improve the council's funding model and poor financial position, it was agreed that the National Institute for Communicable Diseases, the National Institute for Occupational Health, and the teaching, training and research functions be funded through a transfer from the department from 2015/16. This financing reform will result in a shift of funds (from the allocation for laboratory tests within the comprehensive HIV and AIDS conditional allocation and the provincial equitable share) to the department's budget as a transfer payment to the service. To ensure the cost neutrality of the reform, the tariff schedule will be reduced, as these functions were previously cross-subsidised through laboratory tests. The transfer from the department for the national institutes and teaching, training and research will increase by R549.3 million, R575.4 million, and R603.1 million each year over the MTEF period.

Programmes/objectives/activities

Table 16.13 National Health Laboratory Service¹ 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
Administration	283.8	425.2	473.6	522.7	22.6%	8.6%	565.4	606.2	655.8	7.9%	9.5%
Surveillance of communicable diseases	118.8	146.9	161.2	175.9	14.0%	3.1%	229.0	246.7	265.7	14.7%	3.7%
Occupational health	54.9	60.3	71.2	86.3	16.2%	1.4%	103.2	110.7	118.1	11.0%	1.7%
Laboratory tests	2 970.7	4 002.1	4 759.1	3 894.9	9.4%	79.5%	4 855.6	5 276.8	5 631.0	13.1%	78.6%
Research	283.7	396.6	365.0	381.6	10.4%	7.3%	394.0	409.0	438.4	4.7%	6.6%
Total	3 712.0	5 031.1	5 830.2	5 061.3	10.9%	100.0%	6 147.1	6 649.4	7 109.0	12.0%	100.0%

1. The National Health Laboratory Service funding shift for the national institutes and the teaching, training and research functions will flow only in 2015/16. This is shown retrospectively for comparative purposes.

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										Outcome/ Budget Average (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate		
R million	2011/12		2012/13		2013/14		2014/15			2011/12 - 2014/15
Revenue										
Non-tax revenue	3 870.8	3 609.1	3 496.5	4 209.2	4 328.6	4 847.7	4 970.4	4 451.4		102.7%
Sale of goods and services other than capital assets	3 845.6	3 519.7	3 460.5	3 962.4	4 267.3	4 598.3	4 906.4	4 387.4		99.9%
of which:										
Sales by market establishment	3 845.6	3 519.7	3 460.5	3 962.4	4 267.3	4 598.3	4 906.4	4 387.4		99.9%
Other non-tax revenue	25.2	89.4	36.0	246.8	61.3	249.4	64.0	64.0		348.3%
Transfers received	82.2	729.9	99.4	757.9	105.5	833.9	225.3	748.3		599.2%
Total revenue	3 953.0	4 339.0	3 595.9	4 967.1	4 434.1	5 681.6	5 195.6	5 199.7		117.5%
Expenses										
Current expenses	3 691.5	3 712.0	3 538.4	5 031.1	4 399.6	5 830.2	5 057.3	5 061.3		117.7%
Compensation of employees	550.0	1 890.4	1 796.7	2 151.3	2 333.6	2 090.5	2 107.7	2 107.7		121.4%
Goods and services	3 015.7	1 765.2	1 598.2	2 803.2	1 910.3	3 667.0	2 898.5	2 902.5		118.2%
Depreciation	115.8	56.0	133.5	74.1	145.7	66.7	44.7	44.7		54.9%
Interest, dividends and rent on land	10.0	0.4	10.0	2.6	10.0	6.0	6.4	6.4		42.4%
Total expenses	3 691.5	3 712.0	3 538.4	5 031.1	4 399.6	5 830.2	5 057.3	5 061.3		117.7%
Surplus/(Deficit)	261.0	627.0	57.0	(64.0)	34.0	(149.0)	138.0	138.0		-

Table 16.14 National Health Laboratory Service statements of historical financial performance and position

Statement of financial position									Outcome/ Budget Average (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
R million	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15
Carrying value of assets	421.6	557.4	641.9	570.0	620.5	590.8	676.3	676.3	101.5%
of which:									
Acquisition of assets	89.2	168.4	160.0	177.4	280.0	141.4	213.4	213.4	94.3%
Inventory	90.0	62.4	122.9	63.8	97.4	78.5	100.3	100.3	74.3%
Receivables and prepayments	1 399.6	2 035.0	1 367.4	1 796.2	2 505.1	2 415.6	1 549.2	1 549.2	114.3%
Cash and cash equivalents	320.0	578.7	192.9	664.7	639.3	348.0	677.4	677.4	124.0%
Non-current assets held for sale	–	–	227.4	–	–	–	–	–	–
Total assets	2 231.2	3 233.5	2 552.5	3 094.7	3 862.3	3 433.0	3 003.2	3 003.2	109.6%
Accumulated surplus/(deficit)	1 056.2	1 902.9	1 306.1	1 805.9	1 366.0	1 657.3	1 363.8	1 363.8	132.2%
Capital and reserves	120.0	42.8	60.0	42.8	42.8	42.8	42.8	42.8	64.5%
Capital reserve fund	–	–	–	–	80.0	–	80.0	80.0	50.0%
Finance lease	–	1.3	–	0.4	–	0.1	–	–	–
Deferred income	50.0	45.0	83.9	105.4	–	58.0	–	–	155.6%
Trade and other payables	365.0	549.3	237.6	288.4	1 282.5	713.1	436.4	436.4	85.6%
Provisions	640.0	692.2	864.9	851.8	1 091.0	961.6	1 080.2	1 080.2	97.5%
Total equity and liabilities	2 231.2	3 233.5	2 552.5	3 094.7	3 862.3	3 433.0	3 003.2	3 003.2	109.6%

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		Average growth rate (%)	Expen- diture/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expen- diture/ Total: Average (%)
	Revised estimate			2015/16	2016/17	2017/18		
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Revenue								
Non-tax revenue	4 451.4	7.2%	84.7%	5 819.8	6 217.1	6 664.4	14.4%	88.7%
Sale of goods and services other than capital assets	4 387.4	7.6%	81.6%	5 742.7	6 171.5	6 576.6	14.4%	87.6%
<i>of which:</i>								
Sales by market establishment	4 387.4	7.6%	81.6%	5 742.7	6 171.5	6 576.6	14.4%	87.6%
Other non-tax revenue	64.0	-10.5%	3.2%	77.0	45.5	87.8	11.1%	1.1%
Transfers received	748.3	0.8%	15.3%	678.9	711.9	746.5	-0.1%	11.3%
Total revenue	5 199.7	6.2%	100.0%	6 498.7	6 928.9	7 410.9	12.5%	100.0%
Expenses								
Current expenses	5 061.3	10.9%	100.0%	6 147.1	6 649.4	7 109.0	12.0%	100.0%
Compensation of employees	2 107.7	3.7%	42.8%	2 423.5	2 559.2	2 739.1	9.1%	39.5%
Goods and services	2 902.5	18.0%	55.9%	3 672.7	4 035.6	4 306.3	14.1%	59.6%
Depreciation	44.7	-7.2%	1.3%	40.4	44.5	54.4	6.7%	0.7%
Interest, dividends and rent on land	6.4	151.1%	0.1%	10.5	10.0	9.2	12.9%	0.1%
Total expenses	5 061.3	10.9%	100.0%	6 147.1	6 649.4	7 109.0	12.0%	100.0%
Surplus/(Deficit)	138.0	-39.6%	–	352.0	280.0	302.0	29.8%	–
Statement of financial position								
Carrying value of assets	676.3	6.7%	18.8%	764.2	800.0	832.0	7.2%	24.1%
<i>of which:</i>								
Acquisition of assets	213.4	8.2%	5.5%	526.4	444.0	408.9	24.2%	12.5%
Inventory	100.3	17.1%	2.4%	103.2	105.0	110.0	3.1%	3.3%
Receivables and prepayments	1 549.2	-8.7%	60.7%	1 576.3	1 603.9	1 700.0	3.1%	50.6%
Cash and cash equivalents	677.4	5.4%	18.0%	699.4	700.0	720.0	2.1%	22.0%
Total assets	3 003.2	-2.4%	100.0%	3 143.2	3 208.9	3 362.0	3.8%	100.0%
Accumulated surplus/(deficit)	1 363.8	-10.5%	52.7%	1 484.7	1 533.6	1 719.2	8.0%	47.9%
Capital and reserves	42.8	–	1.3%	42.8	42.8	42.8	–	1.3%
Capital reserve fund	80.0	–	0.7%	–	–	–	-100.0%	0.7%
Trade and other payables	436.4	-7.4%	15.4%	439.4	442.5	450.0	1.0%	13.9%
Provisions	1 080.2	16.0%	28.2%	1 176.2	1 190.0	1 150.0	2.1%	36.2%
Total equity and liabilities	3 003.2	-2.4%	100.0%	3 143.2	3 208.9	3 362.0	-88.8%	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 2015			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 (%)	
									2015/16		2016/17		2017/18		2014/15 - 2017/18				
			2013/14			2014/15													
National Health Laboratory Service			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Salary level	7 164	7 164	7 174	2 090.5	0.3	7 164	2 107.7	0.3	7 245	2 423.5	0.3	7 280	2 559.2	0.4	7 354	2 739.1	0.4	9.1%	100.0%
1 – 6	4 432	4 432	3 496	483.2	0.1	4 432	676.5	0.2	4 468	746.0	0.2	4 503	797.8	0.2	4 577	874.4	0.2	8.9%	61.9%
7 – 10	1 973	1 973	2 539	752.5	0.3	1 973	670.6	0.3	1 973	788.1	0.4	1 973	830.2	0.4	1 973	860.6	0.4	8.7%	27.2%
11 – 12	441	441	811	441.1	0.5	441	317.8	0.7	441	355.8	0.8	441	369.8	0.8	441	393.9	0.9	7.4%	6.1%
13 – 16	315	315	311	378.5	1.2	315	434.2	1.4	360	524.4	1.5	360	551.6	1.5	360	599.9	1.7	11.4%	4.8%
17 – 22	3	3	17	35.3	2.1	3	8.6	2.9	3	9.2	3.1	3	9.8	3.3	3	10.3	3.4	6.4%	

1. Rand million.

Other public entities and agencies

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 Mine 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 2015/16 is R171.9 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 2015/16 is R130.8 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 2015/16 is R88.9 million.
- The **South African Medical Research Council of South Africa** 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 R1 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			
				2011/12	2012/13		2013/14	2015/16	2016/17	2017/18
Departmental infrastructure										
Gauteng: Shoshanguve Hospital	Building of new hospital	Feasibility	1 400.0	-	-	-	20.6	86.0	99.5	
Limpopo: Tshidizini Hospital	Replacement of hospital	Feasibility	1 400.0	-	-	1.0	30.4	90.0	96.1	
Eastern Cape: Bambisana Hospital	Replacement of hospital	Feasibility	800.0	-	-	1.0	30.4	80.0	85.3	
Eastern Cape: Zithulele Hospital	Replacement of hospital	Feasibility	968.0	-	-	1.0	33.4	80.0	97.9	
Free State: Dikhabeng Hospital	Upgrade and maintenance of facility	Feasibility	400.0	-	-	1.0	11.5	18.5	73.4	
Limpopo: Siloam Hospital	Replacement of hospital (main hospital and staff accommodation)	Design	1 200.0	-	-	10.3	100.8	120.0	126.1	
Limpopo: Elim Hospital	Replacement of hospital	Feasibility	1 200.0	-	-	1.0	30.2	90.4	92.2	
Eastern Cape: Nolutha Clinic	Replacement of clinic	Tender	18.2	-	-	2.7	7.0	10.1	-	
Eastern Cape: Nkanga Clinic	Replacement of clinic	Tender	8.1	-	-	2.7	7.0	10.1	-	
Eastern Cape: Luthabeni Clinic	Replacement of clinic	Tender	8.1	-	-	2.7	7.0	10.1	-	
Eastern Cape: Maxhwele Clinic	Replacement of clinic	Tender	8.1	-	-	2.7	7.0	10.1	-	
Eastern Cape: Lotana Clinic	Replacement of clinic	Tender	8.1	-	-	2.7	7.0	10.1	-	
Eastern Cape: Lusikisik Clinic	Replacement of clinic	Tender	8.1	-	-	2.7	7.0	10.1	-	
Mpumalanga: Msukaligwa community health centre	Replacement of community health centre	Design	140.0	-	-	1.5	14.7	53.3	10.0	
Mpumalanga: Mkhondo community health centre	Replacement of community health centre	Design	140.0	-	-	1.5	14.7	53.3	10.0	
Mpumalanga: Vukuzakhe community health centre	Replacement of community health centre	Design	140.0	-	-	1.5	14.7	53.3	10.0	
Mpumalanga: Balfour community health centre	Replacement of community health centre	Design	140.0	-	-	1.5	14.7	53.3	10.0	
Mpumalanga: Nhlazathse community health centre	Replacement of community health centre	Design	140.0	-	-	1.5	14.7	53.3	10.0	
Limpopo: Magwedzha Clinic	Replacement of clinic	Feasibility	18.2	-	-	1.5	6.2	12.0	-	
Limpopo: Thengwe Clinic	Replacement of clinic	Feasibility	18.2	-	-	2.7	6.2	12.0	-	
Limpopo: Mulembe Clinic	Replacement of clinic	Feasibility	18.2	-	-	2.7	6.2	12.0	-	
Limpopo: Makonde Clinic	Replacement of clinic	Feasibility	18.2	-	-	2.7	6.2	12.0	-	
Limpopo: Kutama Clinic	Replacement of clinic	Feasibility	18.2	-	-	2.7	6.2	12.0	-	
Free State: Bolata Clinic	Replacement of clinic	Feasibility	18.2	-	-	2.7	5.2	13.0	-	
Free State: Kokelong Clinic	Replacement of clinic	Feasibility	18.2	-	-	2.7	5.2	13.0	-	
Free State: Excelsior Clinic	Replacement of clinic	Feasibility	18.2	-	-	2.7	5.2	13.0	-	
Eastern Cape: Buttenworth Nursing College	Upgrade of existing facility	Tender	20.8	-	-	2.7	10.8	8.0	-	
Gauteng: Baragwanath Nursing College	Upgrade of existing facility	Tender	20.5	-	-	2.5	10.5	10.0	9.1	
Limpopo: Thohoyandou Nursing College	Upgrade of existing facility	Tender	22.5	-	-	1.5	11.5	11.0	9.5	
Mpumalanga: Middleburg Nursing School	Upgrade of existing facility	Tender	14.5	-	-	3.4	6.5	8.0	-	

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		
				2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
R million										
Northern Cape: Henrietta Nursing College	Upgrade of existing facility	On hold	14.4	-	-	5.2	6.4	8.0	-	-
Doctors consulting rooms in national health insurance districts	Provision of mobile doctors consulting rooms to primary health care facilities	Hand over	280.7	-	-	218.0	62.7	-	-	-
Eastern Cape: Gengge clinic	Replacement of existing clinic	Design	18.2	-	-	-	7.0	10.7	-	-
Eastern Cape: Sakhele Clinic	Replacement of existing clinic	Design	18.2	-	-	-	7.0	10.7	-	-
Current (maintenance, provincial management support unit, project management information system and in loco supervision)	Maintenance of clinics in national health insurance districts	Construction	225.0	-	-	-	200.0	273.9	-	-
Conditional Assessment of national health insurance districts	conditional assessment in all national health insurance facilities	Feasibility	14.4	-	-	-	14.4	-	-	-
Five academic hospital projects	Development of feasibility study and funding model	Feasibility	23.1	-	-	-	46.7	-	-	-
Infrastructure planning and support	Infrastructure planning for various projects	Various	-	-	-	-	-	-	121.8	289.9
Infrastructure transfers to other spheres, agencies and departments										
Eastern Cape: Cecilia Makiwane Hospital	Construction of main hospital (phase 4)	Construction	1 348.9	293.7	243.0	274.7	318.7	65.0	75.0	78.8
Gauteng: Natalspruit Hospital	Construction of main hospital	Hand over	1 089.1	456.2	250.7	232.1	150.0	-	-	-
KwaZulu-Natal: King George V Hospital	Upgrading of and additions to existing hospital	Construction	1 245.4	182.0	109.3	113.1	15.0	12.1	12.1	12.7
KwaZulu-Natal: Ngwelezane Hospital and Lower Umfolozi War Memorial Hospital	Construction of hospital complex	Construction	1 495.6	219.5	233.8	187.3	145.8	177.3	259.4	272.4
KwaZulu-Natal: Dr Pixley ka Seme Memorial Hospital	Construction of new hospital	Tender	1 450.3	28.9	82.9	24.9	271.0	341.8	341.8	358.9
Eastern Cape: Frontier Hospital	Upgrade of existing facility	Construction	476.9	48.0	23.6	93.0	71.0	28.1	28.1	29.5
Eastern Cape: St Elizabeth's Hospital	Upgrade of existing facility	Construction	724.2	79.3	58.8	100.0	48.6	68.3	100.9	105.9
Eastern Cape: Dr Malizo Mpehle Memorial Hospital	Upgrading of emergency medical services centre, Frere Gateway Clinic and helpad for the hospital	Hand over	378.1	28.8	6.6	8.0	-	-	-	-
Eastern Cape: St Patrick's Hospital	Construction of remaining components of hospital at new site	Construction	447.6	28.8	76.6	46.8	27.6	6.2	6.2	6.5
Free State: Botumelo Hospital	Revitalisation of existing hospital	Construction	840.2	95.4	120.3	85.0	62.6	-	-	-
Free State: Pelonomi Regional Hospital	Revitalisation of existing hospital	Construction	604.2	66.5	14.5	98.0	100.5	80.0	80.0	84.0
Free State: Free State Psychiatric Complex	Upgrade of existing hospital	Design	614.4	24.0	1.1	-	101.0	128.2	175.7	184.4
Free State: Mantsope Hospital (Ladybrand)	Construction of hospital	Handed over	439.4	119.9	163.7	80.0	-	-	-	-
Free State: Trompsburg Hospital	Construction of new hospital	Construction	327.9	65.8	175.2	70.7	16.2	-	-	-
Free State: National Hospital (Mangaung)	Construction of new hospital	Feasibility	626.6	19.1	13.0	43.6	100.4	147.7	147.7	155.1
Gauteng: Mamelodi Hospital	Maintenance and repairs of hospital	Handed over	388.2	29.2	-	-	-	-	-	-
Gauteng: Zola Hospital	Construction of new hospital	Handed over	716.5	251.0	132.8	10.0	-	-	-	-

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		
				2011/12	2012/13		2014/15	2015/16	2016/17
R million				2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Gauteng: Chris Hani Baragwanath	Construction of pharmacy, outpatient and x-ray departments completed	Hand over	753.3	142.5	0.1	–	–	–	–
Gauteng: Kalafoong Hospital	Review of business cases and development of project brief	Feasibility	571.4	–	–	98.0	120.0	107.4	120.0
Gauteng: Germiston Hospital	Renovation of existing facilities	Hand over	627.0	101.3	23.3	–	–	–	–
Gauteng: Sebokeng Hospital	Replacement of existing hospital	Feasibility	451.7	–	0.3	129.0	61.7	85.5	89.7
Gauteng: Khayalami Hospital	Upgrading of existing hospital	Feasibility	384.5	–	–	80.0	50.0	80.0	84.0
Gauteng: Jubilee Hospital	Replacement of existing hospital	Feasibility	655.2	–	–	80.0	52.0	171.6	180.1
Gauteng: Construction of clinics and community health centres	Construction of 4 clinics and 3 community health centres	Various	436.5	–	0.8	–	100.7	109.9	115.3
KwaZulu-Natal: Hlabisa Hospital	Upgrading of existing hospital	Various	315.6	19.5	14.4	9.4	31.5	25.8	27.1
KwaZulu-Natal: Rietvlei Hospital	Upgrading and additions to existing hospital	Construction	490.5	46.9	50.2	107.9	84.5	57.4	70.0
KwaZulu-Natal: Edendale Hospital	Upgrading of existing hospital	Various	285.0	26.9	76.4	81.6	48.7	3.1	3.1
Limpopo: Thabazimbi Hospital	Replacement of existing hospital	Feasibility	366.4	77.0	106.8	82.6	100.0	–	–
Limpopo: Enabling works programme for hospitals	Upgrading of 9 hospitals	Construction	379.8	100.8	178.0	86.0	15.0	–	–
Limpopo: Letaba Hospital	Upgrading of existing hospital	Construction	381.5	30.4	44.8	23.0	80.0	14.0	19.6
Limpopo: Maphuta L. Malajji hospital	Upgrading of existing hospital	Construction	164.3	21.6	5.4	30.9	80.0	4.6	10.6
Mpumalanga: Rob Ferreira Hospital	Upgrading of existing hospital	Construction	887.7	142.4	102.6	36.1	41.5	–	–
Mpumalanga: Thembu Hospital	Upgrading of existing hospital	Construction	645.2	70.8	56.3	47.2	59.0	40.0	40.0
Mpumalanga: Ermelo Hospital	Upgrading of existing hospital	Construction	473.0	27.1	35.9	95.2	49.0	72.0	75.6
Mpumalanga: Hospital projects in planning stages	Construction and upgrades of various hospitals	Construction	414.2	12.0	2.6	25.0	39.3	57.1	97.5
Northern Cape: Mental health hospital in Kimberley	Construction of the hospital	Feasibility	796.4	12.7	95.1	13.0	224.0	269.3	88.9
Northern Cape: Upington Hospital	Construction of new hospital	Construction	852.4	228.0	148.3	101.5	13.3	5.0	5.0
Northern Cape: De Aar Hospital	Construction of new hospital	Construction	626.6	126.8	111.2	196.8	39.3	50.0	50.0
Northern Cape: Kuruman Hospital	Construction of new hospital	Construction	608.2	–	–	6.0	81.0	162.4	175.0
North West: Vryburg Hospital	Construction of new hospital	Feasibility	503.6	18.6	6.8	–	–	–	–
North West: Moses Kotane Hospital	Construction of new hospital	Construction	664.5	14.2	17.8	53.3	45.0	13.7	13.7
North West: Brits Hospital	Construction of new hospital	Construction	779.9	254.9	148.9	142.0	19.0	5.0	5.0
North West: Bophelong Hospital	Construction of new hospital	Construction	979.5	69.1	104.3	148.0	131.4	160.9	178.4
Western Cape: Worcester Hospital	Upgrading of existing hospital	Construction	472.8	9.8	24.9	78.2	6.8	–	–
Western Cape: Paarl Hospital	Upgrading of existing hospital	Construction	631.4	34.5	12.0	34.2	3.3	–	–
Western Cape: Khayelitsha Hospital	Upgrading of existing hospital	Hand over	607.4	125.4	14.1	–	–	–	–
Western Cape: Mitchells Plain Hospital	Construction of new hospital	Hand over	583.8	141.2	271.8	20.7	–	–	–
Western Cape: Vredenburg Hospital	Rehabilitation of hospital	Construction	327.3	12.3	30.6	83.4	48.2	3.0	3.0
Western Cape: Valkenberg Hospital	Rehabilitation of hospital	Feasibility	1 155.6	5.1	10.9	221.9	165.8	246.6	246.6
Western Cape: GF Jooste Hospital	Rehabilitation of hospital	Construction	710.5	–	–	25.0	114.0	178.9	191.5
Eastern Cape: Madwaleni Hospital	Upgrading of existing hospital	Feasibility	382.9	5.6	3.3	19.0	47.6	85.8	150.0

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		
				2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
R million										
Gauteng: Tambo Memorial Hospital	Replacement and renovations of existing hospital	Various	188.4	-	-	40.0	16.0	39.7	45.2	47.5
Gauteng: Dr Yusuf Dadoo Hospital	Replacement and renovations of existing hospital	Pre-feasibility	178.0	-	-	40.0	16.0	40.0	40.0	42.0
Limpopo: Thabamopo Hospital	Upgrading of existing hospital	Construction	244.6	17.8	10.0	5.8	1.5	-	-	-
Limpopo: Musina Hospital	Development of project brief and design	Feasibility	704.9	-	-	15.0	40.0	145.9	245.9	258.1
Northern Cape: Prof ZK Mathews Hospital	Rebuilding of the pharmacy	Hand over	91.1	0.4	-	-	-	-	-	-
North West: Lichtenburg Hospital	Replacement of hospital	Feasibility	426.9	-	7.5	28.0	65.0	107.0	107.0	112.4
North West: Rustenburg Hospital	Review of business case and development of project brief	Feasibility	172.0	-	-	-	50.0	40.0	40.0	42.0
North West: Klerksdorp Hospital	Review of business case and development of project brief	Feasibility	177.0	-	-	5.0	50.0	40.0	40.0	42.0
Western Cape: George Hospital	Rehabilitation and upgrading of hospital	Handed over	237.4	29.2	17.4	5.6	-	-	-	-
Western Cape: Brooklyn Chest Hospital	Rehabilitation and construction of new wards	Feasibility	282.1	-	-	6.5	61.0	70.3	70.3	73.9
KwaZulu-Natal: King Edward VIII Hospital	Upgrading and renovation of existing facilities	Construction	295.9	34.9	38.1	19.8	52.7	49.3	49.3	51.8
KwaZulu-Natal: Madadeni Hospital	Construction of new psychiatric hospital	On hold	59.9	8.1	25.8	23.0	-	-	-	-
Limpopo: Dlokong Hospital	Additions to and upgrade of existing hospital	Handed over	134.6	0.2	-	-	-	-	-	-
Limpopo: New hospitals in planning	Developments of business cases, project brief and design	Various	90.6	10.6	-	30.0	40.1	-	-	-
Limpopo: Other hospital revitalisation grant projects	Construction and upgrading of hospitals and other health facilities	Various	269.9	14.3	-	165.1	44.3	16.8	14.4	15.1
Mpumalanga: Other hospital revitalisation grant projects	Provision of equipment in various facilities and other enabling work	Various	32.5	-	32.5	-	-	-	-	-
North West: Other hospital revitalisation grant projects	Provision of equipment in various facilities and other enabling work	Various	53.3	-	53.3	-	-	-	-	-
Western Cape: Other Hospital Revitalisation Grant Projects	Provision of equipment in various facilities and other enabling work	Various	59.9	-	59.9	-	-	-	-	-
Eastern Cape: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	1 119.5	328.9	306.2	-	60.0	150.0	130.0	144.4
Limpopo: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	984.3	253.1	266.7	-	40.0	150.0	130.0	144.4
Free State: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	824.7	75.1	82.0	147.4	48.3	165.6	145.6	160.8
Gauteng: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	744.8	137.0	110.4	61.9	80.0	70.0	50.0	60.4
KwaZulu-Natal: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	3 059.2	364.8	572.5	373.6	483.9	380.1	427.6	456.8
Mpumalanga: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	980.1	129.2	114.4	80.0	134.9	181.2	162.2	178.2
Northern Cape: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	703.8	104.9	101.0	104.2	59.8	120.3	100.4	113.2

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		
				2011/12	2012/13		2013/14	2015/16	2016/17
R million			1 000.3	136.7	121.6	108.1	179.5	159.5	175.4
North West: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various							
Western Cape: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	981.3	124.8	129.0	219.7	111.9	121.3	135.2
KwaZulu-Natal: Nursing colleges	Upgrading and maintenance of nursing colleges	Various	163.8	–	16.5	29.5	30.8	30.8	32.3
Limpopo: Nursing college	Upgrading and maintenance of nursing colleges	Various	142.1	–	11.8	26.6	27.8	27.8	29.2
Northern Cape: Nursing schools	Upgrading and maintenance of nursing colleges	Various	5.0	–	1.0	4.0	–	–	–
Gauteng: Nursing colleges and schools	Upgrading and maintenance of nursing colleges and schools	Various	130.4	–	7.7	24.7	25.9	25.9	27.2
Western Cape: Nursing colleges	Upgrading and maintenance of nursing colleges	Various	108.5	–	5.7	21.0	21.9	21.9	23.0
Free State: Nursing colleges	Upgrading and maintenance of nursing colleges	Various	101.3	–	3.3	20.0	20.9	20.9	22.0
Eastern Cape: Nursing colleges	Upgrading and maintenance of nursing colleges	Various	120.3	–	12.4	25.8	26.9	26.9	28.3
Mpumalanga: Nursing colleges	Upgrading and maintenance of nursing colleges	Various	54.6	–	5.4	19.8	–	–	–
North West: Nursing colleges	Upgrading and maintenance of nursing colleges	Various	48.6	–	8.7	17.6	–	–	–
Total			56 495.3	5 683.4	5 524.4	5 442.8	6 188.9	6 425.8	6 846.0

Vote 17

Social Development

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	297.0	294.1	–	2.9	311.4	328.6
Social Assistance	130 093.3	–	130 093.3	–	139 556.4	148 934.2
Social Security Policy and Administration	6 756.2	95.4	6 659.3	1.4	7 169.9	7 582.7
Welfare Services Policy Development and Implementation Support	662.4	255.2	402.6	4.6	691.6	676.1
Social Policy and Integrated Service Delivery	359.8	119.9	239.2	0.7	377.0	395.8
Total expenditure estimates	138 168.6	764.6	137 394.4	9.6	148 106.3	157 917.4
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, public entities, donor funding, public private partnerships, conditional allocations 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.
- 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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Total number of old age grant beneficiaries	Social Assistance		2.7 million	2.8 million	3 million	3.1 million	3.2 million	3.3 million	3.4 million
Total number of war veterans grant beneficiaries	Social Assistance		771	586	429	305	230	138	69
Total number of disability grant beneficiaries	Social Assistance		1.2 million	1.2 million	1.1million	1.1 million	1.1 million	1.2 million	1.2 million
Total number of child support grant beneficiaries	Social Assistance		10.7 million	11.2 million	11.1 million	11.2 million	11.9 million	12.1 million	12.3 million
Total number of foster care grant beneficiaries	Social Assistance		518 224	514 892	512 055	533 885	477 743	477 970	478 198
Total number of care dependency grant beneficiaries	Social Assistance		121 627	128 912	120 632	135 285	144 334	150 377	156 493
Total number of grant-in-aid beneficiaries	Social Assistance	Outcome 13: An inclusive and responsive social protection system	66 150	71 844	83 059	84 619	89 273	93 469	98 469
Percentage of appeals adjudicated within 90 days	Social Security Policy and Administration		37% (574)	47% (920)	49% (827)	60% (1 200)	65% (1 300)	70% (1 400)	80% (1 600)
Number of new social work scholarships awarded per year	Welfare Services Policy Development and Implementation Support		918	2 037	997	1 100	1 300	1 654	1 654
Number of persons working with children screened against the child protection register per year	Welfare Services Policy Development and Implementation Support		11 191	32 935	41 441	20 000	30 000	35 000	40 000
Percentage of non-profit organisations' registration applications processed within 2 months of receipt	Social Policy and Integrated Service Delivery		95% (17 573)	39% (8 768)	97% (28 798)	95% (18 901)	98% (21 700)	99% (23 800)	100% (26 500)
Number of people accessing food through community development feeding programmes per year	Social Policy and Integrated Service Delivery		377 998	555 957	346 632	600 000	600 000	900 000	900 000

Expenditure analysis

The focus of the Department of Social Development over the MTEF period will be on: increasing access to social assistance, strengthening community participation, improving household access to food and nutrition, reforming and standardising the social welfare sector, expanding social development services, and protecting and promoting the rights of children. These priorities are all premised on the national development plan, which describes five functions of social protection: protective measures to save lives and reduce levels of deprivation; preventive measures which help people avoid falling deeper into poverty and reduce their vulnerability; promotive measures which enhance the capabilities of individuals communities and institutions; transformative measures which tackle inequities through changes in policies, laws and budgets; and developmental and generative measures which increase the poor's consumption, promoting local economic development. The department's work over the medium term also gives effect to outcome 13 of government's 2014-2019 medium term strategic framework (an inclusive and responsive social protection system).

In accordance with the reorganisation of some national departments, announced by the president in May 2014, R123.9 million over the medium term has been shifted to the Department of Social Development from the former Department of Women, Children and People with Disabilities. The progressive realisation of the rights of children and people with disabilities has become part of the Department of Social Development's mandate, while the new Department of Women will continue to promote, advocate for and monitor the realisation of the rights of women.

Increasing access to social assistance

Over the medium term, the Department of Social Development will continue to provide social assistance 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 2015 MTEF period, and the department projects paying social assistance grants to about 17.5 million beneficiaries by the end of 2017/18. In 2013/14, the re-registration process removed ineligible beneficiaries from the system, which resulted in savings of R3.4 billion. The department's planned improvements to the appeals adjudication process will support increasing access to social assistance grants, and a business information system will be developed to speed up the adjudication process itself. By the end of 2013/14, 49 per cent of appeals had been adjudicated within 90 days, and this is expected to increase to 80 per cent by 2017/18. Spending for this is in the *Appeals Adjudication* subprogramme in the *Social Security Policy and Administration* programme.

Expenditure on grants is expected to increase at an average annual rate of 7.3 per cent per year over the medium term, reaching R149 billion in 2017/18, mostly due to adjustments to the value of the grants and growth in the number of beneficiaries. Transfers to the South African Social Security Agency make up 98.6 per cent of the *Social Security Policy and Administration* programme. The transfers fund both the administration and distribution of social grants. Administration costs constituted 5.5 per cent of the budget for social assistance grants in 2013/14 but are expected to decline to 5 per cent in 2017/18, partly due to efficiencies from the new payment contract implemented in 2012/13.

Strengthening community participation

Project Mikondzo, a nationwide service delivery initiative to assess the footprint and impact of the social development sector, will continue over the medium term. Through direct interaction with municipalities and community members, the project aims to monitor service delivery at community level, determine the gap between policy formulation and implementation, and understand service delivery challenges and backlogs. It is one of the two main spending drivers over the medium term in the *Community Development* subprogramme in the *Social Policy and Integrated Service Delivery* programme. In 2015/16, Project Mikondzo aims to assess 737 wards across the country, which accounts for the expected increase in spending on travel and subsistence in the programme over the MTEF period.

The department also runs a range of outreach programmes such as Child Protection Week, the Active Aging programmes for older persons, youth camps and youth dialogues. Between 2 000 and 5 000 people participate in the events, and the department covers their travelling costs. These participatory programmes drive expenditure in 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, the national department will share such costs with provincial departments over the medium term. The department has also reviewed its procurement processes for the events, and the resulting efficiencies can be seen in the projected decrease in spending in the *Youth and Older Persons* subprogrammes over the medium term.

Improving household access to food and nutrition

By 2015/16, 9 provincial food distribution centres and 72 community nutrition development centres will be fully operational and 600 000 people will have access to food through the department's food relief programme. The number of people with access to the programme is set to increase to 900 000 by 2017/18. The cost of implementing the programme is reflected in the projected 11.4 per cent average annual growth over the medium term in transfers to households in the *Social Policy and Integrated Development* programme. R17.4 million over the medium term is reprioritised within the department's budget for establishing an office to oversee the implementation of the programme.

Reforming and standardising the social welfare sector

A key element of outcome 13 of government's 2014-2019 medium term strategic framework (an inclusive and responsive social protection system) is reforming and standardising the social welfare system. Reforms will largely be driven by the review of the 1997 White Paper for Social Welfare, funded in the *Service Standards* subprogramme in the *Welfare Services Policy Development and Implementation Support* programme. The review will be completed by 2017/18.

Social workers are essential to improved and standardised social welfare services. Training social workers is therefore crucial to social welfare reform, and the department expects to award 1 654 new scholarships for social work in 2017/18. Scholarships, funded in the *Social Worker Scholarships* subprogramme, constitute 42.6 per cent of the budget of 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 welfare services, will also support the reform. The department plans to review the Non-Profit Organisations Act (1997) to improve the regulatory framework, and will also improve the management of the non-profit organisation database and enhance the efficiency of the registration process. The target is that 100 per cent of applications for registration will be processed within 2 months by 2017/18. The *Registration and Monitoring of Non-Profit Organisations* subprogramme receives 25.3 per cent of the non-transfers budget of the *Social Policy and Integrated Service Delivery* programme to support these activities.

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 command centre (a 24-hour call centre for victims of gender based violence), drafting legislation on victim support services, and enhancing the implementation and monitoring of social crime prevention and gender based violence programmes (such as programmes that provide shelters). Spending on these activities is in the *Social Crime Prevention and Victim Empowerment* subprogramme of the *Welfare Services Policy Development and Implementation Support* programme.

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 one public treatment centre. There are currently 7 centres in four provinces and these centres are located in cities. Using funds allocated in the 2014 Budget (R50 million per year), the department will be constructing substance abuse treatment centres in Northern Cape, Eastern Cape, North West and Free State in 2015/16 and 2016/17. Spending on this project is in the *Substance Abuse* subprogramme.

Protecting and promoting the rights of children

The department, in consultation with a range of stakeholders, has developed a government wide early childhood development policy and programme. The 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; enable parents to lead and participate in the development of their young children through the use of these services; and to ensure alignment and harmonisation across the different sectors responsible for early childhood development services. Over the medium term, the department will be putting the required systems in place for implementing the policy and the programme. The department will also be working towards alignment and harmonisation with municipal bylaws and provincial legislation, especially related to infrastructure development and management. To meet these objectives, an early childhood development programme office will be established, starting in 2015/16. Spending is in the *Children* subprogramme of the *Welfare Services Policy Development and Implementation Support* programme.

The Children's Act (2005) requires the department to establish and manage a national child protection register as part of the overall child protection system. The aim of the register is to have a record of all reports of abuse and all convictions, and to use the information to protect children from unsuitable persons. All persons working with children are meant to be screened against the register. Organisations providing services to children, such as early childhood development centres, cannot complete their registration process unless they have screened all employees. At the end of June 2014, there was a backlog of 24 000 in the processing of these screening applications due to high volumes and a lack of staff. To address this, R18.4 million has been reprioritised within the department's budget to employ additional staff and to enhance the register's current IT system. On average, 35 000 people will be screened against the register each year over the MTEF period, compared to an average of 26 400 per year between 2011/12 and 2014/15.

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	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Programme 1	240.2	246.3	250.1	262.1	260.5	262.4	271.3	273.8	266.7	275.1	291.4	291.4	102.1%	99.9%
Programme 2	97 560.2	97 103.2	95 973.0	104 887.9	104 887.9	103 898.8	113 006.8	111 006.8	109 596.6	120 952.1	120 702.1	120 502.1	98.5%	99.1%
Programme 3	6 244.4	6 244.5	6 228.3	6 308.7	6 216.7	6 198.4	6 417.9	6 394.0	6 376.6	6 662.6	6 617.3	6 613.9	99.2%	99.8%
Programme 4	470.0	471.8	470.6	542.8	554.3	524.8	536.9	577.7	566.4	586.5	639.9	639.9	103.1%	98.1%
Programme 5	243.2	246.2	244.9	251.0	260.3	260.3	289.7	289.7	304.5	323.2	346.9	350.3	104.8%	101.5%
Total	104 758.0	104 312.1	103 166.8	112 252.6	112 179.6	111 144.8	120 522.7	118 542.1	117 110.8	128 799.4	128 597.7	128 397.7	98.6%	99.2%
Change to 2014 Budget estimate										(201.7)				

Table 17.2 Vote expenditure trends by programme and economic classification

Economic classification														
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Current payments	568.2	573.1	550.7	662.2	663.4	617.6	668.9	688.2	681.0	679.4	766.4	766.4	101.4%	97.2%
Compensation of employees	284.1	296.3	289.5	327.8	331.2	307.4	360.3	348.2	339.3	355.8	380.1	371.3	98.4%	96.4%
Goods and services	284.1	276.8	261.2	334.4	332.2	310.3	308.6	340.1	341.8	323.5	386.2	395.1	104.6%	98.0%
of which:														
Advertising	8.5	5.4	15.5	10.2	21.5	19.0	9.4	25.7	40.9	12.1	17.4	20.9	240.2%	137.6%
Consultants and professional services:	80.2	69.4	29.9	115.2	83.2	33.4	93.2	61.4	29.4	71.8	75.6	73.6	46.1%	57.4%
Business and advisory services														
Consumables: Stationery, printing and office supplies	18.5	20.7	14.8	19.6	17.2	13.8	20.2	15.7	6.2	21.7	23.3	19.4	67.8%	70.6%
Operating leases	32.3	29.3	24.1	32.4	31.3	27.8	32.8	31.4	24.0	32.5	32.7	31.7	82.8%	86.3%
Travel and subsistence	55.5	56.0	63.4	62.5	69.2	84.8	57.9	71.9	110.7	57.1	79.8	89.1	149.3%	125.7%
Venues and facilities	19.7	14.8	22.6	21.0	29.8	40.8	21.6	48.6	39.3	27.0	35.9	38.7	158.3%	109.5%
Transfers and subsidies	104 177.103 724.8	102 587.9	111 583.2	111 502.6	110 506.2	119 846.8	117 846.8	116 413.4	128 113.3	127 813.5	127 613.5		98.6%	99.2%
Provinces and municipalities	–	–	–	–	–	–	–	–	–	29.0	29.0	29.0	100.0%	100.0%
Departmental agencies and accounts	6 549.0	6 549.0	6 549.0	6 622.5	6 542.0	6 542.0	6 732.8	6 732.8	6 732.8	7 009.9	6 959.9	6 959.9	99.5%	100.0%
Higher education institutions	–	–	–	–	–	–	–	–	–	0.4	2.2	2.2	550.0%	100.0%
Foreign governments and international organisations	1.9	2.7	2.2	2.3	2.4	2.4	2.9	2.9	2.9	3.3	3.7	3.7	107.7%	96.3%
Non-profit institutions	65.9	69.8	72.1	70.4	70.1	71.6	104.3	73.3	69.7	77.6	75.6	75.6	90.8%	100.1%
Households	97 560.2	97 103.2	95 964.5	104 887.9	104 888.1	103 890.2	113 006.8	111 037.8	109 607.9	120 993.1	120 743.1	120 543.1	98.5%	99.1%
Payments for capital assets	12.7	14.2	17.9	7.1	13.6	11.0	7.0	7.0	6.7	6.7	17.8	17.8	159.5%	101.5%
Buildings and other fixed structures	–	–	–	–	–	–	–	–	–	–	0.3	0.3	–	100.0%
Machinery and equipment	12.3	13.8	17.0	6.8	13.3	6.8	6.6	6.6	5.2	6.2	17.1	17.1	144.2%	90.9%
Software and other intangible assets	0.4	0.5	1.0	0.4	0.4	4.2	0.4	0.4	1.5	0.5	0.5	0.5	451.8%	423.3%
Payments for financial assets	–	–	10.2	–	–	9.9	–	–	9.7	–	–	–	–	–
Total	104 758.0	104 312.1	103 166.8	112 252.6	112 179.6	111 144.8	120 522.7	118 542.1	117 110.8	128 799.4	128 597.7	128 397.7	98.6%	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	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme 1	291.4	5.8%	0.2%	297.0	311.4	328.6	4.1%	0.2%
Programme 2	120 502.1	7.5%	93.5%	130 093.3	139 556.4	148 934.2	7.3%	94.1%
Programme 3	6 613.9	1.9%	5.5%	6 756.2	7 169.9	7 582.7	4.7%	4.9%
Programme 4	639.9	10.7%	0.5%	662.4	691.6	676.1	1.8%	0.5%
Programme 5	350.3	12.5%	0.3%	359.8	377.0	395.8	4.2%	0.3%
Total	128 397.7	7.2%	100.0%	138 168.6	148 106.3	157 917.4	7.1%	100.0%
Change to 2014 Budget estimate				(130.6)	(93.3)	(47.7)		

Table 17.3 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 (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Current payments	766.4	10.2%	0.6%	764.6	798.7	840.6	3.1%	0.6%
Compensation of employees	371.3	7.8%	0.3%	403.6	428.3	454.3	7.0%	0.3%
Goods and services	395.1	12.6%	0.3%	361.0	370.3	386.3	-0.7%	0.3%
of which:								
Advertising	20.9	57.2%	—	16.7	17.3	17.9	-5.1%	—
Consultants and professional services: Business and advisory services	73.6	2.0%	—	71.5	73.0	76.3	1.2%	0.1%
Consumables: Stationery, printing and office supplies	19.4	-2.1%	—	17.8	18.6	19.7	0.4%	—
Operating leases	31.7	2.7%	—	32.2	34.2	36.0	4.3%	—
Travel and subsistence	89.1	16.7%	0.1%	96.0	94.8	98.2	3.3%	0.1%
Venues and facilities	38.7	37.7%	—	31.4	32.7	34.3	-4.0%	—
Transfers and subsidies	127 613.5	7.2%	99.4%	137 394.4	147 298.1	157 066.9	7.2%	99.4%
Provinces and municipalities	29.0	—	—	47.5	47.5	—	-100.0%	—
Departmental agencies and accounts	6 959.9	2.0%	5.8%	7 118.5	7 551.9	7 983.1	4.7%	5.2%
Higher education institutions	2.2	—	—	0.4	0.5	0.5	-40.1%	—
Foreign governments and international organisations	3.7	10.1%	—	3.1	3.2	3.4	-2.4%	—
Non-profit institutions	75.6	2.7%	0.1%	80.5	84.8	89.0	5.6%	0.1%
Households	120 543.1	7.5%	93.5%	130 144.3	139 610.3	148 990.9	7.3%	94.2%
Payments for capital assets	17.8	7.8%	0.0%	9.6	9.6	9.9	-17.7%	—
Buildings and other fixed structures	0.3	—	—	—	—	—	-100.0%	—
Machinery and equipment	17.1	7.4%	—	9.2	9.1	9.4	-18.0%	—
Software and other intangible assets	0.5	-0.7%	—	0.5	0.5	0.5	5.0%	—
Total	128 397.7	7.2%	100.0%	138 168.6	148 106.3	157 917.4	7.1%	100.0%

Personnel information

Table 17.4 Vote personnel numbers and cost by salary level and programme¹

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																			
Number of posts estimated for 31 March 2015			Number and cost ² of personnel posts filled / planned for on funded establishment														Number		
Number of funded posts	Number of posts additional to the establishment																Average growth rate (%)	Salary level/total: Average (%)	
		Actual			Revised estimate			Medium-term expenditure estimate											
		2013/14			2014/15			2015/16		2016/17		2017/18			2014/15 - 2017/18				
		Unit			Unit			Unit			Unit			Unit					
		Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost			
Social Development																			
Salary level	737	78	788	339.3	0.4	775	371.3	0.5	794	403.6	0.5	798	428.3	0.5	799	454.3	0.6	1.0%	100.0%
1 – 6	168	17	212	44.1	0.2	168	39.1	0.2	170	40.7	0.2	171	43.3	0.3	171	46.0	0.3	0.6%	21.5%
7 – 10	277	52	304	100.5	0.3	316	114.7	0.4	319	120.1	0.4	320	127.1	0.4	321	135.3	0.4	0.5%	40.3%
11 – 12	177	3	168	98.7	0.6	178	109.5	0.6	182	118.9	0.7	183	126.4	0.7	183	134.0	0.7	0.9%	22.9%
13 – 16	113	6	102	91.8	0.9	111	103.6	0.9	121	119.2	1.0	122	126.5	1.0	122	133.9	1.1	3.2%	15.0%
Other	2	–	2	4.2	2.1	2	4.4	2.2	2	4.7	2.3	2	4.9	2.4	2	5.1	2.5	–	0.3%
Programme	737	78	788	339.3	0.4	775	371.3	0.5	794	403.6	0.5	798	428.3	0.5	799	454.3	0.6	1.0%	100.0%
Programme 1	323	32	328	144.1	0.4	351	161.9	0.5	357	169.4	0.5	360	181.1	0.5	361	192.6	0.5	0.9%	45.1%
Programme 3	84	5	82	35.8	0.4	81	40.3	0.5	83	42.9	0.5	84	46.0	0.5	84	48.9	0.6	1.2%	10.5%
Programme 4	199	32	254	102.5	0.4	210	105.7	0.5	217	120.1	0.6	217	126.8	0.6	217	134.0	0.6	1.1%	27.2%
Programme 5	131	9	124	56.9	0.5	133	63.4	0.5	137	71.2	0.5	137	74.4	0.5	137	78.7	0.6	1.0%	17.2%

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

2. Rand million.

Departmental receipts

Table 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 (%)
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
R thousand				2014/15		2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Departmental receipts	103 183	44 361	88 996	18 000	51 494	-20.7%	100.0%	57 819	65 006	73 187	12.4%	100.0%
Sales of goods and services produced by department	208	5	2	234	2	-78.7%	0.1%	2	2	2	-	-
Sales by market establishments of which:	94	5	2	102	2	-72.3%	-	2	2	2	-	-
Parking rental	94	5	2	102	2	-72.3%	-	2	2	2	-	-
Other sales of which:	114	-	-	132	-	-100.0%	-	-	-	-	-	-
Sale of tender documents	5	-	-	12	-	-100.0%	-	-	-	-	-	-
Insurance commission and garnishee order	109	-	-	120	-	-100.0%	-	-	-	-	-	-
Sales of scrap, waste, arms and other used current goods	2	-	-	5	-	-100.0%	-	-	-	-	-	-
Waste paper	2	-	-	5	-	-100.0%	-	-	-	-	-	-
Interest, dividends and rent on land	2 636	7 855	9 415	2 649	11 285	62.4%	10.8%	13 526	16 212	19 432	19.9%	24.4%
Interest	2 636	7 855	9 415	2 649	11 285	62.4%	10.8%	13 526	16 212	19 432	19.9%	24.4%
Sales of capital assets	-	-	192	-	-	-	0.1%	-	-	-	-	-
Transactions in financial assets and liabilities	100 337	36 501	79 387	15 112	40 207	-26.3%	89.0%	44 291	48 792	53 753	10.2%	75.6%
Total	103 183	44 361	88 996	18 000	51 494	-20.7%	100.0%	57 819	65 006	73 187	12.4%	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	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million				2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Ministry	31.4	29.5	33.2	29.9	-1.6%	11.6%	30.1	31.2	33.1	3.4%	10.1%
Department Management	50.8	56.0	51.6	65.4	8.8%	20.9%	69.9	72.6	77.0	5.6%	23.2%
Corporate Management	91.6	93.9	104.1	100.5	3.2%	36.4%	101.3	107.0	112.3	3.8%	34.3%
Finance	45.8	50.2	49.5	55.1	6.3%	18.7%	55.2	58.2	61.4	3.7%	18.7%
Internal Audit	5.1	5.8	5.7	10.8	28.3%	2.6%	9.4	9.9	10.5	-0.9%	3.3%
Office Accommodation	25.4	27.0	22.6	29.6	5.3%	9.8%	31.0	32.6	34.3	5.0%	10.4%
Total	250.1	262.4	266.7	291.4	5.2%	100.0%	297.0	311.4	328.6	4.1%	100.0%
Change to 2014				8.5			0.6	(1.1)	(2.0)		
Budget estimate											
Economic classification											
Current payments	237.7	253.9	263.4	288.8	6.7%	97.5%	294.1	308.7	325.7	4.1%	99.1%
Compensation of employees	127.3	135.4	144.1	161.9	8.3%	53.1%	169.4	181.1	192.6	6.0%	57.4%
Goods and services of which:	110.4	118.5	119.3	126.9	4.7%	44.4%	124.7	127.6	133.1	1.6%	41.7%
Audit costs: External	12.7	14.3	12.8	10.4	-6.4%	4.7%	12.7	13.4	13.9	10.2%	4.1%
Computer services	8.6	7.7	4.3	9.4	3.0%	2.8%	10.7	11.7	11.7	7.8%	3.5%
Consultants and professional services:	6.6	9.6	6.2	13.8	27.7%	3.4%	13.1	13.1	13.7	-0.3%	4.4%
Business and advisory services											
Contractors	5.0	3.1	5.8	4.7	-1.9%	1.7%	4.4	4.6	4.8	0.4%	1.5%
Operating leases	22.3	25.0	23.0	28.1	7.9%	9.2%	29.2	30.8	32.2	4.7%	9.8%
Travel and subsistence	26.6	29.6	33.3	20.3	-8.7%	10.3%	22.1	20.6	21.6	2.1%	6.9%

Table 17.6 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Transfers and subsidies	0.2	0.2	0.2	–	-100.0%	0.1%	–	–	–	–	–
Households	0.2	0.2	0.2	–	-100.0%	0.1%	–	–	–	–	–
Payments for capital assets	11.8	8.3	3.0	2.7	-39.1%	2.4%	2.9	2.8	2.9	2.5%	0.9%
Machinery and equipment	10.8	4.2	1.6	2.2	-41.1%	1.8%	2.4	2.3	2.4	2.0%	0.8%
Software and other intangible assets	1.0	4.2	1.5	0.5	-22.9%	0.7%	0.5	0.5	0.5	5.0%	0.2%
Payments for financial assets	0.3	–	–	–	-100.0%	–	–	–	–	–	–
Total	250.1	262.4	266.7	291.4	5.2%	100.0%	297.0	311.4	328.6	4.1%	100.0%
Proportion of total programme expenditure to vote expenditure	0.2%	0.2%	0.2%	0.2%	–	–	0.2%	0.2%	0.2%	–	–

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, where their income and assets fall below the set thresholds, by extending income support to:
 - 3 431 413 older persons by 2017/18, from 2 969 933 in 2013/14
 - 1 160 904 disabled persons by 2017/18, from 1 120 419 in 2013/14
 - 12 279 678 children by 2017/18, from 11 125 946 in 2013/14
 - 156 493 children with serious disabilities by 2017/18, from 120 632 in 2013/14
 - 478 198 foster children by 2017/18, from 512 055 in 2013/14.

Subprogrammes

- *Old Age* provides income support to people aged 60 and above who earn less than R64 680 (if single) and R129 360 (if married) a year, whose assets do not exceed R930 600 (single) and R1 861 200 (married).
- *War Veterans* provides income support to men and women who fought in World War II or the Korean War who earn less than R64 680 (if single) and R129 360 (if married) a year, whose assets do not exceed R930 600 (single) and R1 861 200 (married).
- *Disability* provides income support to people with permanent or temporary disabilities earning less than R64 680 (single) and R129 360 (married) a year, whose assets do not exceed R930 600 (single) and R1 861 200 (married).
- *Foster Care* provides grants for children placed in foster care.
- *Care Dependency* provides income support to parents and caregivers whose annual earnings are less than R169 200 (single) and R338 400 (married), 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 whose annual earnings are less than R39 600 (single) and R79 200 (married).
- *Grant-in-Aid* is an additional grant to the recipients of the old age grant, disability grant and war veterans grant who require regular attendance 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 those facing 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 (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
Old Age	37 129.8	40 475.0	44 064.2	49 421.7	10.0%	39.8%	53 517.7	58 109.5	62 993.1	8.4%	41.5%
War Veterans	11.8	9.5	7.7	5.8	-21.2%	—	5.0	3.0	2.0	-30.4%	—
Disability	17 375.0	17 636.6	17 768.6	18 957.4	2.9%	16.7%	20 209.9	21 332.6	22 480.5	5.8%	15.4%
Foster Care	5 010.9	5 335.0	5 332.1	5 850.7	5.3%	5.0%	5 534.6	5 670.8	5 806.8	-0.3%	4.2%
Care Dependency	1 736.4	1 877.4	1 993.1	2 259.3	9.2%	1.8%	2 460.9	2 684.6	2 922.0	9.0%	1.9%
Child Support	34 319.6	38 088.0	39 623.7	43 428.3	8.2%	36.1%	47 841.7	51 174.4	54 117.5	7.6%	36.4%
Grant-in-Aid	204.0	238.0	274.1	277.1	10.7%	0.2%	274.2	303.4	319.5	4.9%	0.2%
Social Relief of Distress	185.3	239.3	533.0	501.8	39.4%	0.3%	249.2	278.2	292.9	-16.4%	0.2%
Total	95 973.0	103 898.8	109 596.6	120 702.1	7.9%	100.0%	130 093.3	139 556.4	148 934.2	7.3%	100.0%
Change to 2014				(250.0)			600.0	2 000.0			
Budget estimate											
Economic classification											
Transfers and subsidies	95 963.1	103 889.0	109 586.9	120 702.1	7.9%	100.0%	130 093.3	139 556.4	148 934.2	7.3%	100.0%
Households	95 963.1	103 889.0	109 586.9	120 702.1	7.9%	100.0%	130 093.3	139 556.4	148 934.2	7.3%	100.0%
Payments for financial assets	9.8	9.9	9.7	—	-100.0%	—	—	—	—	—	—
Total	95 973.0	103 898.8	109 596.6	120 702.1	7.9%	100.0%	130 093.3	139 556.4	148 934.2	7.3%	100.0%
Proportion of total programme expenditure to vote expenditure	93.0%	93.5%	93.6%	93.9%	—	—	94.2%	94.2%	94.3%	—	—
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	95 963.1	103 889.0	109 586.9	120 702.1	7.9%	100.0%	130 093.3	139 556.4	148 934.2	7.3%	100.0%
Old age	37 120.0	40 465.1	44 064.2	49 421.7	10.0%	39.8%	53 517.7	58 109.5	62 993.1	8.4%	41.5%
War veterans	11.8	9.5	7.7	5.8	-21.2%	—	5.0	3.0	2.0	-30.4%	—
Disability	17 375.0	17 636.6	17 768.6	18 957.4	2.9%	16.7%	20 209.9	21 332.6	22 480.5	5.8%	15.4%
Foster care	5 010.9	5 335.0	5 332.1	5 850.7	5.3%	5.0%	5 534.6	5 670.8	5 806.8	-0.3%	4.2%
Care dependency	1 736.4	1 877.4	1 993.1	2 259.3	9.2%	1.8%	2 460.9	2 684.6	2 922.0	9.0%	1.9%
Child support	34 319.6	38 088.0	39 614.1	43 428.3	8.2%	36.1%	47 841.7	51 174.4	54 117.5	7.6%	36.4%
Grant-in-aid	204.0	238.0	274.1	277.1	10.7%	0.2%	274.2	303.4	319.5	4.9%	0.2%
Social relief of distress	185.3	239.3	533.0	501.8	39.4%	0.3%	249.2	278.2	292.9	-16.4%	0.2%

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 MTEF period 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 80 per cent of appeals lodged within 90 days of their receipt by 2017/18.
 - Improve access to social assistance by expanding the child support grant to more orphans and other vulnerable children by 2018/19.
- Improve access to social security for the working age by:
 - conducting research on the feasibility and policy options for a guaranteed employment scheme by 2015/16
 - conducting research on the feasibility and policy options for the inclusion of informal sector workers in social security by 2015/16.

- Reduce the vulnerability of indigent groups by developing a policy on mandatory social security cover for retirement, disability and survivor benefits by 2018/19.
- Improve the grant administration system through the automation of grant administration and biometric registration from 2016/17.
- Improve the integrity of the social grants system by phasing in the establishment of a functional social assistance inspectorate from 2016/17.

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 (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
Social Security Policy Development	38.6	29.4	33.8	52.0	10.4%	0.6%	48.4	50.1	52.7	0.5%	0.7%
Appeals Adjudication	43.1	41.5	27.1	43.0	–	0.6%	45.0	47.7	50.4	5.4%	0.7%
Social Grants Administration	6 070.6	6 053.0	6 240.5	6 442.2	2.0%	97.6%	6 579.1	6 983.9	7 386.7	4.7%	97.4%
Social Grants Fraud Investigations	73.1	66.7	70.6	75.4	1.1%	1.1%	78.9	83.1	87.2	5.0%	1.2%
Programme Management	3.0	7.7	4.7	4.7	16.4%	0.1%	4.7	5.2	5.7	6.2%	0.1%
Total	6 228.3	6 198.4	6 376.6	6 617.3	2.0%	100.0%	6 756.2	7 169.9	7 582.7	4.6%	100.0%
Change to 2014				(45.3)			(173.7)	(128.6)	(80.8)		
Budget estimate											
Economic classification											
Current payments	82.3	76.8	64.1	95.5	5.1%	1.3%	95.4	100.1	105.7	3.5%	1.4%
Compensation of employees	34.9	34.8	35.8	49.1	12.1%	0.6%	42.9	46.0	48.9	-0.1%	0.7%
Goods and services	47.5	42.0	28.4	46.4	-0.7%	0.6%	52.5	54.0	56.8	7.0%	0.7%
of which:											
Computer services	0.8	0.7	–	2.1	39.3%	–	2.1	2.2	2.2	1.6%	–
Consultants and professional services:	12.7	6.0	5.5	13.2	1.2%	0.1%	13.1	13.2	13.8	1.5%	0.2%
Business and advisory services											
Consultants and professional services:	11.7	17.4	8.9	6.0	-20.0%	0.2%	14.5	14.9	15.7	38.2%	0.2%
Legal costs											
Agency and support / outsourced services	1.3	0.8	0.7	2.2	20.6%	–	2.1	2.1	2.3	0.8%	–
Consumables: Stationery, printing and office supplies	1.3	1.7	0.5	5.3	60.1%	–	5.6	5.8	6.1	4.7%	0.1%
Travel and subsistence	6.7	7.0	5.8	6.6	-0.5%	0.1%	5.6	5.7	5.9	-3.8%	0.1%
Transfers and subsidies	6 145.3	6 121.0	6 312.3	6 520.8	2.0%	98.7%	6 659.3	7 068.4	7 475.4	4.7%	98.6%
Departmental agencies and accounts	6 143.7	6 119.8	6 311.0	6 517.6	2.0%	98.7%	6 658.0	7 066.9	7 473.9	4.7%	98.5%
Higher education institutions	–	–	–	1.8	–	–	–	–	–	-100.0%	–
Foreign governments and international organisations	1.1	1.0	1.1	1.4	6.2%	–	1.4	1.4	1.5	3.2%	–
Households	0.5	0.2	0.1	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	0.7	0.6	0.2	1.0	15.9%	–	1.4	1.4	1.5	14.1%	–
Machinery and equipment	0.7	0.6	0.2	1.0	15.9%	–	1.4	1.4	1.5	14.1%	–
Total	6 228.3	6 198.4	6 376.6	6 617.3	2.0%	100.0%	6 756.2	7 169.9	7 582.7	4.6%	100.0%
Proportion of total programme expenditure to vote expenditure	6.0%	5.6%	5.4%	5.1%	–	–	4.9%	4.8%	4.8%	–	–

Table 17.8 Social Security Policy and Administration 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			2014/15				2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14		2011/12 - 2014/15					2014/15 - 2017/18	
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	6 143.7	6 119.8	6 311.0	6 517.6	2.0%	98.7%	6 658.0	7 066.9	7 473.9	4.7%	98.5%
South African Social Security Agency	6 143.7	6 119.8	6 311.0	6 517.6	2.0%	98.7%	6 658.0	7 066.9	7 473.9	4.7%	98.5%
Foreign governments and international organisations											
Current	1.1	1.0	1.1	1.4	6.2%	–	1.4	1.4	1.5	3.2%	–
International Social Security Association	1.1	1.0	1.1	1.3	6.5%	–	1.3	1.4	1.4	3.1%	–
International Organisation of Pension Supervisors	0.1	0.1	0.1	0.1	–	–	0.1	0.1	0.1	5.1%	–
Higher education institutions											
Current	–	–	–	1.8	–	–	–	–	–	-100.0%	–
University of the Witwatersrand	–	–	–	1.8	–	–	–	–	–	-100.0%	–

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 provide support to implementing agencies.

Objectives

- Promote a standardised approach to the delivery of social welfare services by:
 - revising the policy on financial awards to service providers, particularly non-profit organisations, by March 2016
 - revising the 1997 White Paper on Social Welfare by March 2018
 - submitting the bill on the professionalisation and regulation of social service practitioners to Parliament for consideration by 2016/17
 - awarding 1 300 new scholarships to social work students in 2015/16
 - developing a state civil society partnership model by 2015/16
 - developing a demand model for social service professionals by 2016/17.
- Create an environment that enables the protection and promotion of older persons' rights by:
 - implementing the active aging programme over the MTEF period
 - submitting the amendment bill to the Older Persons Act (2006) to Parliament for consideration by 2016/17.
- Promote the rights of people with disabilities by:
 - drafting a legislative framework to protect the rights of persons with disabilities by 2016/17.
- Facilitate improvement of early childhood development services by:
 - finalising the implementation plan for the comprehensive early childhood development package of services for children from birth to school going age, including the first 1 000 days from birth, by 2016/17
 - developing a revised funding policy for different modalities for early childhood development programmes by 2017/18.
- Strengthen child protection services through the implementation of child care and protection measures by:
 - increasing the number of children adopted by 10 per cent each year from 2014/15 to 2016/17
 - increasing the number of people working with children screened against part B of the child protection register to 40 000 by 2017/18

- creating awareness on children’s rights and responsibilities through annual commemorative days, such as Child Protection Week.
- Contribute to the treatment and reduction of incidences of substance abuse in communities by:
 - ongoing monitoring of the implementation of the national drug master plan
 - establishing four new substance abuse treatment centres by 2016/17.
- Contribute to reducing incidences of social crime by:
 - monitoring accredited service providers of diversion programmes in terms of the Child Justice Act (2008) over the medium term
 - facilitating and supporting the implementation of probation case management for children and youth over the medium term.
- Contribute towards the improvement of victim empowerment services by:
 - submitting the bill on victim empowerment services to Parliament for consideration by 2016/17
 - facilitating the implementation and monitoring of command centre services.
- Develop and facilitate the implementation of responsive and focused youth development by:
 - ensuring the annual participation of 1 400 young people in leadership camps by 2015/16.
- Promote psychosocial wellbeing to reduce vulnerability to HIV and AIDS and tuberculosis in targeted key populations, and strengthen community based organisations by:
 - reaching 600 000 youths annually through social and behavioural change programmes over the MTEF period.

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 and programmes for services aimed at strengthening families.
- *Social Crime Prevention and Victim Empowerment* develops, supports and monitors the implementation of policies, legislation and programmes 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	Average growth rate (%)		Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
R million												
Service Standards	23.9	24.9	26.9	33.0	11.4%	4.9%		27.6	28.7	30.2	-2.9%	4.5%
Substance Abuse	14.9	12.9	29.5	62.7	61.3%	5.5%		62.6	63.2	16.4	-36.0%	7.7%
Older Persons	11.4	19.3	22.4	23.2	26.7%	3.5%		20.7	21.3	22.1	-1.5%	3.3%
People with Disabilities	17.8	22.7	20.5	28.8	17.3%	4.1%		28.5	30.1	31.9	3.4%	4.5%
Children	52.7	64.0	65.5	69.2	9.5%	11.4%		80.3	83.4	87.4	8.1%	12.0%
Families	6.9	8.3	6.3	8.1	5.2%	1.3%		8.7	9.0	9.5	5.3%	1.3%
Social Crime Prevention and Victim Empowerment	23.8	29.6	39.8	52.8	30.4%	6.6%		59.9	62.4	65.2	7.3%	9.0%
Youth	5.6	12.4	22.2	15.2	39.5%	2.5%		13.2	13.8	14.4	-1.8%	2.1%
HIV and AIDS	66.9	72.2	77.5	79.4	5.9%	13.4%		81.2	85.3	89.7	4.2%	12.6%
Social Worker Scholarships	244.0	256.0	250.0	264.0	2.7%	46.1%		276.1	290.8	305.3	5.0%	42.6%
Programme Management	2.7	2.5	5.9	3.6	9.6%	0.7%		3.6	3.7	3.9	3.0%	0.6%
Total	470.6	524.8	566.4	639.9	10.8%	100.0%		662.4	691.6	676.1	1.8%	100.0%
Change to 2014				23.6				24.2	20.0	18.9		
Budget estimate												
Economic classification												
Current payments	159.0	198.9	245.2	269.7	19.3%	39.6%		255.2	265.6	278.8	1.1%	40.1%
Compensation of employees	84.5	89.2	102.5	105.7	7.8%	17.3%		120.1	126.8	134.0	8.2%	18.2%
Goods and services	74.5	109.7	142.7	164.0	30.1%	22.3%		135.1	138.8	144.8	-4.1%	21.8%
of which:												
Advertising	10.2	14.6	32.4	10.6	1.2%	3.1%		11.8	12.5	12.8	6.6%	1.8%
Catering: Departmental activities	5.1	3.4	6.4	8.1	17.1%	1.0%		4.4	4.6	4.7	-16.7%	0.8%
Consultants and professional services: Business and advisory services	9.2	14.1	14.7	44.1	68.5%	3.7%		41.5	42.2	44.2	-	6.4%
Consumables: Stationery, printing and office supplies	6.8	6.3	2.8	6.5	-1.8%	1.0%		5.4	5.8	6.1	-2.2%	0.9%
Travel and subsistence	19.5	35.0	45.4	34.1	20.5%	6.1%		40.9	41.1	42.7	7.8%	5.9%
Venues and facilities	13.2	25.5	24.4	22.4	19.1%	3.9%		20.3	21.4	22.5	0.2%	3.2%
Transfers and subsidies	306.8	324.5	319.2	367.5	6.2%	59.9%		402.6	421.3	392.4	2.2%	59.3%
Provinces and municipalities	-	-	-	29.0	-	1.3%		47.5	47.5	-	-100.0%	4.6%
Departmental agencies and accounts	244.0	256.0	250.0	264.0	2.7%	46.1%		276.1	290.8	305.3	5.0%	42.6%
Foreign governments and international organisations	0.4	0.5	0.2	0.8	22.3%	0.1%		0.3	0.3	0.3	-25.8%	0.1%
Non-profit institutions	61.8	67.3	68.5	73.8	6.1%	12.3%		78.7	82.7	86.8	5.6%	12.1%
Households	0.6	0.7	0.4	-	-100.0%	0.1%		-	-	-	-	-
Payments for capital assets	4.8	1.4	2.0	2.6	-18.3%	0.5%		4.6	4.6	4.8	22.0%	0.6%
Buildings and other fixed structures	-	-	-	0.3	-	-		-	-	-	-100.0%	-
Machinery and equipment	4.8	1.4	2.0	2.3	-21.5%	0.5%		4.6	4.6	4.8	27.0%	0.6%
Total	470.6	524.8	566.4	639.9	10.8%	100.0%		662.4	691.6	676.1	1.8%	100.0%
Proportion of total programme expenditure to vote expenditure	0.5%	0.5%	0.5%	0.5%	-	-		0.5%	0.5%	0.4%	-	-
Details of selected transfers and subsidies												
Households												
Social benefits												
Current	0.6	0.5	0.4	-	-100.0%	0.1%		-	-	-	-	-
Employee social benefits	0.6	0.5	0.4	-	-100.0%	0.1%		-	-	-	-	-
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	244.0	256.0	250.0	264.0	2.7%	46.1%		276.1	290.8	305.3	5.0%	42.6%
National Student Financial Aid Scheme	244.0	256.0	250.0	264.0	2.7%	46.1%		276.1	290.8	305.3	5.0%	42.6%
Non-profit institutions												
Current	61.8	67.3	68.5	73.8	6.1%	12.3%		78.7	82.7	86.8	5.6%	12.1%
loveLife	43.4	45.6	48.1	51.0	5.5%	8.5%		-	-	-	-100.0%	1.9%
National Bodies: Service standards	1.5	1.6	1.6	1.7	5.4%	0.3%		1.8	1.7	1.8	2.1%	0.3%
National Bodies: Substance abuse	1.7	3.2	2.6	2.8	18.0%	0.5%		2.9	3.0	2.9	1.9%	0.4%
National Bodies: Older persons	1.9	2.0	1.8	2.3	6.7%	0.4%		2.4	2.5	2.6	5.1%	0.4%
National Bodies: Disabilities	3.1	3.2	3.4	3.6	5.3%	0.6%		3.8	3.9	4.2	5.1%	0.6%
National Bodies: Children	6.0	6.5	6.8	7.2	6.6%	1.2%		7.6	7.9	8.4	5.0%	1.2%
National Bodies: Families	1.1	1.1	1.2	1.3	6.3%	0.2%		1.3	1.4	1.5	5.2%	0.2%
National Bodies: Social crime prevention	2.5	3.5	3.0	3.9	15.4%	0.6%		5.6	5.9	6.1	15.9%	0.8%
HIV and AIDS Organisations	-	-	-	-	-	-		53.3	56.3	59.3	-	6.3%
Provinces and municipalities												
Provinces												
Provincial Revenue Funds												
Capital	-	-	-	29.0	-	1.3%		47.5	47.5	-	-100.0%	4.6%
Substance abuse treatment allocation	-	-	-	29.0	-	1.3%		47.5	47.5	-	-100.0%	4.6%

Programme 5: Social Policy and Integrated Service Delivery

Programme purpose

Support community development and promote evidence based policy making in the department and the social development sector.

Objectives

- Facilitate community based research and planning by profiling 300 000 households and 400 communities living in poverty by March 2016.
- Strengthen social development service delivery in identified local municipalities by:
 - facilitating and supporting the implementation of the service delivery improvement plans in identified wards as a result of Project Mikondzo
 - reaching 60 000 people through community mobilisation programmes by March 2016.
- Coordinate and facilitate the implementation of the social sector expanded public works programme to support the creation of 56 590 work opportunities and 2 404 full time equivalents by the social sector by 2017/18.
- Improve access to adequate and nutritious food for vulnerable households and individuals by:
 - supporting 9 existing food distribution centres over the MTEF period
 - supporting 72 existing community nutrition development centres.
- Create an efficient and enabling environment for the registration and compliance monitoring of non-profit organisations by:
 - processing 100 per cent of all non-profit organisation applications within 2 months of receipt by 2017/18
 - adjudicating 60 per cent of non-profit organisation appeals within 3 months by 2015/16
 - approving the policy for the amendment of the Non-Profit Organisations Act (1997) by March 2016
 - training 3 000 non-profit organisations on governance and compliance with the Non-profit Organisations Act (1997) each year of the MTEF
 - training 400 provincial officials on non-profit organisation governance and compliance with the Non-profit Organisations Act (1997) by 2015/16.
- Promote the implementation of government's population policy by:
 - continuously increasing awareness and building capacity to integrate population factors into development plans and programmes.

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* provides grants to civil society organisations to implement sustainable, community driven projects that address food security and provide income opportunities, and focuses on building the capacity of non-profit organisations.
- *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 (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Social Policy Research and Development	3.7	3.7	4.6	5.2	11.9%	1.5%	5.2	5.4	5.8	3.6%	1.5%
Special Projects and Innovation	11.7	9.8	9.3	9.4	-7.0%	3.5%	8.5	8.8	9.5	0.2%	2.4%
Population Policy Promotion	24.7	25.4	27.2	28.1	4.4%	9.1%	27.3	28.0	29.3	1.4%	7.6%
Registration and Monitoring of Non-Profit Organisations	14.3	23.9	24.7	31.1	29.5%	8.1%	30.5	32.2	34.1	3.2%	8.6%
Substance Abuse Advisory Services and Oversight	5.9	3.9	4.3	6.4	2.6%	1.8%	6.1	6.3	6.6	1.4%	1.7%
Community Development	21.6	26.1	58.3	85.4	58.2%	16.5%	94.8	98.8	103.2	6.5%	25.8%
National Development Agency	161.4	166.3	171.7	178.3	3.4%	58.6%	184.4	194.2	203.9	4.6%	51.4%
Programme Management	1.6	1.1	4.2	3.0	24.3%	0.9%	3.1	3.2	3.4	4.1%	0.9%
Total	244.9	260.3	304.5	346.9	12.3%	100.0%	359.8	377.0	395.8	4.5%	100.0%
Change to 2014 Budget estimate				23.8			18.2	16.4	16.2		
Economic classification											
Current payments	71.7	88.0	108.3	112.4	16.1%	32.9%	119.9	124.3	130.3	5.1%	32.9%
Compensation of employees	42.9	48.0	56.9	63.4	13.9%	18.3%	71.2	74.4	78.7	7.5%	19.4%
Goods and services	28.8	40.1	51.4	48.9	19.3%	14.6%	48.7	49.9	51.6	1.8%	13.5%
of which:											
Administrative fees	0.7	1.1	1.1	1.7	32.9%	0.4%	1.2	1.2	1.2	-8.9%	0.4%
Advertising	3.1	2.9	4.2	3.2	1.1%	1.2%	2.7	2.7	2.8	-4.1%	0.8%
Consultants and professional services:	2.0	3.7	3.1	4.5	31.0%	1.1%	3.9	4.4	4.7	1.6%	1.2%
Business and advisory services											
Consumables: Stationery, printing and office supplies	2.3	2.0	1.3	5.7	35.2%	1.0%	2.4	2.6	2.8	-21.0%	0.9%
Travel and subsistence	10.1	13.3	26.2	18.9	23.3%	5.9%	27.4	27.5	28.0	14.1%	6.9%
Venues and facilities	4.2	9.3	6.2	7.9	23.6%	2.4%	7.2	7.3	7.6	-1.0%	2.0%
Transfers and subsidies	172.5	171.6	194.7	223.1	8.9%	65.9%	239.2	252.0	264.7	5.9%	66.2%
Departmental agencies and accounts	161.4	166.3	171.7	178.3	3.4%	58.6%	184.4	194.2	203.9	4.6%	51.4%
Higher education institutions	–	–	0.7	0.4	–	0.1%	0.4	0.5	0.5	5.7%	0.1%
Foreign governments and international organisations	0.9	0.8	1.4	1.5	19.9%	0.4%	1.5	1.5	1.6	1.4%	0.4%
Non-profit institutions	10.2	4.5	20.8	1.8	-43.8%	3.2%	1.9	2.0	2.2	6.0%	0.5%
Households	0.1	–	0.1	41.0	785.7%	3.6%	51.0	53.9	56.7	11.4%	13.7%
Payments for capital assets	0.6	0.7	1.5	11.5	161.6%	1.2%	0.7	0.7	0.8	-59.4%	0.9%
Machinery and equipment	0.6	0.7	1.5	11.5	161.6%	1.2%	0.7	0.7	0.8	-59.4%	0.9%
Total	244.9	260.3	304.5	346.9	12.3%	100.0%	359.8	377.0	395.8	4.5%	100.0%
Proportion of total programme expenditure to vote expenditure	0.2%	0.2%	0.3%	0.3%	–	–	0.3%	0.3%	0.3%	–	–
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	–	–	–	41.0	–	3.5%	51.0	53.9	56.7	11.4%	13.7%
Food relief	–	–	–	41.0	–	3.5%	51.0	53.9	56.7	11.4%	13.7%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	161.4	166.3	171.7	178.3	3.4%	58.6%	184.4	194.2	203.9	4.6%	51.4%
National Development Agency	161.4	166.3	171.7	178.3	3.4%	58.6%	184.4	194.2	203.9	4.6%	51.4%

Table 17.10 Social Policy and Integrated Service Delivery 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	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		
Foreign governments and international organisations											
Current	0.9	0.8	1.4	1.5	19.9%	0.4%	1.5	1.5	1.6	1.4%	0.4%
United Nations Research Institute for Social Development	0.1	–	–	0.1	8.3%	–	0.1	0.1	0.2	10.9%	–
United Nations Population Fund	0.2	0.2	0.4	0.5	33.0%	0.1%	0.5	0.5	0.5	4.1%	0.1%
Partners in Population and Development	0.3	0.3	0.6	0.7	34.3%	0.2%	0.6	0.6	0.6	-4.4%	0.2%
Union for African Population Studies	–	–	–	0.1	–	–	0.1	0.1	0.1	8.0%	–
International Planned Parenthood Federation	–	–	–	0.2	–	–	0.2	0.2	0.2	5.1%	0.1%
Non-profit institutions											
Current	10.2	4.5	20.8	1.8	-43.8%	3.2%	1.9	2.0	2.2	6.0%	0.5%
Soul City	4.5	2.5	1.0	1.0	-39.4%	0.8%	1.0	1.2	1.2	7.3%	0.3%
Africa Institute for Community Driven Development	0.2	0.5	0.6	0.6	41.9%	0.2%	0.6	0.6	0.7	2.9%	0.2%
Population Association of Southern Africa	–	–	0.2	0.2	–	–	0.2	0.2	0.3	8.2%	0.1%
Food relief	5.0	1.0	19.0	–	-100.0%	2.2%	–	–	–	–	–

Public entities and other agencies

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		
			2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
Number of local offices improved per year	Administration	Outcome 13: An inclusive and responsive social protection system	92	95	72	72	72	72	72
Number of pay points improved per year	Administration		300	310	310	310	300	300	300
Average cost of administering social assistance (R/beneficiary)	Benefits administration support		29	30	33	34	35	36	37
Administration cost as a percentage of social assistance transfers budget	Benefits administration support		5.5% (R5.3bn)	5.6% (R5.8bn)	5.7% (R6.3bn)	5.5% (R6.7bn)	5.4% (R7bn)	5.3% (R7.4bn)	5.2% (R7.8bn)
Number of community outreach programmes conducted	Benefits administration support		– ¹	– ¹	– ¹	420	420	520	600
Percentage of new grant applications processed within target days	Benefits administration support		88% within 21 days (1 199 937)	89% within 21 days (1 247 797)	91% within 21 days (1 311 469)	90% within 21 days (1 300 000)	95% within 15 days (1 200 000)	95% within 10 days (1 200 000)	95% within 10 days (1 200 000)

1. Historical data is not available, as this is a new indicator.

Expenditure analysis

The national development plan commits to achieving a defined social protection system. This comprises a set of basic social security guarantees that secures social protection aimed at preventing or alleviating poverty, vulnerability and social exclusion. In line with the plan's commitment, South Africa's social assistance system, one of the largest in Africa, is a major anti-poverty programme of government. The work of the South African Social Security Agency, which administers social assistance grants, is integral to the national development

plan's aims of advancing social protection.

In support of the social protection component of the national development plan, government's 2014-2019 medium term strategic framework emphasises the importance of improving efficiency in the delivery of services, identifying and reaching all those entitled to social protection, and reducing the administrative bottlenecks that prevent people from accessing benefits. In line with this and its own mandate, the agency's focus over the medium term will prioritise the administration, management and payment of social assistance grants, and the improvement of administrative systems that affect payment.

In terms of the administration of social grants, the bulk of expenditure is expected to be on compensation of employees and the payment of contractors utilised to disburse grant monies to beneficiaries. The majority of the agency's personnel perform grant administration functions, from application to approval. At the end of March 2014, the agency's staff complement was 9 894, and is expected to increase to 10 227 in 2015/16. As a result, compensation of employees comprises 40 per cent of total spending. This excludes the distribution and payment of grants, which is currently outsourced to contractors. The estimated expenditure on contractors comprises 29.2 per cent of total spending over the medium term.

The agency has a large footprint across the country, with 9 regional offices, 44 district offices, 366 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 12 per cent of total expenditure 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 a project that seeks to improve local offices and pay points. These improvements involve enhancing accessibility for people with disabilities, and upgrading sanitation and customer facilities to provide beneficiaries with better service delivery. To this end, between 2011/12 and 2013/14, 259 local offices and 920 pay points were upgraded. 72 local offices and 60 pay points are expected to be improved each year over the MTEF period.

The agency has transformed how social grants are paid out. In 2012, it migrated to a new payment system that gives beneficiaries access to various payment channels, including point of sale, automated banking facilities, cash points and retail merchants. The key objective of the payment system is to ensure that the right beneficiary receives payment at the right time and place. In this regard, about 10 million branded biometric payment cards have been issued to social grant recipients since 2012/13. The card contains both personal identification number and biometric capability, and thus recipients can use it to access payments using multiple channels.

The agency plans to take on the payment function itself in the longer term. It plans to develop its own capacity over the medium term, focusing primarily on building a computerised payment system, creating an integrated payment database, and acquiring payment hardware and software. This work will be supported by several key projects, all of which underpin the modernisation of social grant administration and payments. These include: the development of a data warehouse; 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. From 2015/16, the agency will start taking over the function of the biometric enrolment of beneficiaries, which were previously undertaken by the payment contractor. The cost of these projects is reflected in the computer services allocation, which is expected to reach R345 million in 2017/18.

The agency will also continue to put systems in place to ensure that social grants reach only eligible beneficiaries. There is a particular focus on ensuring that the eligibility criteria for the disability grant are fairly and consistently applied. The significant allocation of R107.4 million in 2015/16, under agency and support services for medical assessment fees, will pay medical practitioners contracted to perform medical assessments on those applying for disability grants, as well as quality control practitioners who ensure that medical assessments are consistent and fair. In addition, the agency will strengthen its administrative controls and accountability to deal with the increased demand for social relief of distress, through the development and implementation of a management information system during 2015/16.

As the envisaged in-house grant payment system is developed, the agency will be appointing its own staff, and expenditure on compensation of employees is set to increase significantly in this 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 (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Administration	1 435.9	1 809.9	2 047.3	2 298.7	17.0%	31.4%	2 369.2	2 432.5	2 640.1	4.7%	33.7%
Benefits administration support	3 837.8	3 972.5	4 217.7	4 359.3	4.3%	68.6%	4 643.7	4 984.4	5 149.5	5.7%	66.3%
Total	5 273.7	5 782.4	6 265.0	6 658.0	8.1%	100.0%	7 012.9	7 416.9	7 789.6	5.4%	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										Outcome/ Budget Average (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate		
R million	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15	
Revenue										
Non-tax revenue	8.8	16.0	1.1	4.2	1.2	4.7	4.7	4.7		187.1%
Sale of goods and services other than capital assets	2.6	0.8	0.7	0.7	0.7	0.4	0.8	0.8		57.6%
of which:										—
Administrative fees	0.7	—	0.6	—	—	—	—	—		—
Sales by market establishment	—	0.8	—	0.7	0.7	0.4	0.8	0.8		176.7%
Other sales	1.9	—	—	—	—	—	—	—		—
Other non-tax revenue	6.2	15.2	0.5	3.4	0.5	4.3	3.9	3.9		243.0%
Transfers received	6 143.7	6 143.7	6 200.3	6 119.8	6 311.0	6 311.0	6 567.6	6 517.6		99.5%
Total revenue	6 152.4	6 159.7	6 201.4	6 123.9	6 312.3	6 315.7	6 572.3	6 522.3		99.5%
Expenses										
Current expenses	5 634.8	5 263.6	6 121.6	5 763.1	6 491.3	6 245.1	6 867.0	6 635.3		95.2%
Compensation of employees	1 831.6	1 781.6	2 007.7	2 068.4	2 385.4	2 212.4	2 526.1	2 581.1		98.8%
Goods and services	3 703.8	3 407.6	4 109.9	3 625.6	4 104.2	3 964.6	4 272.5	3 985.8		92.5%
of which:										—
Agency and support / outsourced services	6.3	94.1	154.0	95.6	147.6	124.4	153.9	138.2		97.9%
Communication	44.7	90.7	77.1	108.0	115.6	142.1	215.6	133.5		104.7%
Computer services	288.8	202.2	313.0	326.5	496.2	256.2	531.0	269.0		64.7%
Payment contractors	2 474.6	2 203.6	2 172.0	1 935.8	2 040.0	2 206.0	2 193.0	1 960.0		93.5%
Lease payments	0.3	195.1	0.4	354.5	0.4	361.4	518.7	366.7		245.8%
Repairs and maintenance	44.7	158.3	258.5	125.4	249.9	120.1	112.0	190.6		89.4%
Property payments	—	184.3	—	222.4	—	256.2	—	292.3		—
Depreciation	57.5	74.4	—	69.1	—	67.4	67.5	67.5		222.7%
Interest, dividends and rent on land	41.8	—	4.0	—	1.7	0.6	0.9	0.9		0.2%
Transfers and subsidies	19.5	10.1	22.2	19.3	44.1	19.9	22.7	22.7		0.4%
Total expenses	5 654.3	5 273.7	6 143.8	5 782.4	6 535.5	6 265.0	6 889.7	6 658.0		95.1%
Surplus/(Deficit)	498.0	886.0	58.0	342.0	(223.0)	51.0	(317.0)	(136.0)		7 143.8%
Statement of financial position										
Carrying value of assets	400.4	476.5	339.7	477.3	391.4	636.9	462.4	712.3		144.5%
of which:										
Acquisition of assets	32.9	126.7	5.6	74.7	5.6	246.2	5.6	206.2		1 317.9%
Inventory	27.1	8.8	28.5	14.8	9.9	16.5	10.0	30.9		94.0%
Receivables and prepayments	104.7	32.8	173.9	22.3	38.2	11.8	136.9	16.1		18.3%
Cash and cash equivalents	50.1	1 039.6	326.9	1 646.7	978.8	1 633.3	712.3	1 450.2		279.0%
Total assets	582.4	1 557.7	869.0	2 161.1	1 418.2	2 298.6	1 321.6	2 209.5		196.3%
Accumulated surplus/(deficit)	39.9	748.4	—	1 090.0	850.0	1 140.7	573.0	1 005.0		272.3%
Finance lease	—	2.8	284.4	3.7	3.5	1.3	3.6	0.3		2.8%
Trade and other payables	98.9	437.1	291.8	674.3	122.5	797.4	157.3	884.2		24.8%
Provisions	24.7	369.4	292.8	393.0	442.2	359.1	587.6	320.0		20.9%
Derivatives financial instruments	418.9	—	—	—	—	—	—	—		18.0%
Total equity and liabilities	582.4	1 557.7	869.0	2 161.1	1 418.2	2 298.6	1 321.6	2 209.5		100.0%

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		Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	Revised estimate							
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Revenue								
Non-tax revenue	4.7	-33.6%	0.1%	4.9	5.2	5.5	5.2%	0.1%
Sale of goods and services other than capital assets	0.8	2.2%	–	0.9	0.9	1.0	5.2%	–
of which:								
Sales by market establishment	0.8	2.2%	–	0.9	0.9	1.0	5.2%	–
Other non-tax revenue	3.9	-36.7%	0.1%	4.1	4.3	4.5	5.2%	0.1%
Transfers received	6 517.6	2.0%	99.9%	6 658.0	7 066.9	7 473.9	4.7%	99.9%
Total revenue	6 522.3	1.9%	100.0%	6 662.9	7 072.1	7 479.4	4.7%	100.0%
Expenses								
Current expenses	6 635.3	8.0%	99.7%	6 989.2	7 389.9	7 762.7	5.4%	99.7%
Compensation of employees	2 581.1	13.2%	35.9%	2 758.3	2 931.3	3 079.0	6.1%	39.3%
Goods and services	3 985.8	5.4%	62.6%	4 159.1	4 383.3	4 604.5	4.9%	59.3%
Agency and support / outsourced services	138.2	13.7%	1.9%	145.3	152.7	175.4	8.3%	2.1%
Communication	133.5	13.8%	2.0%	157.4	162.5	173.6	9.1%	2.2%
Computer services	269.0	10.0%	4.4%	285.2	301.3	344.5	8.6%	4.1%
Payment contractors	1 960.0	-3.8%	35.0%	2 085.9	2 179.4	2 202.0	4.0%	29.2%
Lease payments	366.7	23.4%	5.3%	401.2	429.7	451.2	7.2%	5.7%
Repairs and maintenance	190.6	6.4%	2.5%	223.8	174.1	156.9	-6.3%	2.6%
Property payments	292.3	16.6%	4.0%	307.0	313.7	329.4	4.1%	4.3%
Depreciation	67.5	-3.2%	1.2%	70.9	74.4	78.1	5.0%	1.0%
Interest, dividends and rent on land	0.9	333.8%	–	0.9	1.0	1.0	3.3%	–
Transfers and subsidies	22.7	31.0%	0.3%	23.7	27.0	27.0	5.9%	0.3%
Total expenses	6 658.0	8.1%	100.0%	7 012.9	7 416.9	7 789.6	5.4%	100.0%
Surplus/(Deficit)	(136.0)	-153.5%		(350.0)	(345.0)	(310.0)	31.6%	
Statement of financial position								
Carrying value of assets	712.3	14.3%	28.2%	747.9	785.3	824.6	5.0%	48.1%
of which:								
Acquisition of assets	206.2	17.6%	7.9%	105.7	118.8	127.7	-14.7%	8.3%
Inventory	30.9	51.7%	0.8%	32.4	34.0	35.7	5.0%	2.1%
Receivables and prepayments	16.1	-21.1%	1.1%	16.9	17.7	18.6	5.0%	1.1%
Cash and cash equivalents	1 450.2	11.7%	69.9%	1 071.2	577.7	399.3	-34.9%	48.8%
Total assets	2 209.5	12.4%	100.0%	1 868.4	1 414.7	1 278.3	-16.7%	100.0%
Accumulated surplus/(deficit)	1 005.0	10.3%	48.4%	655.0	310.2	–	-100.0%	25.6%
Finance lease	0.3	-54.5%	0.1%	0.3	0.3	0.3	5.0%	–
Trade and other payables	884.2	26.5%	33.5%	877.1	751.4	907.5	0.9%	52.8%
Provisions	320.0	-4.7%	18.0%	336.0	352.8	370.5	5.0%	21.6%
Total equity and liabilities	2 209.5	12.4%	100.0%	1 868.4	1 414.7	1 278.3	-16.7%	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 2015			Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Salary level	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
			2013/14			2014/15			2015/16			2016/17			2017/18					2014/15 - 2017/18
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
South African Social Security Agency			9 894	2 212.4	0.2	10 227	2 581.1	0.3	10 227	2 758.3	0.3	10 227	2 931.3	0.3	10 227	3 079.0	0.3	6.1%	100.0%	
1 – 6	6 763	11 258	6 747	927.0	0.1	6 763	1 107.9	0.2	6 763	1 213.4	0.2	6 763	1 258.8	0.2	6 763	1 309.3	0.2	5.7%	66.1%	
7 – 10	2 779	6 799	2 466	791.9	0.3	2 779	965.3	0.3	2 779	994.9	0.4	2 779	1 095.9	0.4	2 779	1 139.6	0.4	5.7%	27.2%	
11 – 12	474	876	476	304.9	0.6	474	313.5	0.7	474	339.9	0.7	474	355.9	0.8	474	389.6	0.8	7.5%	4.6%	
13 – 16	211	325	205	188.7	0.9	211	194.3	0.9	211	210.1	1.0	211	220.6	1.0	211	240.5	1.1	7.4%	2.1%	

1. Rand million.

Other public entities and agencies

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** grants funds to civil society organisations for development projects for poor communities and for strengthening the institutional capacity of other civil society organisations that provide services to communities. It also promotes consultation and dialogue between civil society and the state, debates policy development and conducts research. The agency's total budget for 2015/16 is R186.4 million.

Additional table: Summary of expenditure on infrastructure

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		
				2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
R million										
Departmental infrastructure										
Construction of substance abuse treatment centres	Planning and design	Tender	21.0	-	-	-	16.0	2.5	2.5	-
Construction of substance abuse treatment centres	Audit of treatment centres	Tender	5.0	-	-	-	5.0	-	-	-
Infrastructure transfers to other spheres, agencies and departments										
Construction of substance abuse treatment centres: Eastern Cape	Construction of substance abuse in-patient treatment centres	Construction	15.0	-	-	-	13.0	2.0	-	-
Construction of substance abuse treatment centres: Free State	Construction of substance abuse in-patient treatment centres	Design	38.0	-	-	-	2.0	6.5	29.5	-
Construction of substance abuse treatment centres: North West	Construction of substance abuse in-patient treatment centres	Tender	29.0	-	-	-	12.0	17.0	-	-
Construction of substance abuse treatment centres: Northern Cape	Construction of substance abuse in-patient treatment centres	Design	42.0	-	-	-	2.0	22.0	18.0	-
Total			150.0	-	-	-	50.0	50.0	50.0	-

Vote 18

Correctional Services

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	3 697.3	3 582.3	16.9	98.0	3 937.6	4 182.6
Incarceration	13 080.9	12 146.7	102.7	831.4	13 841.5	14 437.5
Rehabilitation	1 152.0	1 105.8	0.1	46.2	1 248.5	1 412.5
Care	1 796.3	1 790.5	0.6	5.2	1 886.6	2 045.4
Social Reintegration	891.2	889.0	0.2	2.1	944.1	1 057.3
Total expenditure estimates	20 617.6	19 514.3	120.5	982.8	21 858.3	23 135.3

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, public entities, donor funding, public private partnerships, conditional allocations 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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
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	0.026% (41)	0.028% (43)	0.038% (60)	0.026% (40)	0.025% (39)	0.024% (38)	0.023% (36)
Percentage of inmates injured as a result of reported assaults in correctional centres and remand detention facilities per year	Incarceration		3.3% (5 284)	4.5% (6 884)	4.7% (7 370)	4.1% (6 325)	3.9% (6 069)	3.7% (5 818)	3.5% (5 546)
Percentage of overcrowding in correctional centres and remand detention facilities in excess of approved capacity	Incarceration		35.6% (42 481)	28.7% (33 953)	29.7% (35 370)	29.0% (35 114)	31.0% ¹ (36 486)	32.0% ¹ (38 123)	33.0% ¹ (39 314)
Percentage of sentenced offenders subjected to correctional programmes per year	Rehabilitation		— ²	— ²	— ²	64% (59 720)	68% (64 452)	72% (69 912)	76% (75 108)
Percentage of offenders who participate in skills development programmes measured against the list of offenders registered for participation as per the enrolment register	Rehabilitation		— ²	— ²	— ²	80% (6 863)	80% (7 551)	80% (8 305)	80% (9 136)
Percentage of inmates on antiretroviral therapy (cumulative)	Care		69% (6 095) ³	96% (11 814)	96% (15 417)	95% (19 158)	96% (21 788)	97% (24 469)	98% (27 201)
Percentage of parolees without violations per year	Social Reintegration		76.1% (35 819)	84.9% (39 269)	94.1% (46 380)	80.9% (44 247)	95.0% (55 567)	96.0% (61 084)	97.0% (67 066)
Percentage of probationers without violations per year	Social Reintegration		— ⁴	— ⁴	92.8% (15 543)	81.0% (14 211)	94.0% (17 443)	95.0% (18 747)	96.0% (19 410)

1. Targets for this indicator increase from 2015/16 to 2017/18, as the number of new offender admissions is projected to increase at a much higher rate than the number of new bed spaces created over this period.

2. Historical data is not available, as measurement of this indicator started in 2014/15.

3. In 2011/12, only a special category of CD4 counts below 350 were reported on, which comprised pregnant women, children under the age of 4 and tuberculosis/HIV co-infected individuals. In the following years, the criteria changed to include all persons eligible for antiretroviral therapy with a CD4 count below 350. This resulted in a larger antiretroviral therapy population being reported on.

4. Historical data is not available, as measurement of this indicator started in 2013/14.

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 of government's 2014-2019 medium term strategic framework (all people in South Africa are and feel safe). The department's work overall is informed by chapter 12 of the national development plan (building safer communities).

The bulk of the department's spending is in the *Administration* and *Incarceration* programmes. Because these programmes are labour intensive, most of the spending is on compensation of employees and related goods and services items. Over the medium term, the *Administration* programme accounts for R11.8 billion (18 per cent) of the total departmental budget of R65.6 billion, and the *Incarceration* programme for R41.4 billion (63 per cent).

The department underspent between 2011/12 and 2013/14 by R1.3 billion or 2.5 per cent of its budget over that period. Protracted procurement processes and slow progress on the implementation of planned infrastructure projects caused the underspending on goods and services and payments for capital assets. The underspending on compensation of employees was due to high staff losses. The department has 42 006 funded posts, and this is expected to remain stable over the medium term. The 2 673 vacancies at the end of September 2014, largely in the *Incarceration* and *Administration* programmes, can be attributed to natural attrition and lengthy recruitment processes. In addition to its funded posts, the department currently has 1 526 posts that are funded from vacancy savings arising from the time lag between natural attrition and new appointments. These posts are mostly contractual appointments for certified corrections services learners, who will be absorbed into permanent posts as they become vacant, and contractual appointments for clerks to bolster the shortage of asset management staff. The anticipated growth in expenditure on compensation of employees over the medium term is for improved conditions of service and for filling vacant funded posts.

Cabinet approved budget reductions of R177.7 million in 2015/16, R222.6 million in 2016/17 and R245.2 million in 2017/18 will be managed so as not to impact on the core service delivery functions of the department. The reductions will be mostly on goods and services (contractors, computer services, audit costs) and machinery and equipment (IT equipment), and to a lesser extent on compensation of employees.

Safe, secure and humane detention

Over the medium term, utilising the R36.9 billion allocated to the *Incarceration* programme between 2015/16 and 2017/18, the department will manage security operations for sentenced offenders and remand detainees; construct and upgrade facilities; profile inmates and compile needs based correctional sentence plans; and perform inmate administration functions, such as admissions and releases. The department aims to reduce the number of escapes to 36 in 2017/18, and the number of inmates injured as a result of reported assaults to 5 546. To improve adherence to basic security procedures, the department will provide security awareness sessions and ensure that correctional centre management is involved. Staff will also be provided with appropriate security equipment to enhance their ability to perform their security duties.

Well maintained physical infrastructure supports safe, secure and dignified detention. The department's spending on infrastructure is expected to increase to R826.3 million in 2017/18 for upgrading 16 correctional centres and constructing 1 new centre, resulting in 4 787 additional bed spaces and increasing overall bed capacity to 123 921 in 2017/18. Several small infrastructure projects over the medium term will contribute to enhancing safety and security in correctional centres and remand detention facilities. These projects include general upgrades, the security fencing programme, major repair and renovation projects, and the upgrading and maintenance of integrated security systems.

Needs based rehabilitation

The national development plan outlines an integrated and interdepartmental approach to building safety, including enhancing the rehabilitation of offenders. Rehabilitation improves offenders' reintegration into society and reduces recidivism. Correctional programmes and interventions focus on raising offenders' awareness of the need to change their behaviour and thus reduce their likelihood of reoffending. 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.

Over the medium term, the department plans to increase the percentage of sentenced offenders in correctional programmes to 76 per cent. The improved marketing of skills development programmes and the appointment of external service providers to provide more training opportunities for offenders will contribute to this goal. The department also plans to ensure that 80 per cent of offenders registered for participation in skills development programmes complete such programmes. Offenders do not complete correctional programmes for various reasons, including a lack of motivation, choosing offender labour programmes because they will receive gratuity, and being transferred to another facility. Improved departmental planning is expected to reduce the disruption of correctional programmes and interventions. In addition, the department will review correctional sentence plans quarterly and integrate monitoring and evaluation tools, such as attendance registers, into every correctional programme over the medium term.

The aforesaid activities are funded in the Rehabilitation programme, which receives an allocation of R3.8 billion over the medium term. 70 per cent goes to the salaries of the correctional intervention officials who provide correctional and skills development programmes. The rest of the funds are for supplies for departmental workshops and agricultural facilities. Types of workshops include wood, steel, textiles, a shoe factory and bakeries. There are also agricultural facilities at 21 correctional facilities.

Reintegrating offenders into the community and managing non-custodial sentences and parole

Remorse, regret and reconciliation are cornerstones of the successful reintegration of offenders into communities. By encouraging and facilitating victim offender dialogues (where offenders and victims are brought together to foster reconciliation and healing), the department plans to increase the number of victims who participate in restorative justice programmes to 12 000 in 2017/18. By increasing its partnerships with non-government organisations, the department plans to increase the number of parolees in halfway house partnerships to 170 in 2017/18. Halfway houses assist offenders to experience a stable home environment, with a fixed address from where they can be monitored.

The department will use the R2.9 billion allocated to the Social Reintegration programme over the medium term to enhance the administration and supervision of offenders placed under the system of community corrections. The implementation and training of officials on a new supervision procedure manual will assist this initiative. The department aims to increase the percentage of parolees without violations to 97 per cent in 2017/18, and probationers without violations to 96 per cent. This is in line with the objective of reducing recidivism and contributing to building community safety.

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 1 500 offenders by the end of 2017/18. 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 alleviate overcrowding in correctional centres.

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	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Programme 1	4 432.6	4 586.9	3 547.5	4 924.0	4 653.7	3 139.6	3 687.8	3 724.7	3 514.0	3 622.9	3 623.7	3 623.7	82.9%	83.3%
Programme 2	8 968.9	8 920.0	9 782.8	9 457.2	9 462.4	10 994.8	11 584.4	11 527.1	11 685.5	12 299.0	12 299.8	12 299.8	105.8%	106.0%
Programme 3	917.6	947.6	808.2	972.1	966.8	841.6	1 092.4	1 077.3	950.0	1 165.8	1 166.3	1 166.3	90.8%	90.6%
Programme 4	1 547.0	1 525.2	1 483.0	1 630.5	1 871.9	1 668.9	1 582.2	1 617.0	1 799.2	1 747.2	1 745.8	1 745.8	102.9%	99.1%
Programme 5	693.1	707.2	655.4	748.4	745.5	668.6	801.3	802.4	751.3	886.2	886.3	886.3	94.6%	94.3%
Total	16 559.2	16 686.9	16 276.8	17 732.2	17 700.3	17 313.6	18 748.1	18 748.5	18 700.0	19 721.1	19 721.8	19 721.8	99.0%	98.8%
Change to 2014 Budget estimate										0.7				

Table 18.2 Vote expenditure trends by programme and economic classification

Economic classification														
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Current payments	15 342.1	15 413.1	15 376.4	16 619.3	16 583.5	16 279.5	17 554.0	17 553.6	17 486.6	18 585.5	18 583.9	18 583.9	99.4%	99.4%
Compensation of employees	10 964.9	10 906.4	10 851.8	11 550.3	11 550.3	11 337.8	12 452.1	12 357.1	12 190.1	13 315.6	13 315.6	13 315.6	98.8%	99.1%
Goods and services	4 377.2	4 506.7	4 524.6	5 069.0	5 033.1	4 941.7	5 102.0	5 196.4	5 295.6	5 269.9	5 268.3	5 268.3	101.1%	100.1%
of which:														
Contractors	157.2	188.9	140.1	417.0	417.0	160.2	251.0	262.4	103.5	313.1	288.1	288.1	60.8%	59.8%
Agency and support/outourced services	407.0	410.5	433.5	133.7	401.7	587.1	125.7	469.6	625.1	459.2	466.4	466.4	187.7%	120.8%
Inventory: Food and food supplies	298.7	377.9	332.2	725.6	558.2	344.6	591.6	202.5	349.4	345.8	352.0	352.0	70.3%	92.5%
Operating leases	2 070.1	2 080.8	1 432.8	1 638.4	1 638.4	1 607.6	1 656.6	1 733.7	1 704.4	1 782.8	1 785.4	1 785.4	91.4%	90.2%
Property payments	14.5	6.5	730.7	711.8	711.8	745.5	828.5	756.3	845.9	789.2	785.9	785.9	132.6%	137.5%
Travel and subsistence	230.7	259.0	281.9	270.9	241.8	318.9	337.5	257.9	240.4	261.8	269.7	269.7	100.9%	108.0%
Interest and rent on land	—	—	—	—	—	—	—	—	0.9	—	—	—	—	—
Transfers and subsidies	31.3	71.4	72.5	74.2	74.9	79.1	77.6	78.0	112.1	81.8	82.6	82.6	130.7%	112.8%
Provinces and municipalities	3.7	4.7	4.3	5.9	5.9	4.2	5.8	5.8	4.2	6.4	6.5	6.5	88.0%	84.1%
Departmental agencies and accounts	5.4	5.4	6.2	5.7	5.7	6.8	8.4	8.4	8.5	8.9	8.9	8.9	106.4%	106.4%
Households	22.1	61.3	61.9	62.5	63.2	68.1	63.4	63.8	99.5	66.5	67.2	67.2	138.3%	116.1%
Payments for capital assets	1 185.8	1 202.3	824.3	1 038.7	1 042.0	950.0	1 116.5	1 116.9	1 097.7	1 053.8	1 055.4	1 055.4	89.4%	88.9%
Buildings and other fixed structures	1 104.2	1 104.2	753.6	811.4	811.4	872.6	798.9	798.9	862.4	800.7	800.7	800.7	93.6%	93.6%
Machinery and equipment	81.6	98.1	69.5	227.3	230.6	75.6	286.4	286.8	205.3	251.4	253.0	253.0	71.3%	69.5%
Biological assets	—	—	1.2	—	—	1.9	1.2	1.2	3.0	1.6	1.6	1.6	269.8%	266.7%
Software and other intangible assets	—	—	—	—	—	—	30.0	30.0	27.0	—	—	—	90.1%	90.1%
Payments for financial assets	—	—	3.6	—	—	4.9	—	—	3.7	—	—	—	—	—
Total	16 559.2	16 686.9	16 276.8	17 732.2	17 700.3	17 313.6	18 748.1	18 748.5	18 700.0	19 721.1	19 721.8	19 721.8	99.0%	98.8%

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 (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme 1	3 623.7	-7.6%	19.2%	3 697.3	3 937.6	4 182.6	4.9%	18.1%
Programme 2	12 299.8	11.3%	62.2%	13 080.9	13 841.5	14 437.5	5.5%	62.9%
Programme 3	1 166.3	7.2%	5.2%	1 152.0	1 248.5	1 412.5	6.6%	5.8%
Programme 4	1 745.8	4.6%	9.3%	1 796.3	1 886.6	2 045.4	5.4%	8.8%
Programme 5	886.3	7.8%	4.1%	891.2	944.1	1 057.3	6.1%	4.4%
Total	19 721.8	5.7%	100.0%	20 617.6	21 858.3	23 135.3	5.5%	100.0%
Change to 2014 Budget estimate				(177.7)	(222.6)	(245.2)		
Current payments	18 583.9	6.4%	94.0%	19 514.3	20 681.7	21 918.4	5.7%	94.6%
Compensation of employees	13 315.6	6.9%	66.2%	14 034.1	14 964.5	15 901.5	6.1%	68.2%
Goods and services	5 268.3	5.3%	27.8%	5 480.2	5 717.2	6 016.9	4.5%	26.3%
of which:								
Contractors	288.1	15.1%	1.0%	231.8	229.2	276.3	-1.4%	1.2%
Agency and support / outsourced services	466.4	4.3%	2.9%	504.3	504.3	526.1	4.1%	2.3%
Inventory: Food and food supplies	352.0	-2.3%	1.9%	353.2	365.5	393.5	3.8%	1.7%
Operating leases	1 785.4	-5.0%	9.1%	1 912.9	1 996.9	2 064.3	5.0%	9.1%

Table 18.3 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	2014/15	2011/12 - 2014/15					2014/15 - 2017/18	
Property payments	785.9	394.6%	4.3%	825.7	867.1	910.0	5.0%	4.0%
Travel and subsistence	269.7	1.4%	1.5%	253.4	277.0	293.9	2.9%	1.3%
Transfers and subsidies	82.6	5.0%	0.5%	120.5	131.4	146.2	21.0%	0.6%
Provinces and municipalities	6.5	11.5%	–	5.3	5.9	7.4	4.6%	–
Departmental agencies and accounts	8.9	17.8%	–	9.4	9.9	10.4	5.3%	–
Households	67.2	3.1%	0.4%	105.8	115.6	128.4	24.1%	0.5%
Payments for capital assets	1 055.4	-4.3%	5.5%	982.8	1 045.2	1 070.7	0.5%	4.9%
Buildings and other fixed structures	800.7	-10.2%	4.6%	801.0	829.0	870.5	2.8%	3.9%
Machinery and equipment	253.0	37.1%	0.8%	179.4	214.0	198.3	-7.8%	1.0%
Biological assets	1.6	–	–	2.0	2.2	2.0	7.8%	–
Software and other intangible assets	–	–	–	0.5	–	–	–	–
Total	19 721.8	5.7%	100.0%	20 617.6	21 858.3	23 135.3	5.5%	100.0%

Personnel information

Table 18.4 Vote personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. Incarceration																			
3. Rehabilitation																			
4. Care																			
5. Social Reintegration																			
Number of posts estimated for 31 March 2015			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 (%)			
			2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
Correctional Services			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	42 006	1 526	39 714	12 190.1	0.3	42 006	13 315.6	0.3	42 006	14 034.1	0.3	42 006	14 964.5	0.4	42 006	15 901.5	0.4	–	100.0%
1 – 6	23 308	1 473	22 471	5 733.4	0.3	23 308	5 583.8	0.2	23 168	5 878.9	0.3	23 168	6 265.7	0.3	23 168	6 588.5	0.3	-0.2%	55.2%
7 – 10	17 526	4	16 390	5 739.8	0.4	17 526	6 751.6	0.4	17 674	7 139.4	0.4	17 674	7 612.1	0.4	17 674	8 127.7	0.5	0.3%	42.0%
11 – 12	957	39	684	523.0	0.8	957	733.3	0.8	949	760.9	0.8	949	813.1	0.9	949	891.0	0.9	-0.3%	2.3%
13 – 16	215	10	169	193.9	1.1	215	247.0	1.1	215	254.8	1.2	215	273.5	1.3	215	294.3	1.4	–	0.5%
Programme	42 006	1 526	39 714	12 190.1	0.3	42 006	13 315.6	0.3	42 006	14 034.1	0.3	42 006	14 964.5	0.4	42 006	15 901.5	0.4	–	100.0%
Programme 1	6 877	1 003	5 993	2 253.3	0.4	6 877	2 613.2	0.4	6 844	2 729.3	0.4	6 844	2 933.5	0.4	6 844	3 146.5	0.5	-0.2%	16.3%
Programme 2	28 691	484	27 959	8 046.0	0.3	28 691	8 465.6	0.3	28 825	9 068.5	0.3	28 825	9 655.4	0.3	28 825	10 054.4	0.3	0.2%	68.5%
Programme 3	2 330	14	1 972	651.3	0.3	2 330	829.3	0.4	2 260	801.6	0.4	2 260	850.0	0.4	2 260	1 005.1	0.4	-1.0%	5.4%
Programme 4	1 948	25	1 752	600.3	0.3	1 948	657.7	0.3	1 924	687.6	0.4	1 924	731.7	0.4	1 924	794.7	0.4	-0.4%	4.6%
Programme 5	2 160	–	2 038	639.3	0.3	2 160	749.9	0.3	2 153	747.1	0.3	2 153	793.9	0.4	2 153	900.8	0.4	-0.1%	5.1%

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

2. Rand million.

Departmental receipts

Table 18.5 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 (%)
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
R thousand				2014/15		2011/12 - 2014/15					2014/15 - 2017/18	
Departmental receipts	146 882	127 015	117 129	126 303	126 303	-4.9%	100.0%	124 437	130 658	137 186	2.8%	100.0%
Sales of goods and services produced by department	44 252	46 541	51 842	45 099	45 099	0.6%	36.3%	46 257	48 574	51 001	4.2%	36.8%
Sales by market establishments	26 431	28 541	29 568	29 801	29 801	4.1%	22.1%	30 373	31 896	33 490	4.0%	24.2%
of which:												
Rental: Dwellings	25 467	28 191	29 568	28 875	28 875	4.3%	21.7%	30 313	31 834	33 426	5.0%	24.0%
Rental: Non residential	761	350	–	4	4	-82.6%	0.2%	–	–	–	-100.0%	–
Rental machinery and equipment	–	–	–	2	2	–	–	–	–	–	-100.0%	–

Table 18.5 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 (%)
	2011/12	2012/13	2013/14	2014/15					2015/16	2016/17	2017/18		
R thousand													
Sale of wool/skin	203	—	—	58	58	—	-34.1%	0.1%	60	62	64	3.3%	—
Other	—	—	—	862	862	—	—	0.2%	—	—	—	-100.0%	0.2%
Other sales	17 821	18 000	22 274	15 298	15 298	—	-5.0%	14.2%	15 884	16 678	17 511	4.6%	12.6%
of which:													
Services rendered:	10 659	13 800	22 274	13 760	13 760	—	8.9%	11.7%	14 448	15 170	15 928	5.0%	11.4%
Commission	—	—	—	—	—	—	—	—	—	—	—	—	—
Government motor transport	302	4 200	—	—	—	—	-100.0%	0.9%	—	—	—	—	—
Sales: Agricultural products	1 774	—	—	1 368	1 368	—	-8.3%	0.6%	1 436	1 508	1 583	5.0%	1.1%
Services rendered: Boarding services	147	—	—	170	170	—	5.0%	0.1%	—	—	—	-100.0%	—
Other	4 939	—	—	—	—	—	-100.0%	1.0%	—	—	—	—	—
Sales of scrap, waste, arms and other used current goods	3 292	2 042	2 292	9 638	9 638	—	43.1%	3.3%	3 191	3 352	3 521	-28.5%	3.8%
of which:													
Condemned linen	8	—	—	30	30	—	55.4%	—	32	34	36	6.3%	—
Kitchen refuse	128	—	—	206	206	—	17.2%	0.1%	216	227	238	4.9%	0.2%
Scrap	3 127	2 042	2 292	2 786	2 786	—	-3.8%	2.0%	2 925	3 071	3 225	5.0%	2.3%
Waste paper	29	—	—	16	16	—	-18.0%	—	18	20	22	11.2%	—
Other	—	—	—	6 600	6 600	—	—	1.3%	—	—	—	-100.0%	1.3%
Transfers received	3	213	5	—	—	—	-100.0%	—	—	—	—	—	—
Fines, penalties and forfeits	18 129	17 118	16 484	22 775	22 775	—	7.9%	14.4%	23 273	24 436	25 658	4.1%	18.5%
Interest, dividends and rent on land	654	538	—	82	82	—	-49.9%	0.2%	100	100	100	6.8%	0.1%
Interest	654	538	—	82	82	—	-49.9%	0.2%	100	100	100	6.8%	0.1%
Sales of capital assets	23 187	14 773	3 246	9 642	9 642	—	-25.4%	9.8%	10 124	10 630	11 161	5.0%	8.0%
Transactions in financial assets and liabilities	57 365	45 790	43 260	39 067	39 067	—	-12.0%	35.9%	41 492	43 566	45 745	5.4%	32.8%
Total	146 882	127 015	117 129	126 303	126 303	—	-4.9%	100.0%	124 437	130 658	137 186	2.8%	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 (%)
	2011/12	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million												
Ministry	35.2	38.5	34.4	30.9	—	-4.2%	1.0%	32.6	34.6	36.5	5.7%	0.9%
Management	815.7	768.0	908.1	1 025.7	—	7.9%	25.4%	999.4	1 053.1	1 114.2	2.8%	27.2%
Corporate Services	1 639.1	1 246.0	1 355.3	1 476.3	—	-3.4%	41.4%	1 518.5	1 642.2	1 748.6	5.8%	41.4%
Finance	876.5	928.6	1 026.6	939.9	—	2.4%	27.3%	996.9	1 047.3	1 112.6	5.8%	26.5%
Internal Audit	53.2	50.1	65.1	95.1	—	21.3%	1.9%	89.7	96.8	103.9	3.0%	2.5%
Office Accommodation	106.1	108.0	124.1	55.8	—	-19.3%	2.8%	60.2	63.5	66.7	6.2%	1.6%
Residential Accommodation	21.8	0.4	0.5	—	—	-100.0%	0.2%	—	—	—	—	—
Total	3 547.5	3 139.6	3 514.0	3 623.7	—	0.7%	100.0%	3 697.3	3 937.6	4 182.6	4.9%	100.0%
Change to 2014 Budget estimate				0.9	—	—	—	(139.8)	(165.8)	(165.0)	—	—
Economic classification												
Current payments	3 478.3	3 071.5	3 303.4	3 435.6	—	-0.4%	96.1%	3 582.3	3 793.1	4 050.3	5.6%	96.2%
Compensation of employees	2 444.1	2 086.0	2 253.3	2 613.2	—	2.3%	68.0%	2 729.3	2 933.5	3 146.5	6.4%	74.0%
Goods and services	1 034.2	985.4	1 049.3	822.4	—	-7.4%	28.1%	853.0	859.6	903.8	3.2%	22.3%
of which:												
Audit costs: External	36.6	43.8	47.3	62.1	—	19.2%	1.4%	43.8	46.0	48.3	-8.0%	1.3%
Communication	50.5	65.3	61.9	41.9	—	-6.0%	1.6%	43.8	47.4	50.4	6.4%	1.2%
Computer services	147.2	108.6	93.2	122.4	—	-6.0%	3.4%	142.6	123.5	129.7	2.0%	3.4%
Consultants and professional services:	61.4	36.0	43.5	60.5	—	-0.5%	1.5%	58.0	61.1	78.3	9.0%	1.7%
Business and advisory services	—	—	—	—	—	—	—	—	—	—	—	—

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 (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
<i>Fleet services (including government motor transport)</i>	31.4	43.7	138.2	48.3	15.4%	1.9%	91.8	93.4	82.4	19.5%	2.0%
<i>Travel and subsistence</i>	170.0	183.0	152.3	150.1	-4.1%	4.7%	151.9	160.2	166.7	3.6%	4.1%
<i>Interest and rent on land</i>	—	—	0.8	—	—	—	—	—	—	—	—
Transfers and subsidies	22.3	19.3	37.0	17.1	-8.5%	0.7%	16.9	17.7	19.8	5.0%	0.5%
Provinces and municipalities	4.3	4.2	4.2	6.5	14.5%	0.1%	5.3	5.9	7.4	4.6%	0.2%
Departmental agencies and accounts	6.1	6.8	8.4	8.9	13.7%	0.2%	9.4	9.9	10.4	5.3%	0.3%
Households	11.9	8.3	24.3	1.7	-47.8%	0.3%	2.3	1.9	2.0	5.0%	0.1%
Payments for capital assets	43.4	45.1	171.0	171.1	58.0%	3.1%	98.0	126.8	112.5	-13.0%	3.3%
Machinery and equipment	43.2	45.0	143.9	171.1	58.2%	2.9%	97.6	126.8	112.5	-13.0%	3.3%
Biological assets	0.1	0.1	—	—	-100.0%	—	—	—	—	—	—
Software and other intangible assets	—	—	27.0	—	—	0.2%	0.4	—	—	—	—
Payments for financial assets	3.4	3.8	2.7	—	-100.0%	0.1%	—	—	—	—	—
Total	3 547.5	3 139.6	3 514.0	3 623.7	0.7%	100.0%	3 697.3	3 937.6	4 182.6	4.9%	100.0%
Proportion of total programme expenditure to vote expenditure	21.8%	18.1%	18.8%	18.4%	—	—	17.9%	18.0%	18.1%	—	—
Details of transfers and subsidies											
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	4.3	4.2	4.2	6.5	14.5%	0.1%	5.3	5.9	7.4	4.6%	0.2%
Vehicle licences	4.3	4.2	4.2	6.5	14.5%	0.1%	5.3	5.9	7.4	4.6%	0.2%
Households											
Social benefits											
Current	11.9	8.3	24.1	1.7	-47.8%	0.3%	2.3	1.9	2.0	5.0%	0.1%
Employee social benefits	11.9	8.3	24.1	1.7	-47.8%	0.3%	2.3	1.9	2.0	5.0%	0.1%
Households											
Other transfers to households											
Current	—	—	0.3	—	—	—	—	—	—	—	—
Other transfers cash	—	—	0.3	—	—	—	—	—	—	—	—
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	6.1	6.8	8.4	8.9	13.7%	0.2%	9.4	9.9	10.4	5.3%	0.3%
Safety and Security Sector Education and Training Authority	6.1	6.8	8.4	8.9	13.7%	0.2%	9.4	9.9	10.4	5.3%	0.3%

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 profiling of inmates and the compilation of needs based correctional sentence plans, and inmate administration and interventions.

Objectives

- Enhance safety and security in correctional centres and remand detention facilities by:
 - reducing the percentage of escapes from 0.038 per cent in 2013/14 to 0.023 per cent in 2017/18
 - reducing the percentage of inmates injured as a result of reported assaults from 4.7 per cent in 2013/14 to 3.5 per cent in 2017/18
 - reducing the percentage of unnatural deaths from 0.039 per cent in 2013/14 to 0.032 per cent in 2017/18.
- Provide facilities that will contribute to humane incarceration by:
 - managing overcrowding to remain below 34 per cent between 2014/15 and 2017/18
 - upgrading at least 16 facilities and creating 4 787 new bed spaces between 2014/15 and 2017/18.

- Effectively manage remand detention processes by:
 - ensuring that remand detainees attend court as determined by court orders and aligning operational policies with the White Paper on Demand Detention Management in South Africa.

Subprogrammes

- Security Operations* funds activities aimed at providing safe and secure conditions for all incarcerated persons, consistent with human dignity, and provides protection for personnel and the public. There are 243 correctional facilities across the country.
- 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.

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 (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		
Security Operations	4 742.6	5 746.2	5 942.4	6 230.8	9.5%	50.6%	6 558.5	6 957.4	7 397.4	5.9%	50.6%
Facilities	2 940.0	3 380.1	3 521.6	3 677.7	7.7%	30.2%	3 827.1	3 992.9	4 161.9	4.2%	29.2%
Remand Detention	600.0	247.6	507.4	741.1	7.3%	4.7%	821.9	901.1	906.7	7.0%	6.3%
Offender Management	1 500.2	1 620.9	1 714.1	1 650.2	3.2%	14.5%	1 873.3	1 990.1	1 971.6	6.1%	13.9%
Total	9 782.8	10 994.8	11 685.5	12 299.8	7.9%	100.0%	13 080.9	13 841.5	14 437.5	5.5%	100.0%
Change to 2014				0.7			156.0	132.8	(80.2)		
Budget estimate											
Economic classification	8 982.8	10 063.3	10 747.9	11 404.1	8.3%	92.0%	12 146.7	12 867.2	13 407.6	5.5%	92.9%
Current payments											
Compensation of employees	6 709.6	7 526.7	8 046.0	8 465.6	8.1%	68.7%	9 068.5	9 655.4	10 054.4	5.9%	69.4%
Goods and services	2 273.3	2 536.6	2 701.8	2 938.5	8.9%	23.3%	3 078.2	3 211.8	3 353.1	4.5%	23.4%
of which:											
Contractors	68.4	103.7	48.3	220.2	47.7%	1.0%	187.4	186.3	203.2	-2.6%	1.5%
Inventory: Materials and supplies	41.3	35.9	25.1	37.6	-3.1%	0.3%	41.2	44.1	43.3	4.8%	0.3%
Consumable supplies	—	—	59.6	29.8	—	0.2%	56.7	59.4	31.1	1.4%	0.3%
Operating leases	1 345.4	1 513.0	1 557.9	1 684.5	7.8%	13.6%	1 795.6	1 872.6	1 966.2	5.3%	13.6%
Property payments	648.8	689.2	819.6	761.4	5.5%	6.5%	798.2	840.5	882.6	5.0%	6.1%
Travel and subsistence	53.8	66.3	43.3	52.9	-0.5%	0.5%	47.0	58.2	63.3	6.2%	0.4%
Interest and rent on land	—	—	0.1	—	—	—	—	—	—	—	—
Transfers and subsidies	43.1	51.4	65.7	64.8	14.6%	0.5%	102.7	113.1	125.8	24.7%	0.8%
Households	43.1	51.4	65.7	64.8	14.6%	0.5%	102.7	113.1	125.8	24.7%	0.8%
Payments for capital assets	756.8	879.2	871.2	830.8	3.2%	7.5%	831.4	861.2	904.2	2.9%	6.4%
Buildings and other fixed structures	753.6	872.6	862.4	800.6	2.0%	7.3%	801.0	829.0	870.5	2.8%	6.2%
Machinery and equipment	2.8	5.8	8.0	29.0	119.1%	0.1%	29.1	30.8	32.2	3.6%	0.2%
Biological assets	0.4	0.8	0.9	1.2	45.4%	—	1.3	1.4	1.5	7.0%	—
Payments for financial assets	0.1	0.9	0.7	—	-100.0%	—	—	—	—	—	—
Total	9 782.8	10 994.8	11 685.5	12 299.8	7.9%	100.0%	13 080.9	13 841.5	14 437.5	5.5%	100.0%
Proportion of total programme expenditure to vote expenditure	60.1%	63.5%	62.5%	62.4%	—	—	63.4%	63.3%	62.4%	—	—
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	23.4	32.9	39.4	47.0	26.2%	0.3%	83.6	93.0	104.3	30.4%	0.6%
Employee social benefits	23.4	32.9	39.4	47.0	26.2%	0.3%	83.6	93.0	104.3	30.4%	0.6%
Households											
Other transfers to households											
Current	19.7	18.5	26.2	17.8	-3.3%	0.2%	19.1	20.2	21.5	6.4%	0.1%
Prisoner gratuity	19.7	18.5	26.2	17.8	-3.3%	0.2%	19.1	20.2	21.5	6.4%	0.1%

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 offenders participating in adult education and training programmes as per the enrolment register per academic year from a projected 11 007 in 2015/16 to 13 319 in 2017/18
 - increasing the number of offenders participating in further education and training mainstream programmes as per the enrolment register per academic year from a projected 548 in 2015/16 to 663 in 2017/18
 - increasing the number of offenders participating in skills development programmes as per the enrolment register from a projected 7 551 in 2015/16 to 9 136 in 2017/18.
- Enhance the social functioning and reintegration of offenders into the community by:
 - increasing the percentage of incarcerated offenders and those sentenced to correctional supervision who are involved in social work services from a projected 57 per cent in 2014/15 to 77 per cent in 2017/18
 - increasing the percentage of inmates who are involved in psychological services from a projected 14 per cent in 2014/15 to 17 per cent in 2017/18
 - increasing the percentage of inmates who benefit from spiritual services from a projected 54 per cent in 2014/15 to 59 per cent in 2017/18.

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; sources, researches and develops new correctional programmes; and monitors and evaluates the implementation of programmes by correctional intervention officials.
- 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 (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Correctional Programmes	26.4	27.3	29.2	57.8	29.7%	3.7%	47.0	55.2	69.1	6.2%	4.6%
Offender Development	535.7	556.2	638.7	739.3	11.3%	65.6%	751.1	827.6	890.4	6.4%	64.4%
Psychological, Social and Spiritual Services	246.0	258.1	282.1	369.3	14.5%	30.7%	353.9	365.7	453.0	7.0%	31.0%
Total	808.2	841.6	950.0	1 166.3	13.0%	100.0%	1 152.0	1 248.5	1 412.5	6.6%	100.0%
Change to 2014 Budget estimate				0.5			(85.0)	(85.0)	0.1		
Economic classification											
Current payments	786.9	818.8	900.3	1 121.0	12.5%	96.3%	1 105.8	1 200.0	1 367.1	6.8%	96.3%
Compensation of employees	583.4	582.4	651.3	829.3	12.4%	70.3%	801.6	850.0	1 005.1	6.6%	70.0%
Goods and services	203.4	236.4	249.0	291.7	12.8%	26.0%	304.2	349.9	362.0	7.5%	26.3%
of which:											
Inventory: Clothing material and accessories	–	–	2.2	12.9	–	0.4%	13.6	31.3	32.6	36.2%	1.8%
Inventory: Farming supplies	–	–	125.7	62.2	–	5.0%	56.0	67.0	68.4	3.2%	5.1%
Inventory: Materials and supplies	12.3	29.3	12.8	47.0	56.5%	2.7%	48.7	49.0	55.3	5.6%	4.0%
Inventory: Other supplies	98.4	119.7	0.0	34.7	-29.3%	6.7%	11.4	12.0	52.2	14.5%	2.2%
Consumable supplies	–	–	10.6	19.0	–	0.8%	52.2	66.3	23.9	8.0%	3.2%
Consumables: Stationery, printing and office supplies	7.4	6.0	5.8	25.6	51.4%	1.2%	25.5	24.7	28.7	3.9%	2.1%

Table 18.8 Rehabilitation expenditure trends and estimates by subprogramme and economic classification

Table 10: Rehabilitation expenditure trends and estimates by subprogramme and economic classification											
Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	Audited outcome										
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Transfers and subsidies	1.4	2.7	2.2	0.1	-66.4%	0.2%	0.1	0.1	0.1	5.4%	–
Households	1.4	2.7	2.2	0.1	-66.4%	0.2%	0.1	0.1	0.1	4.8%	–
Payments for capital assets	19.9	20.0	47.4	45.3	31.5%	3.5%	46.2	48.4	45.3	0.1%	3.7%
Buildings and other fixed structures	–	–	–	0.1	–	–	–	–	–	-73.8%	–
Machinery and equipment	19.3	19.1	45.4	44.7	32.4%	3.4%	45.4	47.6	44.8	–	3.7%
Biological assets	0.7	0.9	2.0	0.4	-14.5%	0.1%	0.7	0.8	0.5	10.2%	–
Software and other intangible assets	–	–	–	–	–	–	0.1	–	–	–	–
Payments for financial assets	–	0.1	0.1	–	–	–	–	–	–	–	–
Total	808.2	841.6	950.0	1 166.3	13.0%	100.0%	1 152.0	1 248.5	1 412.5	6.6%	100.0%
Proportion of total programme expenditure to vote expenditure	5.0%	4.9%	5.1%	5.9%	–	–	5.6%	5.7%	6.1%	–	–
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	1.4	2.7	2.2	0.1	-66.4%	0.2%	0.1	0.1	0.1	4.8%	–
Employee social benefits	1.4	2.7	2.2	0.1	-66.4%	0.2%	0.1	0.1	0.1	4.8%	–

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

- Improve nutritional services to inmates by increasing the provision of therapeutic diets from a projected 10 per cent of the total inmate population in 2014/15 to 15 per cent in 2017/18.
- Maintain the health and personal wellbeing of offenders by:
 - increasing the percentage of inmates tested for HIV from 68.7 per cent in 2013/14 to 90 per cent in 2017/18
 - increasing the percentage of inmates on antiretroviral therapy from 96 per cent in 2013/14 to 98 per cent in 2017/18
 - increasing the tuberculosis cure rate from a projected 80 per cent in 2014/15 to 85 per cent in 2017/18.
- Ensure a hygienic environment by increasing the number of management areas with contracted health care waste services from a projected 24 in 2014/15 to 42 in 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 and the Department of Correctional Services.
- *Health Services* funds the provision of primary health care services, including referrals to external public health facilities for the further management of inmates within correctional centres and remand detention facilities in accordance with the prescripts of the Department of Health and the Department of Correctional Services.
- *Hygienic Services* funds the promotion of a hygienic environment and inmates' personal hygiene and the provision of bedding, personal clothing and toiletries to inmates in correctional centres and remand detention facilities in line with the prescripts of the Departments of Health and Correctional Services.

Expenditure trends and estimates

Table 18.9 Care expenditure trends and estimates by subprogramme and economic classification

Subprogramme				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome							2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
Nutritional Services	828.8	1 004.0	1 072.7	924.0	3.7%	57.2%	946.5	1 003.3	1 076.3	5.2%	52.9%
Health Services	518.9	584.3	627.8	691.7	10.1%	36.2%	734.5	759.4	825.2	6.1%	40.3%
Hygienic Services	135.3	80.6	98.7	130.1	-1.3%	6.6%	115.3	123.9	143.9	3.4%	6.9%
Total	1 483.0	1 668.9	1 799.2	1 745.8	5.6%	100.0%	1 796.3	1 886.6	2 045.4	5.4%	100.0%
Change to 2014 Budget estimate				(1.4)			(55.9)	(52.3)	(0.1)		
Economic classification											
Current payments	1 477.0	1 662.7	1 792.9	1 738.4	5.6%	99.6%	1 790.5	1 879.7	2 039.1	5.5%	99.6%
Compensation of employees	532.2	564.9	600.3	657.7	7.3%	35.2%	687.6	731.7	794.7	6.5%	38.4%
Goods and services	944.8	1 097.8	1 192.6	1 080.7	4.6%	64.4%	1 102.9	1 148.1	1 244.4	4.8%	61.2%
of which:											
Contractors	27.1	29.6	30.3	26.6	-0.6%	1.7%	26.8	28.2	29.0	2.9%	1.5%
Agency and support / outsourced services	404.7	556.1	603.1	443.4	3.1%	30.0%	483.8	483.9	501.6	4.2%	25.6%
Inventory: Food and food supplies	314.4	325.9	290.3	296.4	-1.9%	18.3%	303.4	323.3	358.0	6.5%	17.1%
Inventory: Medicine	16.8	42.6	45.5	75.7	65.2%	2.7%	56.1	82.4	84.3	3.7%	4.0%
Consumable supplies	—	—	151.2	81.5	—	3.5%	118.0	129.8	90.3	3.4%	5.6%
Consumable: Stationery, printing and office supplies	8.9	15.3	4.2	24.2	39.7%	0.8%	26.5	27.9	31.2	8.9%	1.5%
Transfers and subsidies	2.2	1.6	2.3	0.5	-37.3%	0.1%	0.6	0.4	0.4	-9.8%	—
Departmental agencies and accounts	0.1	—	—	—	-100.0%	—	—	—	—	—	—
Households	2.0	1.6	2.3	0.5	-36.0%	0.1%	0.6	0.4	0.4	-9.8%	—
Payments for capital assets	3.8	4.6	4.0	6.8	21.3%	0.3%	5.2	6.4	5.9	-4.6%	0.3%
Machinery and equipment	3.8	4.6	4.0	6.8	21.3%	0.3%	5.2	6.4	5.9	-4.6%	0.3%
Total	1 483.0	1 668.9	1 799.2	1 745.8	5.6%	100.0%	1 796.3	1 886.6	2 045.4	5.4%	100.0%
Proportion of total programme expenditure to vote expenditure	9.1%	9.6%	9.6%	8.9%	—	—	8.7%	8.6%	8.8%	—	—
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	2.0	1.6	2.3	0.5	-36.0%	0.1%	0.6	0.4	0.4	-9.8%	—
Employee social benefits	2.0	1.6	2.3	0.5	-36.0%	0.1%	0.6	0.4	0.4	-9.8%	—

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 percentage of offender profiles submitted by case management committees that have been considered by correctional supervision and parole boards from 85 per cent in 2013/14 to 91 per cent in 2017/18
 - increasing the number of persons placed under the system of electronic monitoring from a projected 500 in 2014/15 to 1 500 in 2017/18
 - increasing the percentage of parolees without violations from 94.1 per cent in 2013/14 to 97 per cent in 2017/18
 - increasing the percentage of probationers without violations from 92.8 per cent in 2013/14 to 96 per cent in 2017/18.
- Facilitate the social acceptance and effective reintegration of offenders into society by:
 - increasing the number of victims who participate in restorative justice programmes (victim/offender mediations and victim/offender dialogues) from a projected 1 750 in 2014/15 to 12 000 in 2017/18
 - increasing the number of parolees reintegrated through halfway house partnerships from a projected 80 in 2014/15 to 170 in 2017/18.

Subprogrammes

- *Parole Administration* 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.
- *Supervision* funds the effective administration and supervision of offenders placed under correctional and parole supervision. There are 228 community corrections offices countrywide.
- *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 to enhance supervision and community reintegration.

Expenditure trends and estimates

Table 18.10 Social Reintegration 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million				2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Parole Administration	64.9	63.0	66.9	111.1	19.6%	10.3%	95.5	107.1	134.0	6.4%	11.8%
Supervision	546.1	552.5	609.2	693.3	8.3%	81.1%	708.7	745.6	825.6	6.0%	78.7%
Community Reintegration	21.3	33.5	38.8	39.8	23.1%	4.5%	42.8	44.8	48.8	7.1%	4.7%
Office Accommodation: Community Corrections	23.0	19.6	36.4	42.0	22.2%	4.1%	44.2	46.7	49.0	5.2%	4.8%
Total	655.4	668.6	751.3	886.3	10.6%	100.0%	891.2	944.1	1 057.3	6.1%	100.0%
Change to 2014							(53.0)	(52.3)	–		
Budget estimate											
Economic classification											
Current payments	651.4	663.3	742.1	884.8	10.7%	99.3%	889.0	941.6	1 054.3	6.0%	99.8%
Compensation of employees	582.5	577.8	639.3	749.9	8.8%	86.1%	747.1	793.9	900.8	6.3%	84.5%
Goods and services	68.9	85.5	102.9	134.9	25.1%	13.2%	141.9	147.8	153.5	4.4%	15.3%
of which:											
Communication	9.9	9.6	10.8	9.3	-2.1%	1.3%	11.0	11.5	11.5	7.3%	1.1%
Contractors	0.1	1.2	0.2	28.4	654.6%	1.0%	0.2	0.2	30.4	2.3%	1.6%
Agency and support/outourced services	2.2	4.4	3.9	5.2	33.7%	0.5%	4.0	4.2	8.4	17.2%	0.6%
Fleet services (including government motor transport)	0.1	–	28.9	10.0	409.1%	1.3%	16.1	16.9	12.1	6.4%	1.5%
Operating leases	24.4	21.3	36.8	45.9	23.4%	4.3%	77.0	79.3	49.3	2.4%	6.7%
Travel and subsistence	25.3	33.2	11.7	20.7	-6.4%	3.1%	16.8	17.6	22.8	3.1%	2.1%
Transfers and subsidies	3.5	4.1	4.9	0.1	-70.1%	0.4%	0.2	0.2	0.2	25.3%	–
Households	3.5	4.1	4.9	0.1	-70.1%	0.4%	0.2	0.2	0.2	25.3%	–
Payments for capital assets	0.5	1.2	4.1	1.4	43.6%	0.2%	2.1	2.3	2.8	27.0%	0.2%
Machinery and equipment	0.5	1.2	4.1	1.4	43.6%	0.2%	2.1	2.3	2.8	27.0%	0.2%
Payments for financial assets	–	0.1	0.1	–	–	–	–	–	–	–	–
Total	655.4	668.6	751.3	886.3	10.6%	100.0%	891.2	944.1	1 057.3	6.1%	100.0%
Proportion of total programme expenditure to vote expenditure	4.0%	3.9%	4.0%	4.5%	–	–	4.3%	4.3%	4.6%	–	–
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	3.5	4.1	4.9	0.1	-70.1%	0.4%	0.2	0.2	0.2	25.3%	–
Employee social benefits	3.5	4.1	4.9	0.1	-70.1%	0.4%	0.2	0.2	0.2	25.3%	–

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
R million										
Departmental infrastructure										
Kimberley correctional centre	3 000 beds, support amenities, development and care facilities, offices, and clinic provided; integrated IT installed	Handed over	986.5	3.1	–	–	–	–	–	–
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	32.1	12.4	–	–	–	–	–
Vanrhynsdorp correctional centre	328 additional beds, support amenities, and administration and visitation block provided	Handed over	283.9	49.9	19.5	–	–	–	–	–
Burgersdorp correctional centre	311 additional beds, support amenities, and development and care facilities provided; existing dilapidated structures upgraded	Design	298.0	–	–	1.0	38.1	15.0	60.0	66.0
Estcourt correctional centre	309 additional beds and support facilities provided	Construction	307.2	10.8	16.6	43.7	47.5	50.0	95.0	10.0
Tzaneen correctional centre	435 additional beds, support amenities, and development and care facilities provided	Construction	264.0	65.6	67.8	0.7	–	5.0	–	–
Ingvavuma correctional centre	212 additional beds and support facilities for males provided; old structures refurbished	Design	278.0	0.2	0.2	–	15.0	15.0	45.0	75.0
Standerton correctional centre	787 additional beds and support facilities provided	Tender	375.5	23.3	1.6	42.4	64.4	100.0	80.0	60.0
Zeerust correctional centre	500 additional beds and support facilities provided	Design	230.0	0.5	0.1	–	9.9	10.0	25.0	–
Nongoma correctional centre	191 additional beds and support facilities provided; heritage building restored	Design	219.0	6.6	1.5	3.0	30.5	10.0	35.0	–
Nkandla correctional centre	153 additional beds and support facilities provided; heritage building restored	Design	225.0	0.1	–	34.5	50.0	20.0	25.0	–
Maphumulo correctional centre	33 additional beds and support facilities provided; heritage parts of existing building restored	Design	89.0	1.1	–	31.1	30.0	15.0	–	–
C Max correctional centre, Pretoria	12 additional beds and support facilities provided; security upgraded	Construction	148.8	31.9	35.9	48.7	1.0	–	–	–
Pays correctional centre	176 additional beds, support amenities, and development and care facilities provided; existing dilapidated structures upgraded	Design	94.4	–	–	5.0	35.5	20.0	28.7	5.0
Newcastle correctional centre	186 additional beds and support facilities provided	Identification complete	100.0	–	–	0.5	–	–	–	–
Lichtenburg correctional centre	Correctional centre upgraded and 234 additional beds provided	Construction	251.2	–	66.6	2.4	62.0	15.0	45.0	85.0
Potchefstroom correctional centre	Correctional centre upgraded, including 761 additional beds provided	Various	225.0	–	–	9.3	–	15.0	20.0	34.0
Bergville correctional centre	Correctional centre upgraded, including 6 cells erected (39 additional beds) and support facilities provided	Various	75.9	0.8	0.2	–	–	25.0	25.0	24.0

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		
				2011/12	2012/13	2013/14		2014/15	2015/16	2016/17
R million Matatiele 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	3.0	23.7	19.3	19.9	-	-	-
Odi correctional centre	Construction of a new access control gate and visitors' waiting rooms provided	Construction	9.8	6.9	2.2	-	-	-	-	-
Parole board offices	Construction of 53 parole board offices completed	Construction	140.2	7.0	2.3	-	-	-	-	-
Independent Development Trust	Perimeter security fencing and intercoms installed; immovable asset management audits conducted	Construction	766.1	86.0	264.9	12.0	28.4	178.0	105.0	91.9
Remand detention feasibility studies	Feasibility studies for remand detention facilities completed	Design	30.0	-	-	-	13.0	-	-	15.0
Head office	Feasibility study for a new head office building completed	Identification	3.0	0.1	-	-	-	10.0	-	-
Audit of facilities	Correctional centre facilities audited in compliance with Government Immoveable Asset Management Act (2007)	Design	15.0	-	-	-	-	10.0	-	75.0
Pietermaritzburg, Qalabusha correctional centre	Integrated security system provided	Construction	223.0	29.8	0.9	-	-	30.0	20.0	16.0
Kimberley, Brandvlei, Ceres and Vainrhynsdorp correctional centres	Integrated IT systems installed	Various	63.0	-	-	-	-	15.0	-	-
King William's Town correctional centre	Correctional centre upgraded	Various	6.0	-	-	-	6.0	-	-	-
Mthunzini correctional centre	Correctional centre upgraded	Design	3.2	-	-	2.2	1.0	-	-	-
Goedemoed correctional centre	Water channel upgraded	Construction	70.6	15.5	-	-	-	-	-	-
Kokstad correctional centre	Water and sewerage pipes replaced and other civil works	Identification	45.0	10.5	0.2	15.0	10.0	5.0	8.6	-
Brandvlei correctional centre	Structures repaired and maintained	Identification	-	-	0.6	10.0	40.0	-	-	-
North End correctional centre, Port Elizabeth	Structures repaired and maintained: Major repair and renovation to entire correctional centre and offices	Construction	121.4	15.8	35.5	30.7	-	50.0	25.0	15.0
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	29.6	41.1	50.0	7.0
Durban Westville correctional centre	Structures repaired and maintained: Total repairs to entire correctional centre complex, including civil works and buildings	Identification	-	-	-	-	-	10.0	15.0	35.0
Johannesburg correctional centre	Structures repaired and maintained: Total repairs to the entire correctional centre complex including civil works and buildings	Identification	-	3.3	-	-	-	15.0	15.0	35.0
St Albans correctional centre	Structures repaired and maintained: Total repairs to the entire correctional centre complex including civil works and buildings	Identification	-	1.0	-	-	-	10.0	10.0	30.0
Various centres: Standby generators	Standby generators installed	Design	96.6	10.5	36.1	-	50.0	-	-	-
Various centres: School facilities	New school facilities constructed	Various	135.0	-	-	1.0	10.0	-	-	11.0
Various centres: Replacement of equipment	Kitchen equipment, boilers, incinerators, and power, water and sewerage systems replaced in compliance with Occupational Health and Safety Act (1993)	Construction	343.0	59.0	26.4	-	80.0	40.0	-	-

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		
				2011/12	2012/13		2014/15	2015/16	2016/17
R million									
Various centres: Structures repaired and maintained	Repairs to correctional centre facilities and planning for correctional centre facilities such as Brandvlei Maximum and Brits	Design	-	3.4	21.9	110.5	127.6	11.5	10.1
Other small grouped projects	Integrated security systems installed; kitchen equipment replaced; standby generators installed; and water and sewerage plants upgraded	Various	1 342.2	83.8	57.7	127.2	13.5	35.2	46.5
Ceres, Warmbokkeveld correctional centre	282 additional beds, support amenities, and development and care facilities provided; existing dilapidated structures upgraded	Handed over	242.1	30.9	40.9	-	-	-	-
Total			8 738.5	592.4	744.5	583.1	813.0	775.8	788.9
									826.3

Vote 19

Defence and Military Veterans

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	4 827.2	4 187.4	623.8	15.9	5 081.1	5 329.7
Force Employment	3 603.2	3 089.4	245.8	267.9	3 761.2	3 928.6
Landward Defence	14 805.3	12 248.9	2 517.9	38.5	15 612.8	16 024.8
Air Defence	7 049.2	5 144.5	1 855.1	49.6	6 804.2	8 223.9
Maritime Defence	3 717.2	2 816.6	878.1	22.5	4 761.1	4 800.7
Military Health Support	3 932.9	3 899.1	7.7	26.1	4 179.1	4 535.7
Defence Intelligence	827.5	377.3	445.8	4.4	872.9	915.1
General Support	5 817.0	4 398.7	1 256.3	161.9	6 046.3	6 355.2
Total expenditure estimates	44 579.4	36 162.0	7 830.5	586.9	47 118.7	50 113.5

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, public entities, donor funding, public private partnerships, conditional allocations 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 the Defence Act (2002), as amended by the Defence Amendment Act (2010), as well as the 1996 White Paper on Defence and the 1998 Defence Review. The department is required to provide, manage 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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Total number of defence attaché offices	Administration	Outcome 11: Create a better South Africa, a better Africa and a better world	39	40	43	43	45	45	45
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	11 213	8 955	7 005	4 272	3 863	3 916	3 952
Number of reserve force person days ¹	Administration	Outcome 3: All people in South Africa are and feel safe	– ¹	– ¹	– ¹	1 883 683	2 442 792	2 418 225	2 433 806
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%	100%	79%	100%	100%	100%	100%
Percentage compliance with number of ordered commitments (external operations)	Force Employment Landward Defence Defence Intelligence		100% (3)	125% (5)	83% (5)	100% (5)	100% ²	100% ²	100% ²
Percentage compliance with number of ordered commitments (internal operations) ³	Force Employment	Outcome 3: All people in South Africa are and feel safe	100% (4)	100% (4)	100% (4)	100% (4)	100% ²	100% ²	100% ²

Table 19.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
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	6	5	5	9	5	5	5
Number of landward sub-units deployed on border safeguarding per year	Force Employment	Outcome 3: All people in South Africa are and feel safe	7	11	13	13	13	13	13
Number of force employment hours flown per year	Air Defence	Outcome 11: Create a better South Africa, a better Africa and a better world	11 256	11 697	4 471	6 985	6 500	6 500	6 500
Number of hours at sea per year	Maritime Defence		14 088	7 339	11 081	12 000	12 000	12 000	12 000

1. This indicator has been changed. It previously measured the number of reserves used per year.

2. Only executed operations are reported on. Absolute numbers will be provided after achievement.

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, and developing cyber security, among its other ongoing contributions to the national development plan. The department also contributes to outcome 3 of government's 2014-2019 medium term strategic framework (all people in South Africa are and feel safe) on an ongoing basis.

Maintaining and expanding South Africa's defence capabilities

In 2015/16, the department will develop an implementation plan for the 2014 South African Defence Review, working towards the review's milestone 1: immediate, directed interventions to arrest the decline in critical defence capabilities. This will mostly take place in the *Landward Defence*, *Air Defence*, *Maritime Defence* and *Military Health Support* programmes.

The Defence Works Formation was established in 2012/13 to attend to the maintenance of infrastructure and facilities. The necessary personnel are now being employed, and over the medium term the focus will be on operationalising the unit. The maintenance of infrastructure and facilities was previously done by the Department of Public Works with funds provided in the *Office Accommodation* subprogramme in the *Administration* programme. R951.8 million over the medium term is reallocated from the *Administration* programme to the *General Support* programme to capacitate staff and operationalise the Defence Works Formation. Priorities for the refurbishment of military bases include the bases at Grahamstown, Bethlehem, Bloemspruit and Eerste River, and the army and air force headquarters in Pretoria. The total cost of refurbishing military bases over the medium term is projected to be R1.4 billion. Unserviceable infrastructure will be demolished in Thaba Tshwane (at a projected cost of R18.3 million) and at the Military Academy in Saldanha.

The department will be acquiring equipment and developing systems to maintain a modern, balanced and technologically advanced force. It has budgeted for medium and light transport aircraft, a new generation mobile communication capability, and precision guided air force ammunition for air defence. These acquisitions are reflected in spending in the *Air Defence* programme in 2016/17 and 2017/18. For maritime defence, the department plans to acquire a hydrographic vessel and offshore patrol vessels, upgrade frigates and static communication for the navy, and replace heavyweight torpedo capability. Spending is on departmental agencies and accounts in the *Maritime Defence* programme in 2016/17 and 2017/18.

To ensure the continuation of the military skills development system and to give effect to the one-force concept (which sets out the relationship between the components of the defence force, particularly between the regular and reserve forces), spending on compensation of employees is set to increase between 2014/15 and 2017/18 for, among others, the utilisation of the reserve forces. The increase is funded by an internal reprioritisation from goods and services. The department's personnel is expected to grow to 81 108 members in 2017/18, mainly as members in the military skills development system become members of the regular force and due to the growth in the capability of the Defence Works Formation.

Cabinet approved budget reductions between 2014/15 and 2015/16 will be effected on goods and services, as well as on transfers and subsidies, specifically transfers to public corporations and private enterprises.

Safeguarding South Africa's borders and territorial integrity

The department will safeguard South Africa's borders and territorial integrity by deploying 13 landward sub-units over the medium term on the borders with Zimbabwe, Swaziland, Mozambique, Lesotho, Botswana and Namibia. Expenditure on border safeguarding is projected to be R2.8 billion over the medium term in the *Support to the People* subprogramme of the *Force Employment* programme.

Cyber security

Outcome 3 of government's 2014-2019 medium term strategic framework (all people in South Africa are and feel safe) includes tackling cyber crime. The department will focus on cyber security over the medium term, finalising a cyber warfare strategy in 2015/16 and establishing a cyber command centre by 2018/19. This will be done in the *Defence Intelligence* programme at a projected cost of R511 million over the medium term.

Expenditure trends

Table 19.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration 2. Force Employment 3. Landward Defence 4. Air Defence 5. Maritime Defence 6. Military Health Support 7. Defence Intelligence 8. General Support														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12	2014/15
Programme 1	3 718.1	3 718.4	3 747.1	3 730.8	3 820.7	3 781.6	4 434.6	4 509.0	4 511.0	4 866.5	4 499.7	4 499.7	98.7%	99.9%
Programme 2	2 241.6	2 332.0	2 358.5	2 670.9	2 748.2	2 781.0	3 283.9	3 555.7	3 346.7	3 437.0	3 487.0	3 487.0	102.9%	98.8%
Programme 3	11 763.5	11 328.6	10 962.2	12 686.7	12 313.7	12 367.9	13 853.8	13 604.9	13 599.1	13 854.9	14 241.9	14 241.9	98.1%	99.4%
Programme 4	6 768.1	6 355.8	6 527.7	6 749.7	7 118.7	7 074.9	6 250.2	5 714.4	6 031.5	7 166.9	7 176.6	7 176.6	99.5%	101.7%
Programme 5	2 500.5	2 564.7	2 574.7	2 551.3	2 862.3	2 894.9	3 171.1	3 107.3	3 226.4	3 678.5	3 678.5	3 678.5	104.0%	101.3%
Programme 6	3 044.1	3 244.3	3 400.1	3 316.5	3 496.5	3 459.9	3 642.5	3 762.1	3 733.6	3 849.1	3 849.1	3 849.1	104.3%	100.6%
Programme 7	669.0	661.6	653.1	709.7	712.1	705.1	762.4	767.9	774.7	792.1	813.7	813.7	100.5%	99.7%
Programme 8	3 900.0	4 143.7	4 107.9	5 077.4	4 816.4	4 636.9	4 844.8	5 636.8	5 224.6	5 186.3	5 110.5	5 110.5	100.4%	96.8%
Total	34 605.0	34 349.1	34 331.4	37 493.0	37 888.5	37 702.2	40 243.3	40 658.2	40 447.5	42 831.2	42 856.9	42 856.9	100.1%	99.7%
Change to 2014 Budget estimate										25.6				
Economic classification														
Current payments	27 278.4	28 090.7	27 237.4	30 157.0	31 031.2	29 584.6	32 207.9	33 588.1	32 733.2	34 471.1	34 471.1	34 471.1	99.9%	97.5%
Compensation of employees	16 770.7	17 555.3	17 569.0	18 967.8	19 346.1	19 688.4	20 863.8	21 373.0	21 332.7	21 980.2	22 476.2	22 476.2	103.2%	100.4%
Goods and services of which:	10 507.6	10 535.4	9 668.5	11 189.2	11 685.1	9 896.2	11 344.0	12 215.1	11 400.5	12 490.9	11 994.9	11 994.9	94.4%	92.5%
Computer services	1 071.0	1 064.3	861.2	1 132.9	1 036.1	896.6	888.8	1 129.1	1 019.4	1 073.0	1 050.7	1 050.7	91.9%	89.4%
Contractors	2 075.3	4 193.8	3 619.5	4 195.7	4 380.1	2 041.6	2 230.3	2 337.0	2 555.4	2 789.1	2 789.1	2 789.1	97.5%	80.3%
Inventory: Food and food supplies	781.7	705.1	697.7	1 015.6	1 006.1	725.2	543.7	743.7	833.6	806.6	804.3	804.3	97.2%	93.9%
Inventory: Fuel, oil and gas	397.8	402.9	461.8	630.4	652.4	534.4	649.6	674.1	652.7	623.5	623.5	623.5	98.7%	96.6%
Property payments	2 658.6	677.7	761.6	757.1	758.3	2 130.0	2 960.1	2 914.9	2 505.1	2 970.0	2 493.2	2 493.2	84.4%	115.3%
Travel and subsistence	699.2	640.8	733.2	561.7	557.8	774.5	642.6	663.4	873.6	729.0	740.6	740.6	118.6%	119.9%

Table 19.2 Vote expenditure trends by programme and economic classification

Economic classification															
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)	
R million	2011/12			2012/13			2013/14			2014/15			2011/12 -	2014/15	
Transfers and subsidies	6 978.0	5 907.3	5 877.8	6 376.1	6 078.9	6 103.4	7 355.0	6 171.2	6 422.1	7 838.2	7 863.8	7 863.8	92.0%	100.9%	
Provinces and municipalities	—	—	—	—	—	—	—	—	—	0.1	0.1	0.1	100.0%	100.0%	
Departmental agencies and accounts	5 988.3	4 878.3	4 877.9	5 32.9	4 966.1	4 960.5	6 192.6	4 695.2	4 697.8	6 624.6	6 650.2	6 650.2	87.8%	100.0%	
Foreign governments and international organisations	—	—	—	—	—	—	—	299.1	303.3	—	—	—	—	101.4%	
Public corporations and private enterprises	820.9	867.3	890.7	914.8	974.9	1 028.7	1 021.3	1 032.3	1 337.0	1 096.3	1 096.3	1 096.3	113.0%	109.6%	
Non-profit institutions	6.3	6.3	6.3	6.2	6.2	7.0	6.9	6.9	7.7	7.7	7.7	7.7	105.6%	105.6%	
Households	162.5	155.4	102.8	127.3	131.6	107.2	134.3	137.6	76.3	109.6	109.6	109.6	74.2%	74.1%	
Payments for capital assets	348.6	351.1	977.5	622.2	630.3	1 877.7	680.5	745.3	1 265.5	521.9	521.9	521.9	213.6%	206.5%	
Buildings and other fixed structures	126.5	126.5	279.7	111.1	111.1	685.3	115.6	115.6	217.0	123.7	123.7	123.7	273.8%	273.8%	
Machinery and equipment	201.0	203.5	697.1	460.5	468.6	1 162.8	510.9	575.7	1 023.9	347.1	347.1	347.1	212.6%	202.6%	
Specialised military assets	20.7	20.7	—	49.5	49.5	22.6	40.5	40.5	22.0	45.3	45.3	45.3	57.6%	57.6%	
Biological assets	—	—	0.6	—	—	4.1	0.2	0.2	1.2	—	—	—	3630.1%	3630.1%	
Software and other intangible assets	0.5	0.5	0.1	1.0	1.0	3.0	13.4	13.4	1.5	5.9	5.9	5.9	50.0%	50.0%	
Payments for financial assets	—	—	238.7	337.7	148.1	136.4	—	153.6	26.7	—	—	—	119.0%	133.2%	
Total	34 605.0	34 349.1	34 331.4	37 493.0	37 888.5	37 702.2	40 243.3	40 658.2	40 447.5	42 831.2	42 856.9	42 856.9	100.1%	99.7%	

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	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18		
Programme 1	4 499.7	6.6%	10.6%	4 827.2	5 081.1	5 329.7	5.8%	10.7%	
Programme 2	3 487.0	14.4%	7.7%	3 603.2	3 761.2	3 928.6	4.1%	8.0%	
Programme 3	14 241.9	7.9%	32.9%	14 805.3	15 612.8	16 024.8	4.0%	32.9%	
Programme 4	7 176.6	4.1%	17.3%	7 049.2	6 804.2	8 223.9	4.6%	15.8%	
Programme 5	3 678.5	12.8%	8.0%	3 717.2	4 761.1	4 800.7	9.3%	9.2%	
Programme 6	3 849.1	5.9%	9.3%	3 932.9	4 179.1	4 535.7	5.6%	8.9%	
Programme 7	813.7	7.1%	1.9%	827.5	872.9	915.1	4.0%	1.9%	
Programme 8	5 110.5	7.2%	12.3%	5 817.0	6 046.3	6 355.2	7.5%	12.6%	
Total	42 856.9	7.7%	100.0%	44 579.4	47 118.7	50 113.5	5.4%	100.0%	
Change to 2014				(721.9)	(1 061.8)	(985.2)			
Budget estimate									
Economic classification									
Current payments	34 471.1	7.1%	79.8%	36 162.0	38 389.4	40 599.2	5.6%	81.0%	
Compensation of employees	22 476.2	8.6%	52.2%	24 595.0	26 239.7	27 725.6	7.2%	54.7%	
Goods and services	11 994.9	4.4%	27.7%	11 567.0	12 149.7	12 873.5	2.4%	26.3%	
of which:									
Computer services	1 050.7	-0.4%	2.5%	1 002.8	1 046.5	1 087.9	1.2%	2.3%	
Contractors	2 789.1	-12.7%	7.1%	2 705.8	2 805.0	2 718.4	-0.9%	6.0%	
Inventory: Food and food supplies	804.3	4.5%	2.0%	732.8	754.9	784.7	-0.8%	1.7%	
Inventory: Fuel, oil and gas	623.5	15.7%	1.5%	561.1	585.7	949.5	15.1%	1.5%	
Property payments	2 493.2	54.4%	5.1%	2 755.9	2 921.4	3 055.7	7.0%	6.1%	
Travel and subsistence	740.6	4.9%	2.0%	696.7	713.6	718.1	-1.0%	1.6%	

Table 19.3 Vote expenditure estimates by programme and economic classification

Economic classification		Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ total: Average (%)
	Revised estimate							
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Transfers and subsidies	7 863.8	10.0%	16.9%	7 830.5	8 220.1	9 000.5	4.6%	17.8%
Provinces and municipalities	0.1	—	—	—	—	—	-30.2%	—
Departmental agencies and accounts	6 650.2	10.9%	13.6%	6 687.8	7 068.1	7 612.2	4.6%	15.2%
Public corporations and private enterprises	1 096.3	8.1%	2.8%	1 025.9	1 021.7	1 265.5	4.9%	2.4%
Non-profit institutions	7.7	6.6%	—	8.0	8.4	8.8	4.8%	—
Households	109.6	-11.0%	0.3%	108.8	121.8	113.9	1.3%	0.2%
Payments for capital assets	521.9	14.1%	3.0%	586.9	509.2	513.9	-0.5%	1.2%
Buildings and other fixed structures	123.7	-0.7%	0.8%	122.6	128.2	134.7	2.9%	0.3%
Machinery and equipment	347.1	19.5%	2.1%	451.2	369.9	368.9	2.1%	0.8%
Specialised military assets	45.3	29.9%	0.1%	12.1	10.4	9.8	-40.0%	—
Software and other intangible assets	5.9	131.8%	—	1.0	0.6	0.5	-55.3%	—
Payments for financial assets	—	—	0.3%	—	—	—	—	—
Total	42 856.9	7.7%	100.0%	44 579.4	47 118.7	50 113.5	5.4%	100.0%

Personnel information

Table 19.4 Vote personnel numbers and cost by salary level and programme¹

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																			
Number of posts estimated for 31 March 2015		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 (%)	
		2013/14			2014/15			2015/16			2016/17			2017/18					2014/15 - 2017/18
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Defence and Military Veterans		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	77 605	–	78 714	21 332.7	0.3	77 605	22 476.2	0.3	79 445	24 595.0	0.3	80 342	6 239.7	0.3	81 108	27 725.6	0.3	1.5%	100.0%
1 – 6	51 870	–	53 568	9 517.9	0.2	53 011	10 201.2	0.2	53 907	11 031.9	0.2	54 798	11 974.0	0.2	55 760	12 813.9	0.2	1.7%	68.3%
7 – 10	23 831	–	23 385	8 197.1	0.4	22 853	8 598.4	0.4	23 771	9 616.0	0.4	23 783	10 255.3	0.4	23 594	10 736.0	0.5	1.1%	29.5%
11 – 12	1 453	–	1 378	929.1	0.7	1 351	977.1	0.7	1 393	1 076.3	0.8	1 389	1 150.5	0.8	1 383	1 214.9	0.9	0.8%	1.7%
13 – 16	449	–	381	376.5	1.0	388	408.4	1.1	371	407.7	1.1	368	434.0	1.2	367	459.2	1.3	-1.8%	0.5%
Other	2	–	2	2 312.1	1 156.1	2	2 291.1	1 145.5	4	2 463.0	6 15.8	4	2 425.9	606.5	4	2 501.6	625.4	26.0%	0.0%
Programme	77 605	–	78 714	21 332.7	0.3	77 605	22 476.2	0.3	79 445	24 595.0	0.3	80 342	26 239.7	0.3	81 108	27 725.6	0.3	1.5%	100.0%
Programme 1	4 082	–	3 970	1 397.8	0.4	4 082	1 571.0	0.4	4 234	1 703.5	0.4	4 278	1 829.2	0.4	4 283	1 927.8	0.5	1.6%	5.3%
Programme 2	1 919	–	1 969	1 590.2	0.8	1 919	1 709.2	0.9	2 063	1 842.0	0.9	2 094	1 958.4	0.9	2 111	2 044.4	1.0	3.2%	2.6%
Programme 3	39 332	–	40 121	9 164.8	0.2	39 332	9 874.6	0.3	40 599	10 288.0	0.3	41 242	11 045.6	0.3	41 980	11 803.8	0.3	2.2%	51.2%
Programme 4	10 898	–	10 815	2 955.3	0.3	10 898	2 983.2	0.3	10 414	3 202.7	0.3	10 105	3 362.2	0.3	9 724	3 448.2	0.4	-3.7%	12.9%
Programme 5	7 148	–	7 702	1 827.1	0.2	7 148	1 803.1	0.3	7 651	2 057.8	0.3	7 609	2 163.9	0.3	7 757	2 284.7	0.3	2.8%	9.5%
Programme 6	7 931	–	8 380	2 700.8	0.3	7 931	2 670.8	0.3	8 202	2 978.3	0.4	8 268	3 217.0	0.4	8 406	3 415.9	0.4	2.0%	10.3%
Programme 7	822	–	879	295.8	0.3	822	318.5	0.4	897	345.5	0.4	957	385.0	0.4	1 021	422.8	0.4	7.5%	1.2%
Programme 8	5 473	–	4 878	1 401.0	0.3	5 473	1 545.9	0.3	5 385	2 177.2	0.4	5 789	2 278.4	0.4	5 826	2 378.0	0.4	2.1%	7.1%

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

² Rand million.

Departmental receipts

Table 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 (%)
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
Departmental receipts	4 269 010	1 044 487	853 475	814 908	814 908	-42.4%	100.0%	818 166	859 075	875 438	2.4%	100.0%
Sales of goods and services produced by department	286 108	304 877	351 023	300 035	300 035	1.6%	17.8%	272 246	285 858	291 303	-1.0%	34.1%
Administrative fees	21	17	19	—	—	-100.0%	—	—	—	—	—	—
of which:												
Administrative fees	21	17	19	—	—	-100.0%	—	—	—	—	—	—
Other sales	286 087	304 860	351 004	300 035	300 035	1.6%	17.8%	272 246	285 858	291 303	-1.0%	34.1%
of which:												
Services rendered	213 412	—	—	248 943	248 943	5.3%	6.6%	264 129	277 335	282 618	4.3%	31.9%
Sale of goods	3 923	304 860	351 004	2 824	2 824	-10.4%	9.5%	2 996	3 146	3 206	4.3%	0.4%
Rental of capital assets	68 752	—	—	48 268	48 268	-11.1%	1.7%	5 121	5 377	5 479	-51.6%	1.9%
Sales of scrap, waste, arms and other used current goods	6 102	2 295	1 658	19 026	19 026	46.1%	0.4%	20 186	21 196	21 599	4.3%	2.4%
of which:												
Sales: Scrap	2 600	2 295	1 658	18 975	18 975	94.0%	0.4%	20 132	21 139	21 541	4.3%	2.4%
Military equipment sold	3 502	—	—	51	51	-75.6%	0.1%	54	57	58	4.4%	—
Transfers received	360 206	570 322	418 008	174 508	174 508	-21.5%	21.8%	185 153	194 411	198 114	4.3%	22.3%
Fines, penalties and forfeits	894	1 297	1 225	3 851	3 851	62.7%	0.1%	4 086	4 290	4 372	4.3%	0.5%
Interest, dividends and rent on land	162 779	36 776	2 877	2 635	2 635	-74.7%	2.9%	2 796	2 936	2 992	4.3%	0.3%
Interest	162 779	36 776	2 877	2 635	2 635	-74.7%	2.9%	2 796	2 936	2 992	4.3%	0.3%
Sales of capital assets	78 919	64 220	24 904	56 125	56 125	-10.7%	3.2%	59 549	62 526	63 717	4.3%	7.2%
Transactions in financial assets and liabilities	3 374 002	64 700	53 780	258 728	258 728	-57.5%	53.7%	274 150	287 858	293 341	4.3%	33.1%
Total	4 269 010	1 044 487	853 475	814 908	814 908	-42.4%	100.0%	818 166	859 075	875 438	2.4%	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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Ministry	124.2	93.3	86.9	77.4	-14.6%	2.3%	69.7	73.3	76.2	-0.5%	1.5%
Departmental Direction	40.1	49.5	50.0	62.4	15.9%	1.2%	53.6	53.9	58.6	-2.0%	1.2%
Policy and Planning	75.7	94.8	84.3	98.0	9.0%	2.1%	113.6	119.5	125.0	8.5%	2.3%
Financial Services	264.3	276.6	285.0	316.8	6.2%	6.9%	323.0	342.2	357.6	4.1%	6.8%
Human Resources Support Services	587.0	608.6	652.2	700.8	6.1%	15.4%	706.9	747.2	780.6	3.7%	14.9%
Legal Services	168.6	208.4	242.6	271.8	17.2%	5.4%	287.3	304.4	318.3	5.4%	6.0%
Inspection Services	68.5	74.7	82.9	116.6	19.4%	2.1%	139.8	146.3	151.8	9.2%	2.8%
Acquisition Services	47.9	54.3	46.5	49.8	1.3%	1.2%	64.1	66.4	70.1	12.1%	1.3%
Communication Services	29.9	32.6	49.8	40.0	10.2%	0.9%	41.0	43.0	44.9	3.9%	0.9%
South African National Defence Force Command and Control	107.8	152.9	136.6	142.3	9.7%	3.3%	147.8	156.5	163.7	4.8%	3.1%
Religious Services	9.7	11.3	11.4	12.6	9.1%	0.3%	13.2	13.9	14.5	5.0%	0.3%
Defence Reserve Direction	22.8	17.5	23.2	25.2	3.4%	0.5%	26.2	27.6	28.9	4.7%	0.5%
Defence Foreign Relations	159.7	150.4	227.3	212.4	10.0%	4.5%	216.5	228.1	238.9	4.0%	4.5%
Office Accommodation	2 020.9	1 859.6	2 180.7	1 869.3	-2.6%	47.9%	2 042.2	2 161.3	2 268.7	6.7%	42.3%
Military Veterans Management	20.0	97.0	351.4	504.2	193.3%	5.9%	582.2	597.6	631.7	7.8%	11.7%
Total	3 747.1	3 781.6	4 511.0	4 499.7	6.3%	100.0%	4 827.2	5 081.1	5 329.7	5.8%	100.0%
Change to 2014 Budget estimate				(366.9)			(360.7)	(397.1)	(463.5)		

Table 19.6 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome			2014/15				2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Current payments	3 652.9	3 573.3	4 060.7	3 921.7	2.4%	92.0%	4 187.4	4 423.7	4 633.3	5.7%	87.0%
Compensation of employees	1 179.0	1 274.5	1 397.8	1 571.0	10.0%	32.8%	1 703.5	1 829.2	1 927.8	7.1%	35.6%
Goods and services	2 473.9	2 298.8	2 662.9	2 350.7	-1.7%	59.2%	2 483.9	2 594.5	2 705.6	4.8%	51.3%
of which:											
Computer services	90.1	74.1	76.4	88.0	-0.8%	2.0%	99.4	95.1	94.1	2.2%	1.9%
Operating leases	213.1	270.5	310.9	302.0	12.3%	6.6%	301.3	315.0	328.6	2.9%	6.3%
Property payments	731.6	1 658.0	1 924.5	1 644.0	31.0%	36.0%	1 791.8	1 898.8	1 989.4	6.6%	37.1%
Travel and subsistence	110.5	119.1	119.6	125.8	4.4%	2.9%	100.1	103.5	105.1	-5.8%	2.2%
Training and development	13.9	32.0	27.9	35.9	37.3%	0.7%	33.3	32.8	33.8	-2.1%	0.7%
Operating payments	71.7	33.0	31.6	22.6	-32.0%	1.0%	24.9	22.9	25.0	3.5%	0.5%
Transfers and subsidies	32.8	134.8	387.3	546.6	155.3%	6.7%	623.8	643.3	681.0	7.6%	12.6%
Departmental agencies and accounts	15.3	114.1	370.4	526.9	225.5%	6.2%	604.4	618.4	652.9	7.4%	12.2%
Public corporations and private enterprises	–	–	0.5	–	–	–	–	–	–	–	–
Non-profit institutions	5.9	6.2	6.9	6.9	5.0%	0.2%	7.2	7.6	7.9	5.0%	0.1%
Households	11.6	14.4	9.6	12.7	3.0%	0.3%	12.3	17.3	20.2	16.6%	0.3%
Payments for capital assets	34.0	38.3	43.1	31.4	-2.7%	0.9%	15.9	14.1	15.3	-21.2%	0.4%
Machinery and equipment	34.0	38.3	43.1	31.3	-2.7%	0.9%	15.9	14.1	15.3	-21.2%	0.4%
Payments for financial assets	27.4	35.2	19.9	–	-100.0%	0.5%	–	–	–	–	–
Total	3 747.1	3 781.6	4 511.0	4 499.7	6.3%	100.0%	4 827.2	5 081.1	5 329.7	5.8%	100.0%
Proportion of total programme expenditure to vote expenditure	10.9%	10.0%	11.2%	10.5%	–	–	10.8%	10.8%	10.6%	–	–
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	11.6	14.4	9.1	12.7	3.0%	0.3%	12.3	17.3	20.2	16.6%	0.3%
Employee social benefits	11.6	14.4	9.1	12.7	3.0%	0.3%	12.3	17.3	20.2	16.6%	0.3%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	15.3	114.1	370.4	526.9	225.5%	6.2%	604.4	618.4	652.9	7.4%	12.2%
Communication	–	–	–	0.2	–	–	0.1	0.1	0.1	-20.6%	–
Safety and Security Sector Education and Training Authority	15.3	17.2	18.9	22.6	13.9%	0.4%	22.1	20.7	21.1	-2.3%	0.4%
Department of Military Veterans	–	97.0	351.4	504.2	–	5.8%	582.2	597.6	631.7	7.8%	11.7%
Non-profit institutions											
Current	5.9	6.2	6.9	6.9	5.0%	0.2%	7.2	7.6	7.9	5.0%	0.1%
Reserve Force Council	5.9	6.2	6.5	6.9	5.0%	0.2%	7.2	7.6	7.9	5.0%	0.1%
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 over the medium term by:
 - providing and employing a special operations capability in accordance with national requirements
 - ensuring full participation in the number of peace missions, as instructed by the president
 - conducting 15 joint, interdepartmental, interagency and multinational military force preparation exercises from 2015/16 to 2017/18, excluding special forces exercises
 - 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.
- *Defence Capability Management* provides for the planning and control of joint, interdepartmental, interagency and multinational military force preparation exercises; development of the joint force employment command and control plan; and capability development management.

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 (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
Strategic Direction	92.5	100.3	105.5	116.0	7.8%	3.5%	143.3	147.7	150.3	9.0%	3.8%
Operational Direction	236.5	258.1	253.0	274.9	5.1%	8.5%	299.9	321.8	334.6	6.8%	8.3%
Special Operations	576.1	605.0	666.5	653.8	4.3%	20.9%	750.2	786.6	827.2	8.2%	20.4%
Regional Security	1 033.8	1 147.5	1 608.6	1 488.9	12.9%	44.1%	1 405.8	1 495.6	1 597.9	2.4%	40.5%
Support to the People	399.2	652.8	698.8	934.1	32.8%	22.4%	982.3	987.7	995.8	2.2%	26.4%
Defence Capability Management	20.5	17.3	14.3	19.3	-2.0%	0.6%	21.7	21.7	22.9	5.8%	0.6%
Total	2 358.5	2 781.0	3 346.7	3 487.0	13.9%	100.0%	3 603.2	3 761.2	3 928.6	4.1%	100.0%
Change to 2014				50.0			(53.2)	(94.1)	(155.5)		
Budget estimate											
Economic classification											
Current payments	2 037.2	2 404.9	2 938.7	3 007.9	13.9%	86.8%	3 089.4	3 281.2	3 429.5	4.5%	86.7%
Compensation of employees	1 184.0	1 483.0	1 590.2	1 709.2	13.0%	49.8%	1 842.0	1 958.4	2 044.4	6.2%	51.1%
Goods and services	853.2	922.0	1 348.6	1 298.7	15.0%	36.9%	1 247.4	1 322.8	1 385.1	2.2%	35.5%
of which:											
Contractors	151.9	139.6	138.8	461.6	44.8%	7.5%	369.3	354.1	330.9	-10.5%	10.3%
Fleet services (including government motor transport)	—	20.2	33.6	24.0	—	0.6%	38.1	39.2	40.7	19.2%	1.0%
Inventory: Food and food supplies	81.2	102.4	118.5	97.6	6.3%	3.3%	120.2	127.1	134.6	11.3%	3.2%
Inventory: Fuel, oil and gas	30.7	40.8	66.3	105.8	51.0%	2.0%	51.0	50.8	58.5	-17.9%	1.8%
Travel and subsistence	179.7	238.9	200.2	238.6	9.9%	7.2%	207.5	208.5	209.7	-4.2%	5.8%
Operating payments	85.1	79.9	262.1	201.3	33.2%	5.2%	252.3	340.1	376.7	23.2%	7.9%
Transfers and subsidies	202.8	166.1	163.6	293.4	13.1%	6.9%	245.8	250.7	259.7	-4.0%	7.1%
Departmental agencies and accounts	186.9	150.6	149.1	277.7	14.1%	6.4%	230.2	233.9	241.5	-4.5%	6.7%
Public corporations and private enterprises	11.7	12.6	9.0	8.0	-11.8%	0.3%	12.0	12.6	13.2	18.2%	0.3%
Households	4.2	2.9	5.5	7.7	22.1%	0.2%	3.7	4.3	4.9	-14.0%	0.1%
Payments for capital assets	118.5	209.8	244.2	185.6	16.1%	6.3%	267.9	229.3	239.4	8.9%	6.2%
Buildings and other fixed structures	3.2	39.8	11.7	0.8	-37.8%	0.5%	4.9	5.1	5.4	92.1%	0.1%
Machinery and equipment	115.3	170.0	231.5	183.8	16.8%	5.9%	262.1	223.1	232.9	8.2%	6.1%
Specialised military assets	—	0.1	1.0	1.1	—	—	1.0	1.0	1.1	0.9%	—
Payments for financial assets	0.0	0.1	0.1	—	-100.0%	—	—	—	—	—	—
Total	2 358.5	2 781.0	3 346.7	3 487.0	13.9%	100.0%	3 603.2	3 761.2	3 928.6	4.1%	100.0%
Proportion of total programme expenditure to vote expenditure	6.9%	7.4%	8.3%	8.1%	—	—	8.1%	8.0%	7.8%	—	—

Table 19.7 Force Employment expenditure trends and estimates by subprogramme and economic classification

Details of transfers and subsidies				Adjusted appropriation	Average growth rate (%)		Expenditure/ Total: Average (%)			Medium-term expenditure estimate			Average growth rate (%)		Expenditure/ Total: Average (%)	
Audited outcome					2014/15	2011/12	2014/15	2015/16	2016/17	2017/18	2014/15	2017/18				
R million	2011/12	2012/13	2013/14	2014/15	2011/12	2014/15	2015/16	2016/17	2017/18	2014/15	2017/18					
Households																
Social benefits																
Current	4.2	2.9	5.5	7.7	22.1%	0.2%	3.7	4.3	4.9	-14.0%	0.1%					
Employee social benefits	4.2	2.9	5.5	7.7	22.1%	0.2%	3.7	4.3	4.9	-14.0%	0.1%					
Departmental agencies and accounts																
Departmental agencies (non-business entities)																
Current	186.9	150.6	149.1	277.7	14.1%	6.4%	230.2	233.9	241.5	-4.5%	6.7%					
Communication	—	—	—	0.9	—	—	—	—	—	-79.0%	—					
Special defence account	186.9	150.6	149.1	276.9	14.0%	6.4%	230.2	233.9	241.5	-4.4%	6.6%					
Public corporations and private enterprises																
Public corporations																
Other transfers to public corporations																
Current	11.7	12.6	9.0	8.0	-11.8%	0.3%	12.0	12.6	13.2	18.2%	0.3%					
Armaments Corporation of South Africa	11.7	12.6	9.0	8.0	-11.8%	0.3%	12.0	12.6	13.2	18.2%	0.3%					

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 medium term by:
 - providing 1 infantry capability, including 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 (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Strategic Direction	351.4	372.0	420.4	401.6	4.5%	3.0%	366.8	379.4	385.7	-1.3%	2.5%
Infantry Capability	3 360.8	3 826.3	4 759.7	5 340.3	16.7%	33.8%	5 816.4	6 299.3	5 766.5	2.6%	38.3%
Armour Capability	305.8	346.8	356.8	392.6	8.7%	2.7%	398.6	439.4	476.9	6.7%	2.8%
Artillery Capability	374.9	481.5	383.2	445.6	5.9%	3.3%	527.5	518.7	698.7	16.2%	3.6%
Air Defence Artillery Capability	378.0	590.9	425.1	492.2	9.2%	3.7%	580.5	511.8	857.1	20.3%	4.0%
Engineering Capability	509.0	564.0	587.2	634.3	7.6%	4.5%	642.9	692.8	748.7	5.7%	4.5%
Operational Intelligence	178.7	233.9	176.8	193.8	2.7%	1.5%	218.7	257.6	295.2	15.1%	1.6%
Command and Control Capability	141.0	158.7	168.7	180.7	8.6%	1.3%	198.1	216.1	226.3	7.8%	1.4%
Support Capability	4 176.7	4 415.5	4 858.2	4 634.3	3.5%	35.3%	4 414.6	4 561.5	4 735.3	0.7%	30.2%
General Training Capability	323.3	347.6	391.0	406.6	8.0%	2.9%	504.7	531.4	555.7	11.0%	3.3%
Signal Capability	862.7	1 030.6	1 072.1	1 119.8	9.1%	8.0%	1 136.7	1 204.9	1 278.6	4.5%	7.8%
Total	10 962.2	12 367.9	13 599.1	14 241.9	9.1%	100.0%	14 805.3	15 612.8	16 024.8	4.0%	100.0%
Change to 2014 Budget estimate				387.0			(47.3)	(27.3)	(620.8)		
Current payments	8 867.2	9 762.5	10 809.5	11 921.3	10.4%	80.8%	12 248.9	13 006.0	13 737.4	4.8%	83.9%
Compensation of employees	7 538.0	8 387.3	9 164.8	9 874.6	9.4%	68.3%	10 288.0	11 045.6	11 803.8	6.1%	70.9%
Goods and services	1 329.2	1 375.2	1 644.7	2 046.8	15.5%	12.5%	1 960.9	1 960.4	1 933.5	-1.9%	13.0%
of which:											
Computer services	76.3	72.0	71.1	81.2	2.1%	0.6%	77.6	77.4	79.2	-0.8%	0.5%
Contractors	213.8	174.4	249.6	437.1	26.9%	2.1%	542.6	516.1	419.5	-1.4%	3.2%
Inventory: Clothing material and accessories	—	—	—	141.6	—	0.3%	116.3	114.3	66.7	-22.2%	0.7%
Inventory: Food and food supplies	383.0	385.0	481.4	426.0	3.6%	3.3%	402.4	414.9	435.0	0.7%	2.8%
Inventory: Fuel, oil and gas	118.1	139.0	193.6	196.0	18.4%	1.3%	198.6	209.4	230.9	5.6%	1.4%
Travel and subsistence	178.8	193.6	278.7	190.4	2.1%	1.6%	166.5	169.5	161.8	-5.3%	1.1%
Transfers and subsidies	1 795.9	2 045.5	2 474.0	2 232.9	7.5%	16.7%	2 517.9	2 570.7	2 267.4	0.5%	15.8%
Departmental agencies and accounts	1 710.7	1 955.3	2 391.5	2 158.6	8.1%	16.1%	2 450.0	2 510.9	2 208.1	0.8%	15.4%
Public corporations and private enterprises	51.3	53.6	54.5	49.7	-1.0%	0.4%	33.1	25.1	25.1	-20.4%	0.2%
Households	34.0	36.6	28.0	24.6	-10.2%	0.2%	34.7	34.7	34.2	11.6%	0.2%
Payments for capital assets	295.1	557.1	312.1	87.6	-33.3%	2.4%	38.5	36.2	20.0	-38.9%	0.3%
Buildings and other fixed structures	1.8	1.0	0.3	—	-100.0%	—	0.1	0.1	—	—	—
Machinery and equipment	292.7	531.5	291.2	67.6	-38.6%	2.3%	34.6	33.3	17.9	-35.7%	0.3%
Specialised military assets	—	20.6	19.4	20.0	—	0.1%	3.8	2.8	2.1	-53.1%	—
Biological assets	0.6	4.0	1.2	—	-100.0%	—	—	—	—	—	—
Payments for financial assets	4.0	2.9	3.6	—	-100.0%	—	—	—	—	—	—
Total	10 962.2	12 367.9	13 599.1	14 241.9	9.1%	100.0%	14 805.3	15 612.8	16 024.8	4.0%	100.0%
Proportion of total programme expenditure to vote expenditure	31.9%	32.8%	33.6%	33.2%	—	—	33.2%	33.1%	32.0%	—	—

Table 19.8 Landward Defence 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											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Households											
Social benefits											
Current	34.0	36.6	24.3	24.6	-10.2%	0.2%	34.7	34.7	34.2	11.6%	0.2%
Employee social benefits	34.0	36.6	24.3	24.6	-10.2%	0.2%	34.7	34.7	34.2	11.6%	0.2%
Households											
Other transfers to households											
Current	-	-	3.7	-	-	-	-	-	-	-	-
Claims against the state	-	-	3.7	-	-	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 710.7	1 955.3	2 391.5	2 158.6	8.1%	16.1%	2 450.0	2 510.9	2 208.1	0.8%	15.4%
Communication	-	-	-	0.2	-	-	0.1	0.1	0.1	-28.0%	-
Special defence account	1 710.7	1 955.3	2 391.5	2 158.4	8.1%	16.1%	2 449.9	2 510.8	2 208.0	0.8%	15.4%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	51.3	53.6	54.4	49.7	-1.0%	0.4%	33.1	25.1	25.1	-20.4%	0.2%
Armaments Corporation of South Africa	51.3	53.6	54.4	49.7	-1.0%	0.4%	33.1	25.1	25.1	-20.4%	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 over the medium term by providing:
 - 4 helicopter squadrons and 1 combat support helicopter squadron per year
 - 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
 - 1 air combat squadron per year
 - 24-hour air command and control capability.

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 (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Strategic Direction	14.2	19.6	16.8	16.7	5.4%	0.3%	16.8	17.5	17.9	2.4%	0.2%
Operational Direction	209.7	236.7	247.9	137.3	-13.2%	3.1%	177.7	160.8	214.8	16.1%	2.4%
Helicopter Capability	895.7	872.4	996.3	737.0	-6.3%	13.1%	801.5	880.2	874.7	5.9%	11.3%
Transport and Maritime Capability	555.3	551.9	485.4	1 861.1	49.7%	12.9%	794.9	706.6	949.5	-20.1%	14.7%
Air Combat Capability	1 352.2	1 594.1	909.9	1 158.3	-5.0%	18.7%	1 437.2	1 111.9	1 669.8	13.0%	18.4%
Operational Support and Intelligence Capability	320.4	463.4	312.6	265.4	-6.1%	5.1%	284.7	303.4	311.7	5.5%	4.0%
Command and Control Capability	375.9	470.2	343.1	442.5	5.6%	6.1%	901.5	891.4	1 272.6	42.2%	12.0%
Base Support Capability	1 494.9	1 664.5	1 724.0	1 785.3	6.1%	24.9%	1 735.3	1 796.9	1 949.6	3.0%	24.8%
Command Post	16.4	51.1	30.9	50.6	45.6%	0.6%	54.8	58.0	60.0	5.8%	0.8%
Training Capability	450.7	213.2	206.4	206.8	-22.9%	4.0%	184.4	189.3	203.4	-0.5%	2.7%
Technical Support Services	842.3	937.7	758.2	515.5	-15.1%	11.4%	660.4	688.1	699.8	10.7%	8.8%
Total	6 527.7	7 074.9	6 031.5	7 176.6	3.2%	100.0%	7 049.2	6 804.2	8 223.9	4.6%	100.0%
Change to 2014 Budget estimate				9.7			(379.6)	(405.5)	588.9		
Economic classification											
Current payments	4 599.3	5 127.7	5 116.0	5 034.0	3.1%	74.1%	5 144.5	5 548.8	5 889.3	5.4%	73.9%
Compensation of employees	2 497.1	2 791.0	2 955.3	2 983.2	6.1%	41.9%	3 202.7	3 362.2	3 448.2	4.9%	44.4%
Goods and services	2 102.1	2 336.7	2 160.7	2 050.8	-0.8%	32.3%	1 941.8	2 186.6	2 441.1	6.0%	29.5%
of which:											
Computer services	39.7	32.4	31.3	61.6	15.7%	0.6%	47.2	48.5	49.0	-7.3%	0.7%
Contractors	1 130.4	1 301.8	1 532.3	1 215.9	2.5%	19.3%	1 303.0	1 413.2	1 432.7	5.6%	18.3%
Inventory: Fuel, oil and gas	193.3	221.6	240.9	211.3	3.0%	3.2%	166.1	185.4	427.1	26.4%	3.4%
Travel and subsistence	134.4	80.0	88.2	24.3	-43.5%	1.2%	55.8	59.8	63.7	37.9%	0.7%
Training and development	43.7	36.0	29.6	19.2	-24.0%	0.5%	51.4	54.9	53.9	41.1%	0.6%
Operating payments	183.5	106.3	136.9	180.9	-0.5%	2.3%	173.2	272.8	257.8	12.5%	3.0%
Transfers and subsidies	1 869.6	1 781.0	815.7	2 138.8	4.6%	24.6%	1 855.1	1 229.8	2 307.8	2.6%	25.7%
Departmental agencies and accounts	1 852.6	1 765.5	806.1	2 121.2	4.6%	24.4%	1 837.6	1 213.6	2 289.2	2.6%	25.5%
Public corporations and private enterprises	2.9	2.3	-	-	-100.0%	-	-	-	-	-	-
Households	14.2	13.2	9.5	17.6	7.6%	0.2%	17.4	16.2	18.5	1.7%	0.2%
Payments for capital assets	58.4	165.4	99.1	3.8	-59.7%	1.2%	49.6	25.6	26.8	91.5%	0.4%
Buildings and other fixed structures	0.1	0.1	0.6	-	-100.0%	-	-	-	-	-	-
Machinery and equipment	58.3	164.1	97.0	3.8	-59.7%	1.2%	43.0	19.0	20.2	74.3%	0.3%
Specialised military assets	-	1.3	1.6	-	-	-	6.6	6.6	6.6	-	0.1%
Payments for financial assets	0.4	0.9	0.7	-	-100.0%	-	-	-	-	-	-
Total	6 527.7	7 074.9	6 031.5	7 176.6	3.2%	100.0%	7 049.2	6 804.2	8 223.9	4.6%	100.0%
Proportion of total programme expenditure to vote expenditure	19.0%	18.8%	14.9%	16.7%			15.8%	14.4%	16.4%		
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	14.2	13.2	9.5	17.6	7.6%	0.2%	17.4	16.2	18.5	1.7%	0.2%
Employee social benefits	14.2	13.2	9.5	17.6	7.6%	0.2%	17.4	16.2	18.5	1.7%	0.2%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 852.6	1 765.5	806.1	2 121.2	4.6%	24.4%	1 837.6	1 213.6	2 289.2	2.6%	25.5%
Communication	-	-	-	-	-	-	-	-	-	-100.0%	-
Special defence account	1 852.6	1 765.5	806.1	2 121.1	4.6%	24.4%	1 837.6	1 213.6	2 289.2	2.6%	25.5%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	2.9	2.3	-	-	-100.0%	-	-	-	-	-	-
Armaments Corporation of South Africa	2.9	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 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 (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Maritime Direction	445.5	467.2	488.8	520.8	5.3%	15.5%	537.7	546.3	562.3	2.6%	12.8%
Maritime Combat Capability	559.8	558.3	585.1	1 200.9	29.0%	23.5%	1 252.5	2 155.4	1 974.8	18.0%	38.8%
Maritime Logistic Support Capability	762.1	989.0	1 137.0	989.3	9.1%	31.3%	851.8	927.7	1 069.2	2.6%	22.6%
Maritime Human Resources and Training Capability	304.1	316.3	397.1	383.6	8.1%	11.3%	460.7	486.7	517.2	10.5%	10.9%
Base Support Capability	503.2	564.2	618.4	583.9	5.1%	18.3%	614.6	644.9	677.2	5.1%	14.9%
Total	2 574.7	2 894.9	3 226.4	3 678.5	12.6%	100.0%	3 717.2	4 761.1	4 800.7	9.3%	100.0%
Change to 2014							(37.5)	(166.4)	(414.0)		
Budget estimate											
Economic classification	2 095.6	2 413.4	2 663.1	2 784.0	9.9%	80.5%	2 816.6	2 967.9	3 206.7	4.8%	69.4%
Current payments											
Compensation of employees	1 517.3	1 672.5	1 827.1	1 803.1	5.9%	55.1%	2 057.8	2 163.9	2 284.7	8.2%	49.0%
Goods and services	578.3	740.9	836.1	980.9	19.3%	25.3%	758.9	804.0	921.9	-2.0%	20.4%
of which:											
Contractors	207.8	308.0	497.0	363.5	20.5%	11.1%	262.7	283.9	269.9	-9.4%	7.0%
Inventory: Food and food supplies	54.8	66.6	49.3	81.3	14.1%	2.0%	91.4	94.2	98.0	6.4%	2.2%
Inventory: Fuel, oil and gas	74.5	82.7	92.5	59.9	-7.0%	2.5%	81.4	80.9	172.2	42.2%	2.3%
Inventory: Other supplies	81.3	75.0	79.7	145.7	21.5%	3.1%	59.2	53.6	78.2	-18.7%	2.0%
Property payments	8.4	17.4	29.9	36.4	62.9%	0.7%	37.5	52.5	54.1	14.1%	1.1%
Operating payments	57.0	21.2	2.8	97.6	19.7%	1.4%	60.4	53.3	60.3	-14.8%	1.6%

Table 19.10 Maritime Defence expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
Transfers and subsidies	443.6	417.2	475.2	873.7	25.4%	17.9%	878.1	1 775.2	1 573.0	21.7%	30.1%
Departmental agencies and accounts	231.2	104.1	167.7	648.9	41.1%	9.3%	633.5	1 522.8	1 315.6	26.6%	24.3%
Public corporations and private enterprises	194.0	294.1	301.4	208.6	2.4%	8.1%	219.9	231.8	244.3	5.4%	5.3%
Households	18.4	19.0	6.1	16.2	-4.2%	0.5%	24.6	20.6	13.2	-6.6%	0.4%
Payments for capital assets	35.2	63.9	86.9	20.8	-16.1%	1.7%	22.5	18.0	21.0	0.3%	0.5%
Buildings and other fixed structures	8.9	13.9	3.5	13.0	13.6%	0.3%	2.0	2.3	2.6	-41.5%	0.1%
Machinery and equipment	26.4	49.6	83.4	7.2	-35.1%	1.3%	20.4	15.5	18.3	36.3%	0.4%
Specialised military assets	–	–	–	0.3	–	–	–	–	–	-100.0%	–
Software and other intangible assets	–	0.3	–	0.3	152.8%	–	0.2	0.2	0.2	-22.6%	–
Payments for financial assets	0.3	0.4	1.1	–	-100.0%	–	–	–	–	–	–
Total	2 574.7	2 894.9	3 226.4	3 678.5	12.6%	100.0%	3 717.2	4 761.1	4 800.7	9.3%	100.0%
Proportion of total programme expenditure to vote expenditure	7.5%	7.7%	8.0%	8.6%	–	–	8.3%	10.1%	9.6%	–	–
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	18.4	19.0	6.1	16.2	-4.2%	0.5%	24.6	20.6	13.2	-6.6%	0.4%
Employee social benefits	18.4	19.0	6.1	16.2	-4.2%	0.5%	24.6	20.6	13.2	-6.6%	0.4%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	231.2	104.1	167.7	648.9	41.1%	9.3%	633.5	1 522.8	1 315.6	26.6%	24.3%
Special defence account	231.2	104.1	167.7	648.9	41.1%	9.3%	633.5	1 522.8	1 315.6	26.6%	24.3%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	194.0	294.1	301.4	208.6	2.4%	8.1%	219.9	231.8	244.3	5.4%	5.3%
Armaments Corporation of South Africa	194.0	294.1	301.4	208.6	2.4%	8.1%	219.9	231.8	244.3	5.4%	5.3%

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:
 - a health support capability of 5 medical battalion groups, including accompanying field hospitals, and 1 specialist medical battalion group for deployed and contingency forces
 - 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 (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
Strategic Direction	225.7	203.2	207.5	178.3	-7.6%	5.6%	172.6	182.7	192.6	2.6%	4.4%
Mobile Military Health Support	97.5	105.3	109.4	118.9	6.8%	3.0%	117.6	123.4	190.5	17.0%	3.3%
Area Military Health Service	1 039.7	1 143.9	1 262.3	1 258.1	6.6%	32.6%	1 383.2	1 490.7	1 655.7	9.6%	35.1%
Specialist/Tertiary Health Service	1 134.7	1 215.1	1 273.5	1 410.2	7.5%	34.9%	1 399.3	1 471.3	1 518.2	2.5%	35.2%
Military Health Product Support Capability	256.1	198.1	236.3	247.7	-1.1%	6.5%	186.7	208.3	218.6	-4.1%	5.2%
Military Health Maintenance Capability	269.7	261.5	280.8	248.4	-2.7%	7.3%	256.6	258.4	260.7	1.6%	6.2%
Military Health Training Capability	376.7	332.8	363.7	387.3	0.9%	10.1%	417.0	444.2	499.3	8.8%	10.6%
Total	3 400.1	3 459.9	3 733.6	3 849.1	4.2%	100.0%	3 932.9	4 179.1	4 535.7	5.6%	100.0%
Change to 2014							(126.4)	(146.0)	(65.0)		
Budget estimate											
Current payments	3 292.9	3 360.6	3 615.9	3 791.5	4.8%	97.4%	3 899.1	4 168.1	4 464.7	5.6%	98.9%
Compensation of employees	2 324.8	2 546.6	2 700.8	2 670.8	4.7%	70.9%	2 978.3	3 217.0	3 415.9	8.5%	74.5%
Goods and services	968.2	814.0	915.1	1 120.7	5.0%	26.4%	920.8	951.1	1 048.8	-2.2%	24.5%
of which:											
Computer services	32.1	40.9	34.8	51.2	16.9%	1.1%	49.4	58.3	62.0	6.5%	1.3%
Contractors	439.5	50.7	55.1	147.2	-30.6%	4.8%	87.7	91.0	94.8	-13.6%	2.5%
Agency and support/outourced services	29.4	221.0	286.6	274.2	110.4%	5.6%	311.4	319.2	322.2	5.5%	7.4%
Inventory: Medical supplies	78.2	76.1	85.7	95.0	6.7%	2.3%	71.7	97.0	202.5	28.7%	2.8%
Inventory: Medicine	142.4	189.8	186.5	163.3	4.7%	4.7%	126.2	112.5	93.4	-17.0%	3.0%
Travel and subsistence	43.4	43.1	53.7	46.9	2.6%	1.3%	47.7	51.7	54.1	4.9%	1.2%
Transfers and subsidies	16.3	14.7	11.5	29.5	21.9%	0.5%	7.7	10.9	71.0	33.9%	0.7%
Departmental agencies and accounts	7.1	4.4	2.9	15.5	29.4%	0.2%	6.7	5.0	67.1	63.1%	0.6%
Non-profit institutions	0.4	0.8	0.8	0.8	26.0%	-	0.8	0.8	0.9	3.3%	-
Households	8.8	9.5	7.7	13.3	14.8%	0.3%	0.2	5.1	3.0	-39.0%	0.1%
Payments for capital assets	89.3	83.2	105.5	28.0	-32.0%	2.1%	26.1	0.1	-	-100.0%	0.3%
Buildings and other fixed structures	-	-	-	0.5	-	-	0.6	-	-	-100.0%	-
Machinery and equipment	89.2	80.1	105.4	23.4	-36.0%	2.1%	24.7	0.1	-	-100.0%	0.3%
Specialised military assets	-	0.7	-	0.9	-	-	0.8	-	-	-100.0%	-
Software and other intangible assets	-	2.3	-	3.2	-	-	-	-	-	-100.0%	-
Payments for financial assets	1.6	1.4	0.8	-	-100.0%	-	-	-	-	-	-
Total	3 400.1	3 459.9	3 733.6	3 849.1	4.2%	100.0%	3 932.9	4 179.1	4 535.7	5.6%	100.0%
Proportion of total programme expenditure to vote expenditure	9.9%	9.2%	9.2%	9.0%	-	-	8.8%	8.9%	9.1%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	8.8	9.5	7.1	13.3	14.8%	0.3%	0.2	5.1	3.0	-39.0%	0.1%
Employee social benefits	8.8	9.5	7.1	13.3	14.8%	0.3%	0.2	5.1	3.0	-39.0%	0.1%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	7.1	4.4	2.9	15.5	29.4%	0.2%	6.7	5.0	67.1	63.1%	0.6%
Communication	-	-	1.8	0.1	-	-	-	-	-	-100.0%	-
Special defence account	7.1	4.4	1.2	15.4	29.1%	0.2%	6.7	5.0	67.1	63.4%	0.6%
Non-profit institutions											
Current	0.4	0.8	0.8	0.8	26.0%	-	0.8	0.8	0.9	3.3%	-
St Johns Ambulance Brigade	0.4	0.8	0.8	0.8	26.0%	-	0.8	0.8	0.9	3.3%	-

Programme 7: Defence Intelligence

Programme purpose

Provide defence intelligence and counterintelligence capability.

Objectives

- Ensure prepared and supported intelligence services by providing:

- an intelligence capability
- a counter intelligence 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 (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18		
R million											
Strategic Direction	0.1	–	–	0.1	-12.0%	–	0.1	0.1	0.1	-0.4%	–
Operations	407.4	420.9	457.8	473.6	5.1%	59.7%	459.7	462.5	466.6	-0.5%	54.3%
Defence Intelligence Support Services	245.6	284.2	316.9	340.1	11.5%	40.3%	367.7	410.3	448.4	9.7%	45.7%
Total	653.1	705.1	774.7	813.7	7.6%	100.0%	827.5	872.9	915.1	4.0%	100.0%
Change to 2014 Budget estimate				21.6			(1.3)	(1.9)	(10.0)		
Economic classification											
Current payments	239.9	275.6	324.2	350.2	13.4%	40.4%	377.3	419.5	457.7	9.3%	46.8%
Compensation of employees	224.7	262.0	295.8	318.5	12.3%	37.4%	345.5	385.0	422.8	9.9%	42.9%
Goods and services	15.2	13.6	28.4	31.7	27.7%	3.0%	31.8	34.6	34.9	3.2%	3.9%
of which:											
Communication	1.3	1.2	1.8	1.4	3.4%	0.2%	1.9	1.9	2.0	11.5%	0.2%
Inventory: Food and food supplies	1.9	1.8	8.1	8.0	61.9%	0.7%	8.6	11.1	11.2	12.0%	1.1%
Inventory: Fuel, oil and gas	1.6	1.6	2.4	1.9	5.4%	0.3%	1.8	1.7	1.9	-0.3%	0.2%
Operating leases	0.5	0.4	5.4	7.1	144.5%	0.5%	6.9	6.9	6.9	-1.2%	0.8%
Travel and subsistence	2.6	2.6	3.7	4.0	15.4%	0.4%	3.7	4.1	3.9	-0.9%	0.5%
Training and development	2.7	1.5	1.1	2.4	-3.9%	0.3%	2.3	2.3	2.3	-0.3%	0.3%
Transfers and subsidies	409.3	424.6	445.7	458.7	3.9%	59.0%	445.8	448.9	452.9	-0.4%	52.7%
Departmental agencies and accounts	406.7	420.6	441.9	455.7	3.9%	58.5%	442.2	445.0	449.1	-0.5%	52.3%
Households	2.6	4.0	3.8	3.0	4.5%	0.5%	3.6	3.9	3.8	8.2%	0.4%
Payments for capital assets	3.7	4.8	4.8	4.8	9.0%	0.6%	4.4	4.4	4.5	-2.3%	0.5%
Machinery and equipment	3.7	4.8	4.8	4.8	9.0%	0.6%	4.4	4.4	4.5	-2.3%	0.5%
Payments for financial assets	0.1	0.1	–	–	-100.0%	–	–	–	–	–	–
Total	653.1	705.1	774.7	813.7	7.6%	100.0%	827.5	872.9	915.1	4.0%	100.0%
Proportion of total programme expenditure to vote expenditure	1.9%	1.9%	1.9%	1.9%	–	–	1.9%	1.9%	1.8%	–	–
Details of transfers and subsidies											
Households											
Social benefits											
Current	2.6	4.0	3.8	3.0	4.5%	0.5%	3.6	3.9	3.8	8.2%	0.4%
Employee social benefits	2.6	4.0	3.8	3.0	4.5%	0.5%	3.6	3.9	3.8	8.2%	0.4%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	406.7	420.6	441.9	455.7	3.9%	58.5%	442.2	445.0	449.1	-0.5%	52.3%
Communication	–	–	–	0.2	–	–	0.2	0.2	0.2	–	–
Special defence account	406.7	420.6	441.9	455.5	3.9%	58.5%	442.0	444.8	448.9	-0.5%	52.2%

Programme 8: General Support

Programme purpose

Provide general support capabilities and services to the department.

Objectives

- Provide ongoing general support capabilities and services by providing appropriate, ready and sustained matériel, facilities, movement and logistical services focusing on supply chain and life cycle management of infrastructure assets to enable the defence mandate by:
 - replacing old and providing new infrastructure assets through 16 projects
 - carrying out maintenance and repairs of infrastructure through 36 projects
 - operationalising and capacitating the defence works capability that will enable the Department of Defence to assume selected custodian responsibilities from the National Department of Public Works.
- Provide the department with key information and communication systems over the medium term by:
 - ensuring that the defence information and communications infrastructure is available 98 per cent of the time
 - providing information and communication system solutions in accordance with the portfolios of the defence enterprise information systems master plan.
- Provide a military policing capability to the department over the medium term by:
 - conducting 248 deliberate crime prevention operations per year
 - investigating 80 corruption and fraud cases per year
 - 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
 - sustaining 2 military correctional facilities for detention and rehabilitation.

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 (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18			
Joint Logistic Services	1 577.0	2 096.2	2 055.1	2 371.7	14.6%	42.5%	3 082.8	3 220.0	3 356.3	12.3%	51.6%	
Command and Management Information Systems	835.6	849.8	955.6	867.0	1.2%	18.4%	954.8	961.3	992.5	4.6%	16.2%	
Military Police	442.4	502.6	498.7	518.4	5.4%	10.3%	510.1	541.5	566.8	3.0%	9.2%	
Technology Development	339.9	326.7	348.0	442.6	9.2%	7.6%	424.3	483.2	364.9	-6.2%	7.4%	
Departmental Support	913.1	861.7	1 367.2	910.8	-0.1%	21.2%	844.9	840.4	1 074.7	5.7%	15.7%	
Total	4 107.9	4 636.9	5 224.6	5 110.5	7.6%	100.0%	5 817.0	6 046.3	6 355.2	7.5%	100.0%	
Change to 2014 Budget estimate				(75.8)			284.3	176.7	154.8			

Table 19.13 General Support expenditure trends and estimates by subprogramme and economic classification

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Current payments	2 452.4	2 666.6	3 205.2	3 660.5	14.3%	62.8%	4 398.7	4 574.2	4 780.6	9.3%	74.6%
Compensation of employees	1 104.0	1 271.5	1 401.0	1 545.9	11.9%	27.9%	2 177.2	2 278.4	2 378.0	15.4%	35.9%
Goods and services	1 348.3	1 395.2	1 804.2	2 114.6	16.2%	34.9%	2 221.6	2 295.9	2 402.7	4.3%	38.7%
of which:											
Audit costs: External	56.4	57.0	56.4	66.5	5.6%	1.2%	69.8	73.3	77.0	5.0%	1.2%
Computer services	585.9	637.7	768.1	735.9	7.9%	14.3%	700.6	738.8	774.0	1.7%	12.6%
Consultants and professional services:	168.3	96.7	218.2	141.8	-5.5%	3.3%	141.9	138.0	141.1	-0.2%	2.4%
Business and advisory services											
Contractors	341.6	56.9	71.7	151.7	-23.7%	3.3%	118.3	130.6	155.0	0.7%	2.4%
Property payments	1.2	321.3	429.5	697.4	744.0%	7.6%	813.2	854.0	889.3	8.4%	13.9%
Travel and subsistence	39.5	47.6	66.0	61.0	15.6%	1.1%	69.4	71.4	73.6	6.4%	1.2%
Transfers and subsidies	1 107.4	1 119.5	1 649.1	1 290.1	5.2%	27.1%	1 256.3	1 290.6	1 387.7	2.5%	22.4%
Departmental agencies and accounts	467.6	445.9	368.1	445.7	-1.6%	9.1%	483.2	518.6	388.8	-4.5%	7.9%
Foreign governments and international organisations	—	—	303.3	—	—	1.6%	—	—	—	—	—
Public corporations and private enterprises	630.8	666.1	971.6	829.9	9.6%	16.2%	760.9	752.3	982.9	5.8%	14.3%
Households	9.0	7.5	6.1	14.4	17.0%	0.2%	12.2	19.7	16.1	3.8%	0.3%
Payments for capital assets	343.3	755.3	369.8	159.9	-22.5%	8.5%	161.9	181.5	186.9	5.3%	3.0%
Buildings and other fixed structures	265.7	630.5	200.8	109.4	-25.6%	6.3%	115.0	120.6	126.7	5.0%	2.0%
Machinery and equipment	77.6	124.4	167.6	25.1	-31.3%	2.1%	46.1	60.4	59.8	33.6%	0.8%
Specialised military assets	—	—	—	23.1	—	0.1%	—	—	—	-100.0%	0.1%
Software and other intangible assets	0.1	0.3	1.3	2.3	245.9%	—	0.8	0.4	0.4	-45.5%	—
Payments for financial assets	204.9	95.4	0.5	—	-100.0%	1.6%	—	—	—	—	—
Total	4 107.9	4 636.9	5 224.6	5 110.5	7.6%	100.0%	5 817.0	6 046.3	6 355.2	7.5%	100.0%
Proportion of total programme expenditure to vote expenditure	12.0%	12.3%	12.9%	11.9%	—	—	13.0%	12.8%	12.7%	—	—
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	9.0	7.5	6.1	14.4	17.0%	0.2%	12.2	19.7	16.1	3.8%	0.3%
Employee social benefits	9.0	7.5	6.1	14.4	17.0%	0.2%	12.2	19.7	16.1	3.8%	0.3%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	467.6	445.9	368.1	445.7	-1.6%	9.1%	483.2	518.6	388.8	-4.5%	7.9%
Communication	—	—	—	0.1	—	—	—	—	—	-62.1%	—
Special defence account	467.6	415.3	366.0	445.7	-1.6%	8.9%	483.2	518.6	388.7	-4.5%	7.9%
Claims against the state	—	30.6	2.1	—	—	0.2%	—	—	—	—	—
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	630.8	666.1	920.3	829.9	9.6%	16.0%	760.9	752.3	982.9	5.8%	14.3%
Armaments Corporation of South Africa	630.8	666.1	766.7	829.9	9.6%	15.2%	760.9	752.3	982.9	5.8%	14.3%
Claims against the state	—	—	153.6	—	—	0.8%	—	—	—	—	—
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	—	—	51.2	—	—	0.3%	—	—	—	—	—
Claims against the state	—	—	51.2	—	—	0.3%	—	—	—	—	—
Foreign governments and international organisations											
Current	—	—	303.3	—	—	1.6%	—	—	—	—	—
Claims against the state	—	—	303.3	—	—	1.6%	—	—	—	—	—

Other departments within the vote

Military Veterans

Table 19.14 Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	157.5	154.5	–	3.0	143.5	151.3
Socio Economic Support	266.3	51.2	215.1	–	294.1	308.7
Empowerment and Stakeholder Management	158.4	155.0	3.4	–	160.0	171.8
Total expenditure estimates	582.2	360.7	218.5	3.0	597.6	631.7
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, public entities, donor funding, public private partnerships, conditional allocations 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 19.15 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
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	– ¹	200	4 719	7 000	8 000	9 000	10 000
Number of deserving military veterans with decent housing per year	Socio Economic Support	Outcome 8: Sustainable human settlements and improved quality of household life	– ¹	0	2	2 000	3 000	4 000	5 000
Number of military veteran memorials sites erected per year	Empowerment and Stakeholder Management	Outcome 14: Nation building and social cohesion	– ¹	0	–	2	4	2	2
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	– ¹	0	1 270	2 500	3 000	3 500	4 000
Number of private sector companies and organs of state in partnership with the department per year	Empowerment and Stakeholder Management	Outcome 4: Decent employment through inclusive economic growth	– ¹	0	13	10	10	10	10

1. Historical data is not available, as this indicator was introduced in 2012/13.

Expenditure analysis

Giving substance to recognising the role of military veterans 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, and it contributes to broadening social cohesion and unity while redressing the inequities of the past. The Department of Military Veterans can also be seen to be contributing to outcome 14 of government's 2014-2019 medium term strategic framework (nation building and social cohesion), among other outcomes.

The department's focus over the medium term will be on empowering military veterans by delivering benefits to veterans and their dependants, including access to health care, housing, and education opportunities. The department will also support memorialising activities.

Over the medium term, the department expects to increase the number of military veterans provided with access to health care services from 8 000 to 10 000, and those provided with housing from 3 000 to 5 000. 600 bursaries will be provided for military veterans and their dependants in 2015/16. The costs of these benefits

are projected to be R869.1 million over the medium term in the *Socio Economic Support* programme, which accounts for 80 per cent of the department's allocation over this period.

In line with outcome 5 of government's 2014-2019 medium term strategic framework (a skilled and capable workforce to support an inclusive growth path), the department is focusing on education opportunities for veterans and their dependants. A memorandum of understanding with the National Student Financial Aid Scheme and the Department of Basic Education will assist the department to provide such opportunities. For 2015/16, the department received 1 700 applications: 1 000 for higher education and 700 for basic education. Over the medium term, 2 100 veterans and their dependants will be provided with ongoing education support. The department's education programmes are funded in the *Empowerment and Stakeholder Management* programme under the *Empowerment and Skills Development* subprogramme, which is allocated R306.7 million over the medium term.

In 2015/16, the Department of Military Veterans will contribute to memorialisation and heritage initiatives through its ongoing work to identify a site for the Tomb of the Unknown Soldier. It will also develop the initial design for the tomb. There are plans for 8 memorial sites for heroes' acres and monuments in every province. Funds for this are in the *Heritage Memorials, Burials and Honours* subprogramme in the *Empowerment and Stakeholder Management* programme.

Expenditure trends

Table 19.16 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	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Programme 1	-	-	45.4	-	-	97.0	-	152.8	152.8	178.2	178.2	178.2	265.6%	143.0%
Programme 2	-	-	-	-	-	-	-	122.2	122.2	168.1	168.1	168.1	172.7%	100.0%
Programme 3	-	-	-	-	-	-	-	76.5	76.5	157.9	157.9	157.9	148.4%	100.0%
Total	-	-	45.4	-	-	97.0	-	351.4	351.4	504.2	504.2	504.2	197.9%	116.6%
Change to 2014 Budget estimate										-				
Economic classification														
Current payments	-	-	45.4	-	-	95.7	-	341.4	341.4	496.2	496.2	496.2	197.2%	116.8%
Compensation of employees	-	-	18.0	-	-	27.0	-	80.6	80.6	92.2	92.2	92.2	236.3%	126.1%
Goods and services	-	-	27.4	-	-	68.6	-	260.8	260.8	404.1	404.1	404.1	188.3%	114.4%
of which:														
Consultants and professional services:	-	-	-	-	-	-	-	19.8	19.8	13.5	13.5	13.5	246.9%	100.2%
Business and advisory services	-	-	-	-	-	-	-	58.9	58.9	62.0	62.0	62.0	194.9%	100.0%
Consultants and professional services:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure and planning	-	-	6.1	-	-	0.8	-	-	-	4.1	4.1	4.1	268.3%	268.3%
Contractors	-	-	11.8	-	-	10.9	-	21.9	21.9	52.2	52.2	52.2	185.3%	130.6%
Travel and subsistence	-	-	0.3	-	-	6.8	-	23.6	23.6	79.0	79.0	79.0	138.8%	106.9%
Training and development	-	-	3.6	-	-	-	-	8.3	8.3	12.3	12.3	12.3	196.0%	117.4%
Venues and facilities	-	-	-	-	-	-	-	10.0	10.0	7.9	7.9	7.9	242.8%	107.3%
Payments for capital assets	-	-	-	-	-	1.3	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	1.3	-	-	-	-	-	-	-	-
Total	-	-	45.4	-	-	97.0	-	351.4	351.4	504.2	504.2	504.2	197.9%	116.6%

Expenditure estimates

Table 19.17 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	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme 1	178.2	–	47.4%	157.5	143.5	151.3	-5.3%	27.2%
Programme 2	168.1	–	29.1%	266.3	294.1	308.7	22.5%	44.8%
Programme 3	157.9	–	23.5%	158.4	160.0	171.8	2.8%	28.0%
Total	504.2	–	100.0%	582.2	597.6	631.7	7.8%	100.0%
Change to 2014 Budget estimate				(24.6)	(43.5)	(47.9)		
Economic Classification								
Current payments	496.2	–	98.1%	360.7	349.6	371.9	-9.2%	68.2%
Compensation of employees	92.2	–	21.8%	97.5	102.7	110.8	6.3%	17.4%
Goods and services	404.1	–	76.2%	263.2	246.8	261.0	-13.6%	50.7%
of which:								
Consultants and professional services: Business and advisory services	13.5	–	3.3%	12.6	12.7	13.2	-0.9%	2.2%
Consultants and professional services: Infrastructure and planning	62.0	–	12.1%	41.3	23.5	24.7	-26.5%	6.5%
Contractors	4.1	–	1.1%	21.6	22.5	24.2	81.0%	3.1%
Travel and subsistence	52.2	–	9.7%	52.0	50.8	53.0	0.5%	9.0%
Training and development	79.0	–	11.0%	78.8	78.9	82.3	1.4%	13.8%
Venues and facilities	12.3	–	2.4%	11.2	11.3	11.8	-1.6%	2.0%
Transfers and subsidies	–	–	–	218.5	245.9	257.6	–	31.2%
Households	–	–	–	218.5	245.9	257.6	–	31.2%
Payments for capital assets	7.9	–	1.9%	3.0	2.2	2.3	-34.1%	0.7%
Machinery and equipment	7.9	–	1.9%	3.0	2.2	2.3	-34.1%	0.7%
Total	504.2	–	100.0%	582.2	597.6	631.7	7.8%	100.0%

Personnel information

Table 19.18 Departmental personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. Socio Economic Support																			
3. Empowerment and Stakeholder Management																			
Number of posts estimated for 31 March 2015			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 (%)				
		2013/14			2014/15			2015/16		2016/17		2017/18							
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			2014/15 - 2017/18			
Military Veterans																			
Salary level	164	33	128	80.6	0.6	161	94.7	0.6	271	97.5	0.4	169	102.7	0.6	169	110.8	0.7	1.6%	100.0%
1 – 6	45	27	19	6.1	0.3	37	10.8	0.3	60	16.7	0.3	37	11.9	0.3	37	12.2	0.3	–	22.2%
7 – 10	69	6	42	15.6	0.4	53	19.9	0.4	90	26.3	0.3	54	21.0	0.4	54	26.0	0.5	0.6%	32.6%
11 – 12	31	–	38	32.1	0.8	44	33.1	0.8	74	25.3	0.3	47	36.8	0.8	47	37.7	0.8	2.2%	27.5%
13 – 16	19	–	29	26.9	0.9	27	31.0	1.1	47	29.2	0.6	31	33.0	1.1	31	35.0	1.1	4.7%	17.7%
Programme	164	33	128	80.6	0.6	161	94.7	0.6	271	97.5	0.4	169	102.7	0.6	169	110.8	0.7	1.6%	100.0%
Programme 1	97	20	72	45.4	0.6	97	51.3	0.5	198	56.5	0.3	97	59.6	0.6	97	62.6	0.6	–	63.5%
Programme 2	21	9	16	12.6	0.8	20	18.3	0.9	29	15.4	0.5	28	16.2	0.6	28	17.0	0.6	11.9%	13.6%
Programme 3	46	4	40	22.6	0.6	44	25.1	0.6	44	25.6	0.6	44	27.0	0.6	44	31.3	0.7	–	22.9%

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

2. Rand million.

Departmental receipts

Table 19.19 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 (%)
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
R thousand												
Departmental receipts	-	-	-	-	-	-	-	22	23	24	-	100.0%
Sales of goods and services produced by department	-	-	-	-	-	-	-	22	23	24	-	100.0%
Other sales	-	-	-	-	-	-	-	22	23	24	-	100.0%
of which:												
0	-	-	-	-	-	-	-	22	23	24	-	100.0%
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	22	23	24	-	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 19.20 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Management	45.4	97.0	7.3	7.7	-44.6%	33.2%	8.1	8.4	8.8	4.4%	5.2%
Corporate Services	-	-	34.1	51.8	-	18.2%	53.9	56.3	58.3	4.0%	35.0%
Financial Administration	-	-	14.5	16.8	-	6.6%	17.4	18.2	20.8	7.4%	11.6%
Internal Audit	-	-	5.0	8.5	-	2.8%	8.7	9.1	9.5	3.8%	5.7%
Strategic Planning, Policy Development and Monitoring and Evaluation	-	-	20.0	21.0	-	8.7%	21.6	22.3	23.4	3.6%	14.0%
Office Accommodation	-	-	71.9	72.3	-	30.5%	47.7	29.2	30.5	-25.0%	28.5%
Total	45.4	97.0	152.8	178.2	57.8%	100.0%	157.5	143.5	151.3	-5.3%	100.0%
Change to 2014 Budget estimate				178.2			157.5	143.5	151.3		
Economic classification											
Current payments	45.4	95.7	142.8	170.3	55.4%	95.9%	154.5	141.4	149.0	-4.3%	97.6%
Compensation of employees	18.0	27.0	45.4	52.4	42.8%	30.2%	56.5	59.6	62.6	6.1%	36.7%
Goods and services	27.4	68.6	97.4	117.8	62.7%	65.8%	98.0	81.8	86.4	-9.8%	60.9%
of which:											
Audit costs: External	-	-	2.0	3.9	-	1.2%	4.1	4.3	4.5	5.0%	2.7%
Communication	0.4	2.1	4.5	8.8	171.4%	3.3%	9.3	9.8	9.9	3.9%	6.0%
Consultants and professional services:	-	-	5.4	7.7	463.5%	2.8%	7.7	7.7	8.0	1.3%	4.9%
Business and advisory services	-	-	58.9	62.0	-	25.5%	41.3	23.5	24.7	-26.5%	24.0%
Consultants and professional services:	-	-	58.9	62.0	-	25.5%	41.3	23.5	24.7	-26.5%	24.0%
Infrastructure and planning	-	-	58.9	62.0	-	25.5%	41.3	23.5	24.7	-26.5%	24.0%
Contractors	6.1	0.8	-	4.1	-12.3%	2.3%	4.3	4.5	4.6	3.7%	2.8%
Travel and subsistence	11.8	10.9	5.4	7.2	-15.3%	7.4%	7.0	7.0	7.2	0.2%	4.5%
Payments for capital assets	-	1.3	10.0	7.9	-	4.1%	3.0	2.2	2.3	-34.1%	2.4%
Machinery and equipment	-	1.3	10.0	7.9	-	4.1%	3.0	2.2	2.3	-34.1%	2.4%
Total	45.4	97.0	152.8	178.2	57.8%	100.0%	157.5	143.5	151.3	-5.3%	100.0%
Proportion of total programme expenditure to vote expenditure	100.0%	100.0%	43.5%	35.3%	-	-	27.1%	24.0%	23.9%	-	-

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 over the medium term by:
 - maintaining the credibility and security of the national military veterans database through consolidating data, updating software and updating the personal files of military veterans on an ongoing basis
 - facilitating access to benefits espoused in section 5 of the Military Veterans Act (2011) for eligible military veterans by 2016/17.
- 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:
 - 12 000 military veterans have decent housing over the medium term
 - 27 000 military veterans have access to health care services by 2017/18
 - 2 100 eligible military veterans and dependants across the country are provided with ongoing education support by 2017/18
 - targets agreed on with service delivery agencies are achieved and the benefits accessed by military veterans, as espoused in section 5 of the Military Veterans Act (2011), are reported on comprehensively by 2017/18.
- Provide strategic leadership to the socioeconomic sector by conducting ongoing research on pertinent issues affecting military veterans and developing requisite policies, implementation norms and standards, strategies, guidelines and frameworks by 2017/18.

Subprogrammes

- *Database and Benefits Management* establishes systems for the seamless transition of servicemen and servicewomen from active service to civilian life. The 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 this unit for delivery on the relevant provisions of the Military Veterans Act (2011).
- *Health Care and Wellbeing Support* facilitates the provision of health care services and wellbeing support to military veterans, including disease prevention initiatives.
- *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 19.21 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million				2014/15	2011/12 - 2014/15					2014/15 - 2017/18	
Database and Benefits Management	–	–	22.5	13.7	–	12.5%	12.0	11.2	11.8	-5.1%	4.7%
Health Care and Wellbeing Support	–	–	27.0	37.1	–	22.1%	38.7	40.6	42.7	4.7%	15.3%
Socio Economic Support Management	–	–	72.7	117.2	–	65.4%	215.6	242.2	254.3	29.5%	80.0%
Total	–	–	122.2	168.1	–	100.0%	266.3	294.1	308.7	22.5%	100.0%
Change to 2014				168.1			266.3	294.1	308.7		
Budget estimate											

Table 19.21 Socio Economic Support expenditure trends and estimates by subprogramme and economic classification

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome							2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15					2014/15 - 2017/18	
Current payments	–	–	122.2	168.1	–	100.0%	51.2	51.7	54.9	-31.1%	31.4%
Compensation of employees	–	–	12.6	14.6	–	9.4%	15.4	16.2	17.0	5.3%	6.1%
Goods and services	–	–	109.6	153.5	–	90.6%	35.8	35.5	37.9	-37.3%	25.3%
of which:											
Catering: Departmental activities	–	–	0.8	0.8	–	0.5%	0.8	0.8	0.8	1.3%	0.3%
Consultants and professional services:	–	–	14.4	5.8	–	7.0%	4.9	4.9	5.2	-3.9%	2.0%
Business and advisory services											
Contractors	–	–	–	–	–	–	17.3	18.0	19.7	–	5.3%
Travel and subsistence	–	–	4.7	5.0	–	3.3%	5.0	3.8	4.0	-7.0%	1.7%
Training and development	–	–	4.6	3.7	–	2.9%	3.7	3.7	3.8	1.5%	1.4%
Venues and facilities	–	–	3.4	3.6	–	2.4%	2.5	2.6	2.7	-8.8%	1.1%
Transfers and subsidies	–	–	–	–	–	–	215.1	242.4	253.8	–	68.6%
Households	–	–	–	–	–	–	215.1	242.4	253.8	–	68.6%
Total	–	–	122.2	168.1	–	100.0%	266.3	294.1	308.7	22.5%	100.0%
Proportion of total programme expenditure to vote expenditure			34.8%	33.3%	–	–	45.7%	49.2%	48.9%	–	–
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	–	–	–	–	–	–	215.1	242.4	253.8	–	68.6%
Households	–	–	–	–	–	–	215.1	242.4	253.8	–	68.6%

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 for development by 2015/16
 - forming partnerships with 30 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 10 500 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 10 strategic initiatives are established at national, continental and international levels by 2015/16
 - 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 reskilling 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 19.22 Empowerment and Stakeholder 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Provincial Offices and Stakeholder Relations	–	–	11.1	43.3	–	23.2%	43.3	44.2	49.1	4.3%	27.8%
Empowerment and Skills Development	–	–	33.8	100.2	–	57.2%	100.5	100.8	105.4	1.7%	62.8%
Heritage, Memorials, Burials and Honours	–	–	31.6	14.3	–	19.6%	14.6	15.0	17.3	6.5%	9.4%
Total	–	–	76.5	157.9	–	100.0%	158.4	160.0	171.8	2.8%	100.0%
Change to 2014 Budget estimate				157.9			158.4	160.0	171.8		
Economic classification											
Current payments	–	–	76.5	157.9	–	100.0%	155.0	156.5	168.0	2.1%	98.4%
Compensation of employees	–	–	22.6	25.1	–	20.4%	25.6	27.0	31.3	7.5%	16.8%
Goods and services	–	–	53.8	132.8	–	79.6%	129.4	129.6	136.7	1.0%	81.5%
of which:											
Assets less than the capitalisation threshold	–	–	3.6	3.7	–	3.1%	3.7	3.7	3.9	1.6%	2.3%
Catering: Departmental activities	–	–	2.4	3.4	–	2.5%	3.4	3.4	3.5	1.3%	2.1%
Consumables: Stationery, printing and office supplies	–	–	0.8	0.9	–	0.7%	0.9	0.9	2.7	44.8%	0.8%
Travel and subsistence	–	–	11.7	40.0	–	22.1%	40.0	40.0	41.8	1.4%	25.0%
Training and development	–	–	13.4	71.4	–	36.2%	71.3	71.3	74.4	1.4%	44.5%
Venues and facilities	–	–	2.9	6.6	–	4.0%	6.6	6.6	6.9	1.4%	4.1%
Transfers and subsidies	–	–	–	–	–	–	3.4	3.5	3.8	–	1.6%
Households	–	–	–	–	–	–	3.4	3.5	3.8	–	1.6%
Total	–	–	76.5	157.9	–	100.0%	158.4	160.0	171.8	2.8%	100.0%
Proportion of total programme expenditure to vote expenditure			21.8%	31.3%			27.2%	26.8%	27.2%		
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	–	–	–	–	–	–	3.4	3.5	3.8	–	1.6%
Household	–	–	–	–	–	–	3.4	3.5	3.8	–	1.6%

Public entities and other agencies

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 19.23 Armaments Corporation of South Africa performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
Contracts placed as a percentage of confirmed commitments from the Department of Defence	Capital defence matériel acquisition	Entity Mandate	89.5% (R311m)	99.9% (R512m)	99.9% (R1.8bn)	90%	90%	90%	90%
Cash flow achieved as a percentage of planned cash flow	Capital defence matériel acquisition		86.2% (R1.8bn)	108.5% (R1.6bn)	108.6% (R3.2bn)	90%	90%	90%	90%
Contracts placed as a percentage of confirmed commitments from the Department of Defence	Strategic defence acquisition		100% (R77.4m)	100% (R57.7m)	100% (R29.15m)	90%	90%	90%	90%
Cash flow achieved as a percentage of planned cash flow	Strategic defence acquisition		94.4% (R997m)	115.3% (R618m)	118.1% (R276m)	90%	90%	90%	90%
Contracts placed as a percentage of confirmed commitments from the Department of Defence	System support acquisition and procurement		98.8% (R1.1bn)	88.8% (R1.1bn)	99.0% (R2.5bn)	90%	90%	90%	90%
Cash flow achieved as a percentage of planned cash flow	System support acquisition and procurement		100.1% (R3.6bn)	112.3% (R3.6bn)	100.3% (R4.4bn)	90%	90%	90%	90%
Defence industrial participation credits awarded in terms of contractually agreed milestones	Management of defence industrial participation		R1.45bn	R75m	R204m	R727m	R65m	R24m	R51m
Execution of defence technology, research, test and evaluation activities as a percentage of planned activities	Management of defence technology, research, test and evaluation requirements of the Department of Defence		95.5% (R186.2m)	94.5% (R183.8m)	99.8% (R229m)	90%	90%	90%	90%

Expenditure analysis

The Armaments Corporation of South Africa's focus 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 other things, result in the acquisition of capital assets that are economically favourable for the corporation's main client, the Department of Defence. As a result, contracts placed as a percentage of confirmed commitments from the department will be maintained at 90 per cent over the medium term.

The organisation is responsible for providing integrated support to the South African defence industry, which involves facilitating the industry's participation in 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.

Through its research and development facilities, the corporation will provide services in operational research, and comprehensive testing and evaluation of defence systems and capabilities in both the military and civilian environments. The execution of defence technology, research, testing and evaluation activities as a percentage of planned activities will be maintained at 90 per cent over the medium term.

The corporation generates revenue through charging a commission for buying and selling equipment. The funds are used to finance its operational expenditure, administrative expenses, training, maintenance of buildings, and other goods and services items.

Personnel costs are expected to remain the main expenditure driver for the organisation over the medium term, accounting for over 60 per cent of total spending. The number of personnel increased from 1 564 in 2013/14 to 1 739 in 2014/15, but this is expected to drop to 1 708 in 2015/16 and remain constant over the medium term, due to 31 fixed term contracts coming to an end. The overall increase is mainly due to the filling of critical vacancies, including the chief executive officer and general manager, and as a result of establishing capabilities to support the South African Navy at the Simon's Town Naval Dockyard. The corporation manages the Simon's Town Naval Dockyard, which carries out planned preventative maintenance, corrective maintenance, reconstruction and repairs, and upgrades of all the South African Navy's ships and submarines.

Programmes/objectives/activities

Table 19.24 Armaments Corporation of South 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
Administration	299.6	268.3	387.6	379.1	8.2%	25.5%	394.1	401.4	444.9	5.5%	23.9%
Quality assurance	68.7	66.8	81.6	86.1	7.9%	5.8%	98.8	105.8	113.3	9.6%	5.9%
Management of defence matériel acquisition	222.6	219.3	270.6	302.5	10.8%	19.4%	326.8	350.0	374.9	7.4%	19.9%
Logistics support	80.4	105.9	274.7	213.5	38.5%	12.1%	200.7	211.4	222.6	1.4%	12.5%
Management of strategic facilities - Armscor dockyard	165.3	162.1	202.7	225.3	10.9%	14.5%	244.4	261.6	279.9	7.5%	14.9%
Management of strategic facilities - research and development	244.0	242.2	355.6	354.5	13.3%	22.7%	371.2	396.2	422.9	6.1%	22.8%
Total	1 080.6	1 064.5	1 572.8	1 561.0	13.0%	100.0%	1 636.0	1 726.3	1 858.5	6.0%	100.0%

Statements of historical financial performance and position

Table 19.25 Armaments Corporation of South Africa 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	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15		
Revenue											
Non-tax revenue	925.9	401.6	828.0	2 073.3	960.8	518.1	880.9	543.1	98.3%		
Sale of goods and services other than capital assets	854.7	305.2	746.5	308.1	838.4	391.5	760.1	429.2	44.8%		
of which:									—		
Sales by market establishment	854.7	305.2	746.5	308.1	838.4	391.5	760.1	429.2	44.8%		
Other non-tax revenue	71.2	96.4	81.6	1 765.2	122.4	126.5	120.8	113.8	530.9%		
Transfers received	820.9	752.3	914.8	747.0	1 021.3	1 131.6	1 101.5	1 018.2	94.6%		
Total revenue	1 746.8	1 153.9	1 742.8	2 820.4	1 982.1	1 649.6	1 982.4	1 561.3	96.4%		
Expenses											
Current expenses	1 771.8	1 080.6	1 782.1	1 064.5	1 960.6	1 572.8	1 981.5	1 561.0	70.4%		
Compensation of employees	686.1	682.0	729.1	696.2	873.6	813.9	935.5	914.5	96.3%		
Goods and services	1 056.2	372.2	1 018.7	337.6	1 047.1	702.1	1 006.6	580.5	48.3%		
Depreciation	29.5	26.4	34.2	30.7	39.9	56.7	39.5	66.0	125.7%		
Total expenses	1 771.8	1 080.6	1 782.1	1 064.5	1 960.6	1 572.8	1 981.5	1 561.0	70.4%		
Surplus/(Deficit)	(25.0)	73.0	(39.0)	1 756.0	22.0	77.0	—	—			
Statement of financial position											
Carrying value of assets	214.9	242.2	232.5	1 899.1	266.3	1 340.9	1 347.0	1 309.2	232.5%		
of which:											
Acquisition of assets	28.2	—	36.1	45.5	66.4	75.0	35.7	34.3	93.0%		
Inventory	3.1	7.6	7.1	11.7	6.9	29.3	12.2	28.3	263.0%		
Receivables and prepayments	249.0	182.3	197.3	134.2	189.0	120.6	136.9	125.6	72.9%		
Cash and cash equivalents	302.8	440.6	326.1	685.7	376.0	697.3	695.6	691.4	147.9%		
Non-current assets held for sale	—	—	—	—	—	0.2	—	—	—		
Defined benefit plan assets	—	137.7	124.1	134.0	122.0	145.7	118.3	138.0	152.4%		
Total assets	769.7	1 010.4	887.1	2 864.7	960.2	2 333.9	2 310.0	2 292.5	172.5%		
Accumulated surplus/(deficit)	467.2	75.0	(57.0)	1 756.2	(21.5)	786.4	613.8	782.4	339.2%		
Capital and reserves	—	552.1	553.8	627.1	633.1	1 083.7	1 231.6	1 083.7	138.4%		
Deferred income	—	69.1	12.9	136.5	—	178.9	81.0	123.9	541.5%		
Trade and other payables	205.8	203.1	247.8	232.0	224.0	158.3	254.1	168.4	81.8%		
Provisions	96.8	111.1	129.7	112.9	121.5	126.7	129.6	134.1	101.5%		
Derivatives financial instruments	—	—	—	—	3.2	—	—	—	—		
Total equity and liabilities	769.7	1 010.4	887.1	2 864.7	960.2	2 333.9	2 310.0	2 292.5	172.5%		

Statements of estimates of financial performance and position

Table 19.26 Armaments Corporation of South Africa 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								
R million	2014/15	2011/12 - 2014/15			2015/16	2016/17	2017/18	2014/15 - 2017/18	
Revenue									
Non-tax revenue	543.1	10.6%	43.6%		383.4	382.7	383.8	-10.9%	27.9%
Sale of goods and services other than capital assets	429.2	12.0%	22.2%		291.3	305.9	321.1	-9.2%	22.2%
of which:									
Sales by market establishment	429.2	12.0%	22.2%		291.3	305.9	321.1	-9.2%	22.2%
Other non-tax revenue	113.8	5.7%	21.5%		92.1	76.8	62.7	-18.0%	5.7%
Transfers received	1 018.2	10.6%	56.4%		1 094.6	1 009.5	1 248.4	7.0%	72.1%
Total revenue	1 561.3	10.6%	100.0%		1 478.0	1 392.2	1 632.2	1.5%	100.0%
Expenses									
Current expenses	1 561.0	13.0%	100.0%		1 636.0	1 726.3	1 858.5	6.0%	100.0%
Compensation of employees	914.5	10.3%	59.7%		1 029.2	1 106.4	1 189.4	9.2%	62.4%
Goods and services	580.5	16.0%	37.0%		535.5	545.1	590.5	0.6%	33.3%
Depreciation	66.0	35.7%	3.3%		71.3	74.9	78.6	6.0%	4.3%
Total expenses	1 561.0	13.0%	100.0%		1 636.0	1 726.3	1 858.5	6.0%	100.0%
Surplus/(Deficit)		-100.0%			(158.0)	(334.0)	(226.0)	-	
Statement of financial position									
Carrying value of assets	1 309.2	75.5%	51.2%		1 294.2	1 278.6	1 262.2	-1.2%	66.9%
of which:									
Acquisition of assets	34.3	-	1.6%		56.6	59.4	62.4	22.0%	2.8%
Inventory	28.3	55.0%	0.9%		29.8	30.8	31.2	3.3%	1.6%
Receivables and prepayments	125.6	-11.7%	8.3%		129.6	134.1	139.6	3.6%	6.9%
Cash and cash equivalents	691.4	16.2%	31.9%		554.6	243.4	50.8	-58.1%	18.2%
Defined benefit plan assets	138.0	0.1%	7.6%		130.0	122.0	112.0	-6.7%	6.5%
Total assets	2 292.5	31.4%	100.0%		2 138.2	1 809.0	1 595.8	-11.4%	100.0%
Accumulated surplus/(deficit)	782.4	118.5%	34.1%		624.3	290.1	63.8	-56.6%	20.8%
Capital and reserves	1 083.7	25.2%	42.6%		1 083.7	1 083.7	1 083.7	-	56.4%
Deferred income	123.9	21.5%	6.2%		108.9	93.9	83.7	-12.2%	5.2%
Trade and other payables	168.4	-6.1%	10.6%		179.1	190.3	202.8	6.4%	9.7%
Provisions	134.1	6.5%	6.6%		142.3	151.0	161.8	6.4%	7.7%
Total equity and liabilities	2 292.5	31.4%	100.0%		2 138.2	1 809.0	1 595.8	-56.0%	100.0%

Personnel information

Table 19.27 Armaments Corporation of South Africa personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015			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 (%)			
			2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Armaments Corporation of South Africa			1 564	813.9	0.5	1 610	914.5	0.6	1 725	1 029.2	0.6	1 725	1 106.4	0.6	1 725	1 189.4	0.7	9.2%	100.0%
Salary level	1 610	1 610																	
1 – 6	281	281	203	24.2	0.1	281	36.0	0.1	281	38.7	0.1	281	41.6	0.1	281	44.7	0.2	7.5%	16.6%
7 – 10	758	758	796	274.4	0.3	758	296.4	0.4	850	338.4	0.4	850	363.8	0.4	850	391.1	0.5	9.7%	48.7%
11 – 12	301	301	230	152.4	0.7	301	230.3	0.8	299	249.6	0.8	299	268.3	0.9	299	288.4	1.0	7.8%	17.7%
13 – 16	268	268	332	356.8	1.1	268	346.6	1.3	293	397.0	1.4	293	426.8	1.5	293	458.8	1.6	9.8%	16.9%
17 – 22	2	2	3	6.1	2.0	2	5.2	2.6	2	5.6	2.8	2	6.0	3.0	2	6.4	3.2	7.5%	0.1%

1. Rand million.

Other public entities and agencies

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 2015/16 is R7.6 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				
				2011/12	2012/13		2013/14	2014/15	2015/16	2016/17	2017/18
R million											
Departmental infrastructure											
Rebuilding of the runway at Air Force Base Waterkloof	Upgrading of runway	Hand over	1 113.6	172.6	130.0	10.5	7.6	–	–	–	–
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	29.3	5.0	10.0	10.0	10.0
Relocation of air force base	Relocation of Air Force Base Durban to King Shaka International Airport	Pre-feasibility	60.2	–	–	–	–	5.0	17.2	34.0	34.0
Demolishing of infrastructure	Demolition	Various	80.3	–	5.0	–	–	5.8	6.1	6.4	6.4
Construction of new fire station and control tower	Construction of fire station and control tower	Construction	0.1	–	0.1	0.0	–	–	–	–	–
Refurbishment of military hospitals	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems and ground works	Various	1 911.7	78.2	66.3	143.9	121.8	136.0	178.2	200.0	200.0
Upgrading of medical health facilities	Construction of examination rooms, operating theatres, administration sections, wards and mechanical systems	Various	1 080.2	38.0	30.4	125.4	8.6	14.0	15.0	24.9	24.9
Upgrading of kitchens	Construction and upgrading of kitchens at military bases (capital projects)	Identification	73.0	0.3	0.9	0.0	10.8	16.7	16.0	16.0	16.0
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	0.1	16.0	–	4.5	31.2	29.4	6.6	6.6
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	185.4	829.8	242.8	147.8	406.6	424.5	554.9	554.9
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	Various	853.2	1.4	62.5	4.8	17.0	229.9	212.2	124.1	124.1
Construction of office accommodation	Construction of offices to accommodate military personnel	Various	24.2	1.4	3.5	0.2	0.1	12.6	3.2	3.2	3.2
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	1.4	0.4	5.5	0.3	–	–	–
Resurface of access roads	Resurface and tarring of access roads to military facilities	Various	146.1	–	–	–	0.9	0.1	0.1	0.1	0.1
Fuel tank and pump	Repair of fuel spillage at Air Force Base Ysterplaat	Identification	1.5	–	–	–	0.1	–	–	–	1.4
Security construction	Protection of state assets through the installation of security fences, gates, burglar bars, lights and monitoring systems	Various	374.4	0.9	11.0	1.3	2.6	8.5	10.2	10.2	10.0

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		
				2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
R million										
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	23.9	32.8	42.1	20.8
Specialised shipping containers	Construction of buildings to comply with legislation in the storage of ordinance	Various	1.4	–	1.4	–	–	–	–	–
Departmental infrastructure										
Training facilities	Construction and upgrading of training facilities	Various	35.1	0.6	17.3	–	0.2	9.4	3.3	4.4
Water and electricity systems	Upgrading of water and electricity supply as well as sewerage reticulation	Various	30.6	–	2.8	2.8	0.4	0.9	8.9	8.6
Workshops and stores	Construction of workshops and stores	Various	99.7	50.4	13.8	7.0	0.4	11.5	7.5	9.0
Fences and gates	Replacement or erection of fences	Various	144.6	–	–	0.5	0.8	1.3	1.3	1.2
Recoverable projects	Upgrading of buildings in military bases	Various	129.4	–	(1.4)	10.5	13.0	13.1	11.6	12.1
Total			13 312.1	530.7	1 381.7	603.4	395.3	940.5	996.7	1 047.7

Vote 20

Independent Police Investigative Directorate

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	74.2	73.9	0.4	–	78.6	83.1
Investigation and Information Management	150.8	150.8	–	–	157.4	166.2
Legal Services	5.1	5.1	–	–	5.2	5.5
Compliance Monitoring and Stakeholder Management	4.6	4.6	–	–	4.9	5.0
Total expenditure estimates	234.8	234.4	0.4	–	246.1	259.9

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, public entities, donor funding, public private partnerships, conditional allocations 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 new act 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	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Percentage of cases registered and allocated within 72 hours of written notification ²	Investigation and Information Management	Outcome 3: All people in South Africa are and feel safe	91% (4 499/ 4 923) ²	86% (5 779/ 6 728) ^{2,3}	87% (4 972/ 5 745) ^{2,3}	98% ¹	90% ¹	91% ¹	92% ¹
Percentage of investigations of deaths while in police custody that are decision ready	Investigation and Information Management		— ⁴	— ⁴	— ⁴	65% ¹	60% ¹	62% ¹	64% ¹
Percentage of investigations of deaths as a result of police action that are decision ready	Investigation and Information Management		— ⁴	— ⁴	— ⁴	65% ¹	50% ¹	52% ¹	54% ¹
Percentage of investigations of rape by a police officer that are decision ready	Investigation and Information Management		— ⁴	— ⁴	— ⁴	60% ¹	62% ¹	65% ¹	66% ¹
Percentage of investigations of rape while in police custody that are decision ready	Investigation and Information Management		— ⁴	— ⁴	— ⁴	60% ¹	62% ¹	65% ¹	66% ¹
Number of community outreach events conducted per year	Compliance Monitoring and Stakeholder Management	Outcome 12: An efficient, effective and development oriented public service	279	306	337	306	216	216	216

1. No absolute values are provided in the current year and over the medium term projections, as the directorate cannot predict the number of cases to be received.

2. This indicator previously measured cases registered and allocated within 48 hours, including weekends and public holidays. To accommodate cases received during weekends and on public holidays, the timeframe was revised to 72 hours, beginning in 2013/14. The performance outcome for 2011/12 and 2012/13 is therefore based on a timeframe of 48 hours.

3. The decline in performance in 2012/13 and 2013/14 was as a result of the implementation of the Independent Police Investigative Directorate Act (2011), which provides for the mandatory reporting of cases by the South African Police Service. This increased the number of cases received, and at the time the directorate did not have sufficient capacity to process all cases received.

4. Historical data is not available, as this is a new indicator which the directorate started 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.

Expenditure analysis

The national development plan highlights the need for all departments in the justice, crime prevention and security cluster to ensure that all people in South Africa live safely in a corruption free society, with an independent and fair criminal justice system. The plan also emphasises that inspiring public confidence in the criminal justice system is the most effective deterrent to criminality. Government's 2014-2019 medium term strategic framework puts the onus on the Independent Police Investigative Directorate to investigate crimes allegedly committed by members of the South African Police Service and Municipal Police Services. The framework specifically provides that by 2019, at least 60 per cent of investigations must be finalised each year.

The directorate's key priority over the medium term is to strengthen its investigative capacity, including by improving the quality of training for investigators and the guidelines, systems and procedures used for investigation and reporting. Spending over the medium term is mainly directed towards the development of specialised investigative skills through the establishment and operationalisation of the national specialised investigative team. In addition, the directorate will add 16 investigators to its ranks. Compliance monitoring and stakeholder management are also medium term priorities, contributing to inspiring public confidence in the criminal justice system by ensuring that the directorate's recommendations are implemented and lead to disciplinary and criminal convictions.

Strengthening investigative capacity

The *Investigation and Information Management* programme, where the directorate's investigative functions are executed, will receive the bulk of the directorate's medium term budget allocation. Investigation is a labour intensive function, therefore more than 70 per cent of the directorate's medium term spending will be on compensation of employees. This increase from 54 per cent in prior years mainly provides for the national specialised investigative team, which will provide protection for investigators during high risk, high profile investigations, including of systemic corruption. The team will also ensure quality investigations and that appropriate recommendations are made to the police service and the National Prosecuting Authority. The directorate's filled posts will increase from 393 personnel in 2014/15 to 423 in 2017/18, mainly for establishing the team and related strategic support. The increase in compensation of employees is funded by reprioritisations from non-core goods and services and unfilled posts.

To improve the quality of training for investigators, the directorate will incorporate training on specialised investigations, such as systemic corruption, into its training manual for investigators. The directorate will also

review its guidelines, systems and procedures for investigation and reporting to improve the audit trail for investigation documents within the directorate. In addition, only cases for which all information has been obtained (decision ready cases) will be referred to the National Prosecuting Authority.

Owing to delays in filling posts, including appointing the 9 provincial heads of department, the directorate underspent its total budget allocation for 2012/13 by 13 per cent and for 2013/14 by 11 per cent. This compromised the targeted turnaround time of 90 days for the completion of an investigation. There was also underspending, linked to the delays in filling posts, in goods and services and payments for capital assets. Consequently, Cabinet approved budget reductions of R12.4 million in 2015/16, R16.2 million in 2016/17 and R17.8 million in 2017/18 in goods and services and payments for capital assets.

The appointment of the directorate's executive director towards the end of 2013/14 has ensured that the recruitment processes for the 9 provincial heads of department for the directorate and the programme manager for the *Investigation and Information Management* programme are finalised. The directorate has already begun recruiting investigators and anticipates that all posts will be filled as planned to avoid further budget cuts and reprioritisations from compensation of employees.

Compliance monitoring and stakeholder management

The directorate will engage regularly with the South African Police Service, the Municipal Police Services and National Prosecuting Authority to assess the extent to which its recommendations are being implemented. Monitoring compliance enables the directorate to evaluate the quality and appropriateness of recommendations made to the police service and National Prosecuting Authority through the number of disciplinary and criminal convictions secured. In 2013/14, the directorate secured 135 disciplinary convictions on recommendations made to the police service and 83 criminal convictions on recommendations made to the National Prosecuting Authority.

The directorate will facilitate 216 community outreach events in each year of the MTEF period. Such events inform the public about what the directorate stands for and does, and how to report alleged police misconduct. The number of community outreach events to be undertaken over the medium term has been revised downwards to align with the directorate's reduced budget. Spending for these activities is projected to be R14.5 million over the medium term in the *Compliance Monitoring and Stakeholder Management* programme.

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	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Programme 1	59.8	59.9	60.9	92.9	86.5	70.3	88.4	88.4	74.4	73.2	78.3	78.3	90.3%	90.6%
Programme 2	89.8	91.6	90.9	98.8	103.3	95.2	121.4	121.2	113.2	151.1	147.5	147.5	96.9%	96.3%
Programme 3	2.0	2.0	1.8	5.4	5.4	4.2	4.3	4.5	3.3	5.7	5.4	5.4	84.5%	85.0%
Programme 4	–	–	–	–	2.7	1.8	2.8	2.8	2.2	4.7	3.6	3.6	101.1%	84.5%
Total	151.6	153.5	153.5	197.0	197.9	171.4	217.0	217.0	193.1	234.7	234.7	234.7	94.1%	93.7%

Table 20.2 Vote expenditure trends by programme and economic classification

Economic classification	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Current payments	147.6	149.3	149.1	191.1	192.0	166.0	214.2	213.9	188.9	231.3	230.1	230.1	93.6%	93.5%
Compensation of employees	86.6	87.1	78.1	95.2	103.4	96.0	132.4	131.9	105.0	162.3	137.0	137.0	87.3%	90.6%
Goods and services	61.0	62.2	71.0	95.9	88.6	70.0	81.8	82.0	83.9	68.9	93.1	93.1	103.3%	97.5%
of which:														
Audit costs: External	2.2	2.2	2.5	2.4	2.4	3.2	2.5	3.2	2.9	3.4	3.0	3.0	110.4%	106.7%
Computer services	4.7	6.1	7.0	7.1	6.1	7.4	3.0	5.2	9.3	5.6	16.1	16.1	194.9%	118.7%
Fleet services (including government motor transport)	2.6	2.6	5.6	4.4	4.4	7.2	3.3	0.8	8.1	0.7	8.7	8.7	267.6%	179.8%
Operating leases	10.0	9.9	22.8	30.3	23.6	13.2	22.5	21.4	18.2	17.9	22.7	22.7	95.2%	99.0%
Property payments	4.6	4.6	5.5	8.3	8.3	5.1	6.9	6.9	6.4	5.3	7.0	7.0	95.9%	89.8%
Travel and subsistence	20.9	20.8	15.7	19.3	20.1	20.6	27.6	18.8	22.4	12.3	15.2	15.2	92.5%	98.8%
Transfers and subsidies	0.1	0.1	0.1	0.1	0.1	2.1	0.1	0.1	0.3	0.5	0.7	0.7	394.0%	310.8%
Departmental agencies and accounts	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	–	0.5	0.5	0.5	84.8%	84.1%
Households	–	–	–	–	–	2.0	–	–	0.3	–	0.2	0.2	–	1 192.9%
Payments for capital assets	4.0	4.1	4.4	5.8	5.8	3.3	2.7	2.9	3.9	2.9	3.9	3.9	101.4%	92.5%
Machinery and equipment	4.0	4.1	4.4	5.8	5.8	3.3	2.7	2.9	3.9	2.9	3.9	3.9	101.4%	92.5%
Total	151.6	153.5	153.5	197.0	197.9	171.4	217.0	217.0	193.1	234.7	234.7	234.7	94.1%	93.7%

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	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme 1	78.3	9.3%	37.7%	74.2	78.6	83.1	2.0%	32.2%
Programme 2	147.5	17.2%	59.3%	150.8	157.4	166.2	4.1%	63.8%
Programme 3	5.4	38.7%	1.9%	5.1	5.2	5.5	1.0%	2.2%
Programme 4	3.6	–	1.0%	4.6	4.9	5.0	12.4%	1.9%
Total	234.7	15.2%	100.0%	234.8	246.1	259.9	3.5%	100.0%
Change to 2014 Budget estimate				(12.4)	(16.2)	(17.8)		
Economic classification								
Current payments	230.1	15.5%	97.5%	234.4	245.7	259.5	4.1%	99.4%
Compensation of employees	137.0	16.3%	55.3%	169.8	179.2	188.7	11.3%	69.2%
Goods and services	93.1	14.4%	42.2%	64.6	66.5	70.8	-8.7%	30.2%
of which:								
Audit costs: External	3.0	11.0%	1.5%	3.7	3.9	4.1	10.2%	1.5%
Computer services	16.1	38.4%	5.3%	6.9	7.2	7.6	-22.2%	3.9%
Fleet services (including government motor transport)	8.7	49.2%	3.9%	7.2	11.5	12.4	12.6%	4.1%
Operating leases	22.7	31.8%	10.2%	22.6	22.7	23.9	1.6%	9.4%
Property payments	7.0	14.9%	3.2%	8.1	8.7	9.3	10.0%	3.4%
Travel and subsistence	15.2	-9.9%	9.8%	6.5	3.7	4.1	-35.4%	3.0%
Transfers and subsidies	0.7	101.0%	0.4%	0.4	0.4	0.4	-16.5%	0.2%
Departmental agencies and accounts	0.5	78.5%	0.1%	0.4	0.4	0.4	-6.0%	0.2%
Households	0.2	–	0.3%	–	–	–	-100.0%	–
Payments for capital assets	3.9	-1.8%	2.1%	–	–	–	-100.0%	0.4%
Machinery and equipment	3.9	-1.8%	2.1%	–	–	–	-100.0%	0.4%
Total	234.7	15.2%	100.0%	234.8	246.1	259.9	3.5%	100.0%

Personnel information

Table 20.4 Vote personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. Investigation and Information Management																			
3. Legal Services																			
4. Compliance Monitoring and Stakeholder Management																			
Number of posts estimated for 31 March 2015			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 (%)			
			2013/14			2014/15			2015/16		2016/17		2017/18						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			2014/15 - 2017/18		
Independent Police Investigative Directorate			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Salary level	393	–	308	105.0	0.3	393	140.5	0.4	414	169.8	0.4	418	179.2	0.4	423	188.7	0.4	2.5%	100.0%
1 – 6	98	–	84	17.2	0.2	100	16.2	0.2	101	18.6	0.2	101	19.7	0.2	101	20.7	0.2	0.3%	24.5%
7 – 10	228	–	179	60.1	0.3	226	77.1	0.3	239	95.0	0.4	243	100.2	0.4	248	105.6	0.4	3.1%	58.0%
11 – 12	32	–	28	10.3	0.4	33	14.9	0.5	39	21.2	0.5	39	22.3	0.6	39	23.5	0.6	5.7%	9.1%
13 – 16	35	–	17	17.4	1.0	34	32.3	0.9	35	35.1	1.0	35	37.0	1.1	35	38.9	1.1	1.0%	8.4%
Programme	393	–	308	105.0	0.3	393	140.5	0.4	414	169.8	0.4	418	179.2	0.4	423	188.7	0.4	2.5%	100.0%
Programme 1	111	–	119	29.9	0.3	111	34.1	0.3	124	46.2	0.4	124	48.8	0.4	124	51.4	0.4	3.8%	29.3%
Programme 2	267	–	182	70.7	0.4	267	99.2	0.4	274	115.1	0.4	278	121.4	0.4	283	127.9	0.5	2.0%	66.9%
Programme 3	8	–	3	2.7	0.9	8	4.7	0.6	8	4.3	0.5	8	4.6	0.6	8	4.8	0.6	–	1.9%
Programme 4	7	–	4	1.7	0.4	7	2.5	0.4	8	4.2	0.5	8	4.4	0.6	8	4.6	0.6	4.6%	1.9%

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

2. Rand million.

Departmental receipts

Table 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 (%)
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
R thousand												
Departmental receipts	125	179	321	244	318	36.5%	100.0%	255	267	286	-3.5%	100.0%
Sales of goods and services produced by department	111	136	148	152	152	11.0%	58.0%	157	165	178	5.4%	57.9%
Sales by market establishments	61	75	77	70	70	4.7%	30.0%	74	78	82	5.4%	27.0%
of which:												
Market Establishments:	61	75	77	70	70	4.7%	30.0%	74	78	82	5.4%	27.0%
Rental parking:												
Covered and open												
Other sales	50	61	71	82	82	17.9%	28.0%	83	87	96	5.4%	30.9%
of which:												
Service rendered:	50	61	71	78	78	16.0%	27.6%	83	87	92	5.7%	30.2%
Commission insurance and garnishees												
Sales: Tender documents	–	–	–	4	4	–	0.4%	–	–	4	–	0.7%
Sales of scrap, waste, arms and other used current goods	–	2	2	–	–	–	0.4%	–	–	–	–	–
of which:												
Sales: Scrap	–	2	2	–	–	–	0.4%	–	–	–	–	–

Table 20.5 Departmental receipts by economic classification

Departmental receipts				Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ total: Average (%)
Audited outcome								2015/16	2016/17	2017/18		
R thousand	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15			2015/16	2016/17	2017/18	2014/15 - 2017/18	
Interest, dividends and rent on land	(1)	–	11	12	12	-328.9%	2.3%	13	13	14	5.3%	4.6%
Interest	(1)	–	11	12	12	-328.9%	2.3%	13	13	14	5.3%	4.6%
Sales of capital assets	2	–	–	–	–	-100.0%	0.2%	–	–	–	–	–
Transactions in financial assets and liabilities	13	41	160	80	154	128.0%	39.0%	85	89	94	-15.2%	37.5%
Total	125	179	321	244	318	36.5%	100.0%	255	267	286	-3.5%	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				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome							2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Department Management	5.2	7.3	6.4	6.8	9.5%	9.5%	10.6	11.1	11.7	19.9%	12.8%
Corporate Services	33.6	26.0	42.3	40.9	6.8%	52.5%	30.4	32.6	34.7	-5.4%	44.1%
Office Accommodation	8.6	9.1	9.6	10.2	5.6%	13.8%	10.6	11.2	11.8	5.0%	13.9%
Internal Audit	2.0	2.8	2.4	3.9	25.3%	4.0%	3.6	3.8	4.0	0.8%	4.8%
Finance Services	10.9	13.8	13.8	16.6	15.1%	20.2%	19.0	19.9	21.0	8.1%	24.3%
Total	60.2	59.0	74.4	78.3	9.2%	100.0%	74.2	78.6	83.1	2.0%	100.0%
Change to 2014				(1.4)			(13.0)	(16.5)	5.0		
Budget estimate											
Economic classification											
Current payments	57.5	57.6	72.7	76.9	10.2%	97.3%	73.9	78.2	82.7	2.5%	99.2%
Compensation of employees	21.4	25.4	29.9	34.1	16.8%	40.8%	46.2	48.8	51.4	14.6%	57.4%
Goods and services	36.0	32.2	42.7	42.7	5.9%	56.5%	27.7	29.5	31.3	-9.8%	41.7%
of which:											
Audit costs: External	2.5	3.2	2.9	3.4	11.9%	4.4%	3.7	3.9	4.1	5.8%	4.8%
Computer services	5.2	2.6	6.7	10.2	24.8%	9.1%	2.0	2.1	2.2	-39.6%	5.3%
Consumables: Stationery, printing and office supplies	0.9	1.3	1.3	1.0	6.3%	1.6%	0.9	0.9	1.0	-1.1%	1.2%
Operating leases	12.5	10.2	16.6	11.1	-3.8%	18.5%	13.2	14.2	15.1	10.8%	17.1%
Property payments	3.5	3.0	4.2	3.6	1.0%	5.3%	3.6	3.8	4.0	3.8%	4.8%
Travel and subsistence	3.8	4.3	3.5	3.8	—	5.6%	1.5	1.1	1.2	-31.2%	2.4%
Transfers and subsidies	0.1	0.3	—	0.5	80.0%	0.3%	0.4	0.4	0.4	-7.1%	0.5%
Departmental agencies and accounts	0.1	0.1	—	0.5	77.6%	0.2%	0.4	0.4	0.4	-5.9%	0.5%
Households	—	0.2	—	—	—	0.1%	—	—	—	-100.0%	—
Payments for capital assets	2.6	1.1	1.7	1.0	-28.6%	2.4%	—	—	—	-100.0%	0.3%
Machinery and equipment	2.6	1.1	1.7	1.0	-28.6%	2.4%	—	—	—	-100.0%	0.3%
Total	60.2	59.0	74.4	78.3	9.2%	100.0%	74.2	78.6	83.1	2.0%	100.0%
Proportion of total programme expenditure to vote expenditure	39.2%	34.4%	38.5%	33.4%	—	—	31.6%	31.9%	32.0%	—	—

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 within 30 days, and submitting feedback to complainants within 30 days of the closure of the 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 87 per cent in 2013/14 to 92 per cent in 2017/18.
- Maintain relationships with state security agencies, such as the South African Police Service, National Prosecuting Authority, 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

Classification												
Subprogramme					Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome												
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18			
Investigation Management	2.0	9.7	1.6	4.2	28.6%	3.9%	15.7	18.0	20.0	67.5%	9.3%	
Investigation Services	82.1	94.0	106.9	138.1	18.9%	92.3%	132.0	136.1	142.9	1.2%	88.3%	
Information Management	5.3	2.3	4.6	5.2	-0.8%	3.8%	3.1	3.2	3.4	-13.1%	2.4%	
Total	89.4	106.0	113.2	147.5	18.1%	100.0%	150.8	157.4	166.2	4.1%	100.0%	
Change to 2014				5.1			4.8	5.3	(21.3)			
Budget estimate												
Economic classification												
Current payments	87.7	102.1	111.0	143.9	17.9%	97.5%	150.8	157.4	166.2	4.9%	99.4%	
Compensation of employees	53.6	65.8	70.7	99.2	22.7%	63.4%	115.1	121.4	127.9	8.8%	74.5%	
Goods and services	34.1	36.3	40.3	44.8	9.5%	34.1%	35.7	36.0	38.3	-5.0%	24.9%	
of which:												
Communication	1.7	1.9	1.9	3.1	20.9%	1.9%	1.4	1.5	1.6	-19.5%	1.2%	
Computer services	1.8	4.7	1.1	3.8	29.9%	2.5%	4.6	4.8	5.1	9.7%	3.0%	
Fleet services (including government motor transport)	2.5	4.4	7.6	7.3	42.1%	4.8%	7.0	10.8	11.6	16.8%	5.9%	
Operating leases	10.3	3.0	2.8	6.5	-14.0%	5.0%	9.3	8.5	8.7	10.1%	5.3%	
Property payments	1.9	2.1	2.3	2.2	5.6%	1.9%	4.5	4.9	5.3	33.6%	2.7%	
Travel and subsistence	11.4	14.1	18.9	10.2	-3.6%	12.0%	4.8	2.5	2.7	-35.6%	3.2%	

Table 20.7 Investigation and Information 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 (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	Expenditure/ Total: Average (%)	2015/16	2016/17	2017/18	2014/15 - 2017/18	Expenditure/ Total: Average (%)
R million											
Transfers and subsidies	–	1.9	0.3	0.1	214.1%	0.5%	–	–	–	-65.7%	–
Households	–	1.8	0.3	0.1	–	0.5%	–	–	–	-100.0%	–
Payments for capital assets	1.7	2.1	1.9	3.4	26.7%	2.0%	–	–	–	-100.0%	0.5%
Machinery and equipment	1.7	2.1	1.9	3.4	26.7%	2.0%	–	–	–	-100.0%	0.5%
Total	89.4	106.0	113.2	147.5	18.1%	100.0%	150.8	157.4	166.2	4.1%	100.0%
Proportion of total programme expenditure to vote expenditure	58.2%	61.9%	58.6%	62.8%	–	–	64.2%	63.9%	64.0%	–	–
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	–	1.7	0.1	–	–	0.4%	–	–	–	–	–
Other transfers	–	1.7	0.1	–	–	0.4%	–	–	–	–	–

Programme 3: Legal Services

Programme purpose

Manage and facilitate the provision of investigation advisory services, and provide legal, civil and labour litigation services.

Objectives

Ensure that investigations are conducted efficiently and within the ambit of the law by providing investigators with adequate legal advice and guidance on an ongoing basis, during and after the completion of investigations.

Subprogrammes

- *Legal Support and Administration* manages the directorate's legal obligations by developing and maintaining systems, procedures, and 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	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	Expenditure/ Total: Average (%)	2015/16	2016/17	2017/18	2014/15 - 2017/18	Expenditure/ Total: Average (%)
R million											
Legal Support and Administration	–	1.3	1.5	1.5	–	28.9%	1.7	1.8	1.9	8.2%	32.3%
Litigation Advisory Services	1.8	1.6	0.7	1.6	-3.1%	38.7%	1.7	1.7	1.8	3.9%	32.6%
Investigation Advisory Services	0.2	1.2	1.1	2.2	112.4%	32.4%	1.7	1.7	1.8	-6.9%	35.1%
Total	2.0	4.2	3.3	5.4	38.3%	100.0%	5.1	5.2	5.5	1.0%	100.0%
Change to 2014 Budget estimate				0.3			(0.4)	(0.8)	(1.6)		

Table 20.8 Legal Services 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 (%)
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18		
R million											
Current payments	2.0	4.1	3.1	5.3	38.2%	97.4%	5.1	5.2	5.5	1.6%	99.6%
Compensation of employees	1.4	3.4	2.7	4.7	51.4%	81.9%	4.3	4.6	4.8	0.8%	87.0%
Goods and services	0.6	0.7	0.4	0.6	-4.1%	15.4%	0.8	0.7	0.7	7.3%	12.6%
of which:											
Catering: Departmental activities	–	–	–	–	71.0%	0.1%	0.1	0.1	0.1	77.6%	0.8%
Communication	–	–	–	0.1	72.5%	1.1%	–	–	–	-14.6%	1.0%
Computer services	–	0.1	–	0.1	51.3%	1.9%	0.1	0.1	0.2	19.6%	2.5%
Consultants and professional services:	–	–	–	–	–	0.2%	0.2	0.2	0.2	81.7%	3.2%
Legal costs											
Consumables: Stationery, printing and office supplies	–	–	–	–	47.6%	0.7%	0.1	0.1	0.1	8.8%	1.0%
Travel and subsistence	0.2	0.3	0.2	0.1	-17.2%	5.5%	0.1	0.1	0.1	-12.3%	1.8%
Transfers and subsidies	–	–	–	0.1	–	0.5%	–	–	–	-100.0%	0.4%
Households	–	–	–	0.1	–	0.5%	–	–	–	-100.0%	0.4%
Payments for capital assets	–	0.1	0.2	–	-25.1%	2.1%	–	–	–	-100.0%	0.1%
Machinery and equipment	–	0.1	0.2	–	-25.1%	2.1%	–	–	–	-100.0%	0.1%
Total	2.0	4.2	3.3	5.4	38.3%	100.0%	5.1	5.2	5.5	1.0%	100.0%
Proportion of total programme expenditure to vote expenditure	1.3%	2.4%	1.7%	2.3%	–	–	2.2%	2.1%	2.1%	–	–

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 the 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
 - 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, the 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 Office of the Public Protector, 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				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Compliance Monitoring	1.5	1.8	1.8	1.2	-7.1%	63.8%	4.0	4.2	4.4	54.9%	76.6%
Stakeholder Management	0.4	0.4	0.4	2.4	82.3%	36.2%	0.6	0.6	0.6	-35.1%	23.4%
Total	1.9	2.2	2.2	3.6	23.9%	100.0%	4.6	4.9	5.0	12.4%	100.0%
Change to 2014				(4.0)			(3.8)	(4.2)	0.1		
Budget estimate											
Economic classification											
Current payments	1.9	2.1	2.1	3.3	21.3%	95.5%	4.6	4.9	5.0	14.8%	98.8%
Compensation of employees	1.7	1.4	1.7	2.5	13.9%	72.8%	4.2	4.4	4.6	23.4%	86.9%
Goods and services	0.2	0.7	0.5	0.9	62.1%	22.7%	0.4	0.4	0.4	-21.1%	11.9%
of which:											
Catering: Departmental activities	–	0.1	0.1	–	-100.0%	2.1%	0.1	0.1	0.1	–	1.4%
Communication	–	–	–	0.1	17.1%	1.1%	–	–	–	-7.5%	0.9%
Computer services	–	0.1	–	0.1	177.3%	2.1%	0.1	0.1	0.1	28.2%	2.5%
Consumables: Stationery, printing and office supplies	–	–	0.1	0.2	–	2.5%	–	–	–	-41.5%	1.3%
Travel and subsistence	0.2	0.1	–	0.3	18.0%	6.0%	0.1	0.1	0.1	-35.6%	2.8%
Operating payments	–	–	–	0.1	–	1.0%	–	–	–	-29.1%	0.8%
Payments for capital assets	–	0.1	0.1	0.2	–	4.5%	–	–	–	-100.0%	1.2%
Machinery and equipment	–	0.1	0.1	0.2	–	4.5%	–	–	–	-100.0%	1.2%
Total	1.9	2.2	2.2	3.6	23.9%	100.0%	4.6	4.9	5.0	12.4%	100.0%
Proportion of total programme expenditure to vote expenditure	1.2%	1.3%	1.2%	1.5%	–	–	2.0%	2.0%	1.9%	–	–

Vote 21

Justice and Constitutional Development

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	1 857.8	1 841.0	6.5	10.3	2 030.5	2 136.0
Court Services	5 526.4	4 732.9	20.5	773.0	5 978.4	6 314.4
State Legal Services	1 032.2	1 005.9	16.1	10.2	1 094.7	1 161.0
National Prosecuting Authority	3 374.0	3 285.4	15.2	73.4	3 557.5	3 771.2
Auxiliary and Associated Services	3 193.5	617.9	2 217.2	358.4	3 336.7	3 614.4
Subtotal	14 984.0	11 483.2	2 275.4	1 225.4	15 997.8	16 997.0
Direct charge against the National Revenue Fund						
Magistrates' salaries	1 880.8	1 820.8	60.0	–	2 040.2	2 140.5
Total expenditure estimates	16 864.7	13 304.0	2 335.3	1 225.4	18 037.9	19 137.5

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, public entities, donor funding, public private partnerships, conditional allocations 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 legislative mandate from a number of acts, which cover all the categories of the department's functions. These include: the establishment of magistrates' courts and appointments of magistrates and other judicial officers, their conditions of service, and discipline and training; the establishment and functioning of the National Prosecuting Authority, the Special Investigating Unit and the Asset Forfeiture Unit; the conduct of criminal proceedings; the investigation 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; and support to chapter 9 institutions.

Selected performance indicators

Table 21.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current ¹	Projections ²		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of criminal cases on the backlog roll in the lower courts per year	Court Services	Outcome 3: All people in South Africa are and feel safe	34 552	30 692	27 295	26 363	25 063	23 826	22 652
Number of criminal court cases finalised including alternative dispute resolution mechanisms in the lower courts per year:	National Prosecuting Authority		447 655	465 606	504 316	472 469	478 686	484 995	491 397
- Number of criminal court cases finalised with verdict in the lower courts			314 960	322 196	328 127	323 265	326 498	329 763	333 060
- Number of criminal court cases finalised in the lower courts through alternative dispute resolution mechanisms			132 695	143 410	176 189	149 204	152 188	155 232	158 337
Conviction rate ³ :	National Prosecuting Authority		84.6% (963)	87.5% (1 045)	88.8% (911)	87% (979)	87% (888)	87% (897)	87% (906)
- High courts			74.3% (28 665)	75.1% (28 198)	76% (27 246)	74% (27 372)	74% (26 396)	74% (26 660)	74% (26 926)
- Regional courts			90.8% (251 030)	91.9% (261 591)	93.6% (273 641)	87% (266 849)	88% (255 928)	88% (258 488)	88% (261 073)
- District courts									
National Specialised Prosecution Services:	National Prosecuting Authority		30	35	38	50	55	60	65
- Total number of operational Thuthuzela care centres			— ⁴	— ⁴	— ⁴	20	40	70	100
- Total number of persons convicted of corruption or offences relating to corruption where the amount benefited per case is more than R5 million									
- Conviction rate for complex commercial crime ³			91.6% (754)	92.9% (639)	95.8% (747)	93% (919)	93% (928)	93% (937)	93% (947)
Asset Forfeiture Unit:	National Prosecuting Authority		300	302	390 ⁵	324	420	430	440
- Number of completed forfeiture cases		R163.6m	R119m	R296.4m ⁶	R180m	R210m	R230m	R260m	
- Value of completed forfeiture cases		318	276	363 ⁷	281	321	324	327	
- Number of freezing orders		R553.4m	R518m	R701.5m	R755m	R1bn	R1.1bn	R1.2bn	
- Value of freezing orders									
- Success rate			96.1% (295)	94.1% (289)	94.2% (423)	93% ⁸ (301)	93% ⁸ (367)	93% ⁸ (372)	93% ⁸ (377)

1. Projections in this column are based on the audited performance for 2012/13.

2. Projections in these columns are aligned with government's 2014-2019 medium term strategic framework.

3. Targets for this indicator are determined based on performance standards and not on historical performance. Historical data does not include non-dedicated courts.

4. Historical data is not available, as this is a new indicator. Figures are cumulative.

5. There was 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.

6. The value of completed forfeiture cases fluctuates depending on when very big cases are finalised. The target for the previous 2 years was not achieved due to delays in finalising cases that were ultimately finalised in 2013/14. Furthermore, large amounts of resources were directed towards the Asset Forfeiture Unit working more closely with the Hawks, the Special Investigating Unit and National Treasury on the anti-corruption task team, which resulted in higher values of freezing orders and more completed forfeiture cases.

7. Large amounts of resources were directed towards the Asset Forfeiture Unit working more closely with the Hawks, the Special Investigating Unit and National Treasury on the anti-corruption task team, which resulted in higher values of freezing orders and more completed forfeiture cases.

8. With the focus over the medium term being on big cases with significant impact that the unit has a higher risk of losing, there is a slight decline in the projected success rate.

Expenditure analysis

The national development plan 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. The plan also emphasises that public confidence in the criminal justice system is the most effective deterrent to criminality. In line with the plan, government's 2014-2019 medium term strategic framework places the onus on the Department of Justice and Constitutional Development to implement practical, short and medium term measures to address backlogs in court cases and improve the all-round performance of the courts. The department's spending over the medium term will thus be focused on improving physical access to courts, including the rationalisation of magisterial districts and the alignment of the jurisdiction of magistrates' courts, and on improving services in courts. The department also supports the national development plan's vision of building a capable state, and to this end it will be re-engineering state legal services.

Expenditure in the *Court Services* programme, one of the department's core programmes, along with the *National Prosecuting Authority* and *State Legal Services* programmes, is projected to grow only moderately over the medium term. This is mainly due to the shifting of the functions of the high courts and the specialised courts to the newly established Office of the Chief Justice. The funds associated with these function shifts are R1.6 billion in 2015/16, R1.7 billion in 2016/17 and R1.8 billion in 2017/18. 1 471 employees from the Department of Justice and Constitutional Development have already migrated to the Office of the Chief Justice.

Re-engineering state legal services

Re-engineering state legal services entails, among other things, the provision of additional state legal practitioners to deliver coordinated, quality legal services to government departments. The department has reprioritised R34 million in 2015/16, R36 million in 2016/17 and R38 million in 2017/18 from the *Administration* programme to the *State Legal Services* programme mainly for 53 additional personnel, in particular state attorneys. This accounts for the significant increases in spending on compensation of employees over the medium term. Overall, the number of filled posts in the *State Legal Services* programme is projected to increase from 2 244 in 2014/15 to 2 603 in 2017/18. This growth in personnel will enable the department to increase the number of cases concluded by state attorneys from 61 per cent in 2014/15 to 63 per cent in 2017/18.

Improving physical access to courts

The department's legislative mandate provides for a high court in every province. Over the medium term, the department will build 2 new high courts in Polokwane (Limpopo) and Nelspruit (Mpumalanga). The Polokwane court was scheduled to be opened in 2012/13 and the Nelspruit court in 2014/15. Due to delays in construction, it is expected that they will be opened in 2015/16. The Polokwane court is projected to cost R876.3 million and the Nelspruit court R706.3 million.

In addition to the 2 high courts, the department will be executing 70 small infrastructure projects over the medium term to extend, rehabilitate or renovate existing courts; and to build new courts, 9 of which will be completed over the medium term. The magistrates' courts prioritised for completion over the medium term are Mamelodi (construction phase), Port Shepstone (appointment of a contractor phase), Plettenberg Bay (design phase), Booysens (design phase) and Dimbaza (tender phase). Building more courts will be supplemented by rationalising magisterial districts and aligning the jurisdiction of magistrates' courts to ensure that citizens can access justice equitably wherever they live.

Delays in the construction of the 2 high courts have been the main cause for historical underspending on capital works projects in the *Court Services* programme. The budget shows negative average annual growth of 6.1 per cent between 2011/12 and 2014/15 due to reprioritisation arising from the underspending. While the reprioritisation of R129 million in 2015/16, R136 million in 2016/17 and R143 million in 2017/18 from buildings and other fixed structures to Legal Aid South Africa, the South African Human Rights Commission and the *Family Advocate* subprogramme led to the capping of that budget at just below R1 billion, it is still set to grow significantly, at an average annual rate of 19 per cent. To prevent delays in the implementation of infrastructure projects, the department has scheduled regular project management meetings at various levels with the Department of Public Works to discuss progress and enable timely interventions and budget reprioritisation.

Improving services in courts

An effective and efficient court system is the mainstay of the criminal justice system, and over the medium term the department will employ 90 additional personnel (family advocates, court administrators and prosecutors) to accelerate and improve services in courts. This was made possible by the reprioritisation of R115.2 million in 2015/16, R121.6 million in 2016/17 and R128.3 million in 2017/18 from the *Facilities Management* subprogramme in the *Court Services* programme and direct charges (magistrates' salaries) to the *Family Advocate* and *Administration of Lower Court* subprogrammes, the *National Prosecuting Authority* programme and Legal Aid South Africa. 41 of the 90 additional personnel are prosecutors, and this increase in the National Prosecuting Authority's capacity is expected to increase the number of criminal cases finalised, including those finalised through alternative dispute resolution mechanisms, by almost 19 000 over the medium term. The number of the National Prosecuting Authority's filled posts will increase to 5 478 in 2017/18, including the 41 additional prosecutors.

The reprioritisation from magistrates' salaries was as a result of delays in filling vacant magistrates' posts. Over the medium term, the Magistrate's Commission aims to fill all the vacant posts, including extending the tenure for temporary magistrates from 3 to 12 months. This will be done through the amendment of the Magistrates Act (1944). The projected increase in filled posts is just over 400, to reach 2 684 in 2017/18.

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	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Programme 1	1 625.2	1 686.3	1 441.7	1 762.6	1 463.9	1 475.6	1 534.8	1 896.1	1 771.1	1 853.5	1 941.2	1 941.2	97.8%	94.9%
Programme 2	3 892.8	3 901.6	4 112.8	4 791.1	4 866.2	4 804.9	5 338.0	5 116.4	4 755.1	5 495.4	5 333.8	5 333.8	97.4%	98.9%
Programme 3	750.7	721.4	697.7	768.2	784.9	791.6	852.0	876.6	868.1	922.0	964.4	964.4	100.9%	99.2%
Programme 4	2 640.3	2 651.7	2 615.4	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	100.2%	99.7%
Programme 5	1 951.8	2 059.2	2 095.5	2 339.3	2 446.3	2 408.6	2 834.7	2 711.0	2 596.0	3 070.0	3 091.3	3 091.3	100.0%	98.9%
Subtotal	10 860.6	11 020.1	10 963.2	12 476.9	12 401.1	12 320.5	13 609.9	13 668.3	13 058.4	14 593.8	14 584.8	14 584.8	98.8%	98.6%
Direct charge against the National Revenue Fund	1 599.3	1 404.2	1 326.2	1 822.7	1 692.7	1 314.8	1 954.7	1 789.2	1 510.0	1 901.3	1 874.3	1 624.3	79.4%	85.4%
Magistrates' salaries	1 599.3	1 404.2	1 326.2	1 822.7	1 692.7	1 314.8	1 954.7	1 789.2	1 510.0	1 901.3	1 874.3	1 624.3	79.4%	85.4%
Total	12 459.9	12 424.2	12 289.3	14 299.6	14 093.8	13 635.3	15 564.6	15 457.5	14 568.4	16 495.1	16 459.1	16 209.1	96.4%	97.0%
Change to 2014 Budget estimate										(35.9)				
Economic classification														
Current payments	10 036.5	9 818.3	9 521.1	11 184.4	11 039.3	10 806.9	12 298.3	12 335.6	11 749.2	12 949.9	13 038.6	12 788.6	96.5%	97.0%
Compensation of employees	6 917.7	6 827.7	6 646.3	7 670.2	7 479.7	7 188.3	8 329.1	8 328.7	7 923.0	9 009.3	8 996.5	8 746.5	95.5%	96.4%
Goods and services	3 109.2	2 971.0	2 864.4	3 485.4	3 544.7	3 618.6	3 957.8	4 007.0	3 826.2	3 940.6	4 042.1	4 042.1	99.0%	98.5%
of which:														
Computer services	430.6	492.7	463.3	552.1	564.9	502.0	807.3	631.6	527.5	544.6	647.2	647.2	91.7%	91.6%
Consumables:	76.7	89.7	78.6	110.7	111.9	198.1	119.5	113.4	262.7	127.6	254.3	254.3	182.7%	139.4%
Stationery, printing and office supplies														
Operating leases	475.2	397.9	422.3	588.2	539.5	496.5	563.2	562.7	704.8	616.0	634.8	634.8	100.7%	105.8%
Property payments	486.5	502.3	653.2	631.7	675.9	878.6	737.2	917.7	893.3	1 001.8	885.9	885.9	115.9%	111.0%
Travel and subsistence	368.2	512.7	371.6	392.8	403.7	435.1	459.2	462.6	373.1	419.1	394.8	394.8	96.1%	88.8%
Operating payments	203.1	258.7	166.4	220.1	247.2	160.0	176.6	176.3	146.4	171.4	170.9	170.9	83.5%	75.4%
Interest and rent on land	9.6	19.6	10.4	28.7	14.9	–	11.5	–	–	–	–	–	20.9%	30.2%
Transfers and subsidies	1 632.6	1 719.8	1 747.2	1 918.4	1 982.6	1 927.0	2 091.2	2 108.2	2 069.5	2 220.8	2 268.7	2 268.7	101.9%	99.2%
Provinces and municipalities	–	0.2	0.3	0.2	0.2	0.4	0.2	0.2	0.5	0.3	0.4	0.4	216.8%	152.7%
Departmental agencies and accounts	1 558.3	1 667.7	1 711.3	1 821.5	1 888.2	1 887.6	1 989.8	2 003.1	1 998.1	2 122.2	2 158.0	2 158.0	103.5%	100.5%
Foreign governments and international organisations	5.0	5.0	7.2	5.2	5.2	1.3	5.5	14.5	11.2	5.8	25.1	25.1	208.5%	89.9%
Households	69.4	47.0	28.4	91.5	89.0	37.7	95.6	90.3	59.7	92.5	85.2	85.2	60.4%	67.7%
Payments for capital assets	790.9	886.1	1 018.7	1 196.9	1 072.0	893.8	1 175.1	1 012.2	733.0	1 324.3	1 149.5	1 149.5	84.6%	92.1%
Buildings and other fixed structures	614.3	698.3	699.0	1 051.0	851.0	638.9	1 005.1	803.6	398.8	864.3	586.0	586.0	65.7%	79.0%
Machinery and equipment	176.5	187.6	317.2	145.8	215.3	246.4	170.0	208.6	334.1	459.9	563.5	563.5	153.5%	124.4%
Software and other intangible assets	–	0.2	2.4	–	5.6	8.5	–	–	0.1	–	–	–	6905.6%	188.4%
Payments for financial assets	–	–	2.3	–	–	7.6	–	1.5	16.6	–	2.3	2.3		767.6%
Total	12 459.9	12 424.2	12 289.3	14 299.6	14 093.8	13 635.3	15 564.6	15 457.5	14 568.4	16 495.1	16 459.1	16 209.1	96.4%	97.0%

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	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme 1	1 941.2	4.8%	11.7%	1 857.8	2 030.5	2 136.0	3.2%	11.3%
Programme 2	5 333.8	11.0%	33.5%	5 526.4	5 978.4	6 314.4	5.8%	33.0%
Programme 3	964.4	10.2%	5.9%	1 032.2	1 094.7	1 161.0	6.4%	6.1%
Programme 4	3 254.1	7.1%	20.8%	3 374.0	3 557.5	3 771.2	5.0%	19.9%
Programme 5	3 091.3	14.5%	18.0%	3 193.5	3 336.7	3 614.4	5.3%	18.8%
Subtotal	14 584.8	9.8%	89.8%	14 984.0	15 997.8	16 997.0	5.2%	89.1%
Direct charge against the National Revenue Fund	1 624.3	5.0%	10.2%	1 880.8	2 040.2	2 140.5	9.6%	10.9%
Magistrates' salaries	1 624.3	5.0%	10.2%	1 880.8	2 040.2	2 140.5	9.6%	10.9%
Total	16 209.1	9.3%	100.0%	16 864.7	18 037.9	19 137.5	5.7%	100.0%
Change to 2014 Budget estimate				(286.7)	(405.5)	(330.2)		
Economic classification								
Current payments	12 788.6	9.2%	79.1%	13 304.0	14 085.1	14 878.5	5.2%	78.4%
Compensation of employees	8 746.5	8.6%	53.8%	9 307.3	9 812.2	10 403.0	6.0%	54.5%
Goods and services	4 042.1	10.8%	25.3%	3 996.7	4 272.8	4 475.6	3.5%	23.9%
of which:								
Computer services	647.2	9.5%	3.8%	657.0	691.0	730.5	4.1%	3.9%
Consumables: Stationery, printing and office supplies	254.3	41.5%	1.4%	236.6	243.1	254.7	–	1.4%
Operating leases	634.8	16.8%	4.0%	598.2	629.8	660.4	1.3%	3.6%
Property payments	885.9	20.8%	5.8%	976.1	1 208.2	1 271.3	12.8%	6.2%
Travel and subsistence	394.8	-8.3%	2.8%	363.4	403.7	410.8	1.3%	2.2%
Operating payments	170.9	-12.9%	1.1%	320.8	181.7	199.2	5.2%	1.2%
Transfers and subsidies	2 268.7	9.7%	14.1%	2 335.3	2 434.4	2 672.8	5.6%	13.8%
Provinces and municipalities	0.4	23.5%	–	0.5	0.5	0.5	8.8%	–
Departmental agencies and accounts	2 158.0	9.0%	13.7%	2 231.4	2 325.1	2 558.0	5.8%	13.2%
Foreign governments and international organisations	25.1	71.8%	0.1%	14.4	15.2	16.0	-14.0%	0.1%
Households	85.2	21.9%	0.4%	89.0	93.6	98.3	4.9%	0.5%
Payments for capital assets	1 149.5	9.1%	6.7%	1 225.4	1 518.4	1 586.1	11.3%	7.8%
Buildings and other fixed structures	586.0	-5.7%	4.1%	682.0	941.9	989.0	19.1%	4.6%
Machinery and equipment	563.5	44.3%	2.6%	543.3	576.4	597.1	1.9%	3.2%
Software and other intangible assets	–	-36.5%	–	0.1	0.1	0.1	22.5%	–
Payments for financial assets	2.3	–	0.1%	–	–	–	-100.0%	–
Total	16 209.1	9.3%	100.0%	16 864.7	18 037.9	19 137.5	5.7%	100.0%

Personnel information

Table 21.4 Vote personnel numbers and cost by salary level and programme¹

Programmes																					
1. Administration																					
2. Court Services																					
3. State Legal Services																					
4. National Prosecuting Authority																					
5. Auxiliary and Associated Services																					
Number of posts estimated for 31 March 2015			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 (%)					
			2013/14			2014/15			2015/16		2016/17		2017/18								
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost	Unit Cost	
Justice and Constitutional Development			28 353	690	24 244	7 923.0	0.3	26 305	8 746.5	0.3	28 929	9 307.3	0.3	28 929	9 812.2	0.3	28 929	10 403.0	0.4	3.2%	100.0%
Salary level	28 353	690	24 244	7 923.0	0.3	26 305	8 746.5	0.3	28 929	9 307.3	0.3	28 929	9 812.2	0.3	28 929	10 403.0	0.4	3.2%	100.0%		
1 – 6	14 309	278	12 589	2 021.9	0.2	13 512	1 913.0	0.1	14 668	1 995.8	0.1	14 668	2 013.4	0.1	14 668	2 072.8	0.1	2.8%	50.9%		
7 – 10	7 648	86	6 653	2 020.3	0.3	7 077	2 267.1	0.3	7 770	2 433.9	0.3	7 770	2 574.0	0.3	7 770	2 772.8	0.4	3.2%	26.9%		
11 – 12	3 155	15	2 719	1 768.6	0.7	2 920	2 324.7	0.8	3 244	2 435.8	0.8	3 244	2 607.0	0.8	3 244	2 801.3	0.9	3.6%	11.2%		
13 – 16	557	2	429	621.8	1.4	525	658.1	1.3	563	616.6	1.1	563	638.6	1.1	563	679.5	1.2	2.4%	2.0%		
Other	2 684	309	1 854	1 490.5	0.8	2 271	1 583.6	0.7	2 684	1 825.1	0.7	2 684	1 979.2	0.7	2 684	2 076.5	0.8	5.7%	9.1%		
Programme	28 353	690	24 244	7 923.0	0.3	26 305	8 746.5	0.3	28 929	9 307.3	0.3	28 929	9 812.2	0.3	28 929	10 403.0	0.4	3.2%	100.0%		
Programme 1	1 605	21	1 219	421.1	0.3	1 460	508.0	0.3	1 626	479.8	0.3	1 626	505.7	0.3	1 626	537.3	0.3	3.7%	5.6%		
Programme 2	16 386	56	14 390	2 867.7	0.2	15 192	3 223.7	0.2	16 539	3 327.5	0.2	16 539	3 430.3	0.2	16 539	3 646.8	0.2	2.9%	57.3%		
Programme 3	2 543	–	1 957	713.2	0.4	2 244	797.3	0.4	2 603	878.4	0.3	2 603	936.7	0.4	2 603	995.3	0.4	5.1%	8.9%		
Programme 4	5 136	304	4 825	2 431.5	0.5	5 139	2 635.9	0.5	5 478	2 800.9	0.5	5 478	2 962.5	0.5	5 478	3 149.3	0.6	2.2%	19.1%		
Direct charges	2 683	309	1 853	1 489.6	0.8	2 270	1 581.6	0.7	2 683	1 820.8	0.7	2 683	1 977.0	0.7	2 683	2 074.2	0.8	5.7%	9.1%		

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

2. Rand million.

Departmental receipts

Table 21.5 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 (%)
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
R thousand												
Departmental receipts	387 253	457 341	416 149	300 909	300 909	-8.1%	100.0%	368 690	410 936	423 626	12.1%	100.0%
Tax receipts	–	–	290	60	60	–	–	330	330	347	79.5%	0.1%
Sales of goods and services produced by department	59 165	93 617	73 384	52 504	52 504	-3.9%	17.8%	54 072	55 313	56 776	2.6%	14.5%
Sales by market establishments	6 871	6 875	6 707	5 980	5 980	-4.5%	1.7%	6 255	6 355	6 568	3.2%	1.7%
of which:												
Market establishment: Rental dwelling	6 177	6 111	5 974	5 423	5 423	-4.2%	1.5%	5 672	5 772	5 956	3.2%	1.5%
Market establishment: Non-residential buildings	47	2	–	–	–	-100.0%	–	–	–	–	–	–
Market establishment: Rental parking: Covered and open	647	762	733	557	557	-4.9%	0.2%	583	583	612	3.2%	0.2%
Administrative fees	35	28	13	15	15	-24.6%	–	34	34	35	32.6%	–
of which:												
Game licences	7	7	5	5	5	-10.6%	–	9	9	9	21.6%	–
Promotion of Access to Information Act (2000)	28	17	7	8	8	-34.1%	–	25	25	26	48.1%	–
Replacement of security cards	–	4	1	2	2	–	–	–	–	–	-100.0%	–
Other sales	52 259	86 714	66 664	46 509	46 509	-3.8%	16.1%	47 783	48 924	50 173	2.6%	12.9%
of which:												
Services rendered: Commission on insurance and garnishee	4 579	6 142	6 885	4 600	4 600	0.2%	1.4%	4 412	4 512	4 633	0.2%	1.2%
Services rendered: Insolvent estates: Master office	40 731	48 917	50 284	31 000	31 000	-8.7%	10.9%	32 426	33 426	34 047	3.2%	8.7%

Table 21.5 Departmental receipts by economic classification

Departmental receipts				Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ total: Average (%)
Audited outcome												
R thousand	2011/12	2012/13	2013/14	2014/15		2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Services rendered: Fee for recovery of debt	4 319	29 437	7 260	9 400	9 400	29.6%	3.2%	9 834	9 860	10 326	3.2%	2.6%
Services rendered: Photocopies and faxes	2 574	1 873	2 163	1 409	1 409	-18.2%	0.5%	1 055	1 070	1 108	-7.7%	0.3%
Sale of assets less than R5 000	56	345	72	100	100	21.3%	–	56	56	59	-16.1%	–
Sales of scrap, waste, arms and other used current goods	19	–	409	748	748	240.2%	0.1%	13	13	14	-73.4%	0.1%
of which:												
Sales: Scrap	1	–	24	28	28	203.7%	–	13	13	14	-20.6%	–
Sales: Waste paper	18	–	23	75	75	60.9%	–	–	–	–	-100.0%	–
Transactions recorded: International organisations	–	–	–	400	400	–	–	–	–	–	-100.0%	–
Donations received from Public Corporations or Private Enterprises	–	–	362	245	245	–	–	–	–	–	-100.0%	–
Transfers received	–	205	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	294 821	281 976	274 261	198 420	198 420	-12.4%	67.2%	277 767	317 767	328 156	18.3%	74.6%
Interest, dividends and rent on land	2 187	1 844	23 656	1 600	1 600	-9.9%	1.9%	11 506	11 506	12 081	96.2%	2.4%
Interest	2 187	1 844	23 656	1 600	1 600	-9.9%	1.9%	11 506	11 506	12 081	96.2%	2.4%
Sales of capital assets	300	138	612	175	175	-16.4%	0.1%	180	185	189	2.6%	–
Transactions in financial assets and liabilities	30 761	79 561	43 537	47 402	47 402	15.5%	12.9%	24 822	25 822	26 063	-18.1%	8.3%
Total	387 253	457 341	416 149	300 909	300 909	-8.1%	100.0%	368 690	410 936	423 626	12.1%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 21.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Ministry	36.3	32.2	31.2	33.5	-2.7%	2.0%	34.8	36.4	38.5	4.8%	1.8%
Management	43.8	52.5	39.1	43.6	-0.2%	2.7%	48.7	51.7	54.7	7.9%	2.5%
Corporate Services	760.7	619.8	737.2	847.5	3.7%	44.7%	741.4	766.0	807.6	-1.6%	39.7%
Office Accommodation	600.9	771.1	963.6	1 016.7	19.2%	50.6%	1 032.9	1 176.5	1 235.3	6.7%	56.0%
Total	1 441.7	1 475.6	1 771.1	1 941.2	10.4%	100.0%	1 857.8	2 030.5	2 136.0	3.2%	100.0%
Change to 2014				87.7			(82.5)	(105.4)	(114.1)		
Budget estimate											

Table 21.6 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Current payments	1 196.9	1 452.7	1 754.4	1 924.2	17.1%	95.5%	1 841.0	2 013.0	2 117.6	3.2%	99.1%
Compensation of employees	325.8	366.7	421.1	508.0	16.0%	24.5%	479.8	505.7	537.3	1.9%	25.5%
Goods and services	870.9	1 086.0	1 333.3	1 416.2	17.6%	71.0%	1 361.3	1 507.3	1 580.3	3.7%	73.6%
of which:											
Administrative fees	4.5	17.8	22.7	39.6	106.3%	1.3%	42.1	41.8	43.8	3.4%	2.1%
Audit costs: External	21.6	38.5	49.9	67.2	46.0%	2.7%	78.7	76.9	79.6	5.8%	3.8%
Computer services	9.3	30.6	25.7	23.2	35.7%	1.3%	24.0	25.9	27.0	5.1%	1.3%
Operating leases	409.3	479.0	681.2	571.8	11.8%	32.3%	568.2	598.2	628.1	3.2%	29.7%
Property payments	194.7	293.7	282.7	445.1	31.7%	18.3%	466.5	580.5	609.5	11.0%	26.4%
Travel and subsistence	91.1	111.7	104.3	95.8	1.7%	6.1%	90.8	91.2	94.8	-0.3%	4.7%
Interest and rent on land	0.1	0.0	—	—	-100.0%	—	—	—	—	—	—
Transfers and subsidies	12.9	8.0	7.8	7.9	-15.2%	0.6%	6.5	6.8	7.2	-3.1%	0.4%
Provinces and municipalities	—	—	—	—	13.3%	—	—	—	—	5.9%	—
Departmental agencies and accounts	5.1	4.8	5.8	5.9	5.4%	0.3%	6.2	6.5	6.9	5.0%	0.3%
Foreign governments and international organisations	7.2	1.3	0.8	—	-100.0%	0.1%	—	—	—	—	—
Households	0.6	1.9	1.2	1.9	46.0%	0.1%	0.2	0.3	0.3	-48.0%	—
Payments for capital assets	231.8	13.4	7.3	8.4	-67.0%	3.9%	10.3	10.7	11.2	10.4%	0.5%
Machinery and equipment	229.3	13.3	7.2	8.3	-66.9%	3.9%	10.2	10.6	11.2	10.3%	0.5%
Software and other intangible assets	2.4	0.1	0.1	—	-74.0%	—	0.1	0.1	0.1	22.5%	—
Payments for financial assets	0.2	1.5	1.7	0.8	65.0%	0.1%	—	—	—	-100.0%	—
Total	1 441.7	1 475.6	1 771.1	1 941.2	10.4%	100.0%	1 857.8	2 030.5	2 136.0	3.2%	100.0%
Proportion of total programme expenditure to vote expenditure	13.2%	12.0%	13.6%	13.3%	—	—	12.4%	12.7%	12.6%	—	—
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	0.6	1.8	1.1	1.9	46.0%	0.1%	0.2	0.3	0.3	-48.0%	—
Employee social benefits	0.6	1.8	1.1	1.9	46.0%	0.1%	0.2	0.3	0.3	-48.0%	—
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	5.1	4.8	5.8	5.9	5.4%	0.3%	6.2	6.5	6.9	5.0%	0.3%
Safety and Security Sector Education and Training Authority	5.1	4.8	5.8	5.9	5.4%	0.3%	6.2	6.5	6.9	5.0%	0.3%
Foreign governments and international organisations											
Current	7.2	1.3	0.8	—	-100.0%	0.1%	—	—	—	—	—
International Criminal Court	7.2	1.3	0.8	—	-100.0%	0.1%	—	—	—	—	—

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 courts and managing court facilities.

Objectives

- Ensure timely, efficient and effective justice proceedings by:
 - reducing criminal case backlogs in the lower courts from 26 363 in 2014/15 to 22 652 in 2017/18
 - reducing the percentage of cases postponed due to the unavailability of administration staff in the lower courts from 10 per cent in 2014/15 to 3 per cent in 2017/18
 - 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 83 per cent in 2014/15 to 87 per cent in 2017/18
 - 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 2014/15 to 96 per cent in 2017/18.

- Increase the protection of vulnerable groups by:
 - increasing the percentage of maintenance cases finalised within 90 days from 50 per cent in 2014/15 to 65 per cent in 2017/18
 - upgrading 12 regional courts into sexual offences courts, compliant with the new sexual offences court model, by 2015/16
 - increasing the percentage of convictions recorded electronically on the national register of sexual offences from 90 per cent in 2014/15 to 96 per cent in 2017/18.
- Increase access to justice services to historically marginalised communities by:
 - establishing 30 small claims court by 2015/16
 - aligning 36 magisterial districts with municipal boundaries, in line with the Constitution, by 2015/16.
- 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 70 per cent in 2014/15 to 95 per cent in 2017/18
 - increasing the percentage of finalised non-litigation matters from 28 per cent in 2014/15 to 40 per cent in 2017/18.

Subprogrammes

- *Lower Courts* funds the activities and operations of various regional and district courts. Regional courts adjudicate serious criminal matters, while district courts adjudicate civil cases and less serious criminal cases. There are more than 1 886 courtrooms dealing 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 (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14		2011/12 - 2014/15	Average (%)	2015/16	2016/17	2017/18		
R million											
Lower Courts	2 911.4	3 394.3	3 628.6	3 883.0	10.1%	72.7%	4 058.9	4 211.4	4 460.9	4.7%	71.8%
Family Advocate	105.9	125.8	148.7	192.3	22.0%	3.0%	202.3	208.7	221.4	4.8%	3.6%
Magistrate's Commission	10.4	11.9	10.1	15.1	13.2%	0.2%	16.3	19.2	20.3	10.5%	0.3%
Government Motor Transport	23.2	37.0	28.4	35.6	15.2%	0.7%	18.2	19.0	20.0	-17.5%	0.4%
Facilities Management	700.4	813.6	480.2	681.4	-0.9%	14.1%	755.0	1 012.4	1 062.0	15.9%	15.2%
Administration of Lower Courts	361.5	422.3	459.0	526.4	13.3%	9.3%	475.7	507.6	529.7	0.2%	8.8%
Total	4 112.8	4 804.9	4 755.1	5 333.8	9.1%	100.0%	5 526.4	5 978.4	6 314.4	5.8%	100.0%
Change to 2014				(161.6)			(67.8)	(163.7)	(179.3)		
Budget estimate											

Table 21.7 Court Services expenditure trends and estimates by subprogramme and economic classification

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Current payments	3 369.7	4 075.6	4 207.0	4 590.5	10.9%	85.5%	4 732.9	4 925.5	5 210.6	4.3%	84.0%
Compensation of employees	2 306.1	2 553.8	2 867.7	3 223.7	11.8%	57.6%	3 327.5	3 430.3	3 646.8	4.2%	58.9%
Goods and services	1 062.4	1 521.9	1 339.4	1 366.8	8.8%	27.8%	1 405.5	1 495.2	1 563.7	4.6%	25.2%
of which:											
Communication	94.2	101.4	100.9	101.8	2.6%	2.1%	99.6	87.5	91.3	-3.6%	1.6%
Agency and support/outsourced services	94.0	299.2	156.9	174.4	22.9%	3.8%	79.2	134.0	140.1	-7.0%	2.3%
Consumables: Stationery, printing and office supplies	40.1	151.0	193.3	194.5	69.2%	3.0%	183.7	189.6	198.7	0.7%	3.3%
Property payments	383.6	520.7	464.7	369.7	-1.2%	9.1%	434.8	548.7	576.3	15.9%	8.3%
Travel and subsistence	183.8	219.4	181.8	192.5	1.6%	4.1%	198.6	232.3	231.2	6.3%	3.7%
Operating payments	85.6	90.8	78.8	86.2	0.2%	1.8%	244.3	109.1	122.8	12.5%	2.4%
Interest and rent on land	1.2	–	–	–	-100.0%	–	–	–	–	–	–
Transfers and subsidies	12.2	19.1	19.6	25.6	28.2%	0.4%	20.5	21.4	22.5	-4.3%	0.4%
Provinces and municipalities	0.3	0.4	0.5	0.3	9.2%	–	0.4	0.4	0.5	9.1%	–
Households	11.9	18.8	19.1	25.3	28.5%	0.4%	20.1	20.9	22.0	-4.5%	0.4%
Payments for capital assets	729.2	707.6	524.9	716.9	-0.6%	14.1%	773.0	1 031.5	1 081.4	14.7%	15.6%
Buildings and other fixed structures	683.6	621.2	387.6	566.8	-6.1%	11.9%	661.5	920.1	966.1	19.5%	13.5%
Machinery and equipment	45.5	86.4	137.2	150.1	48.8%	2.2%	111.5	111.4	115.3	-8.4%	2.1%
Payments for financial assets	1.8	2.5	3.6	0.8	-24.4%	–	–	–	–	-100.0%	–
Total	4 112.8	4 804.9	4 755.1	5 333.8	9.1%	100.0%	5 526.4	5 978.4	6 314.4	5.8%	100.0%
Proportion of total programme expenditure to vote expenditure	37.5%	39.0%	36.4%	36.6%	–	–	36.9%	37.4%	37.2%	–	–
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	10.1	18.0	19.1	25.3	35.9%	0.4%	18.6	19.4	20.4	-6.8%	0.4%
Employee social benefits	10.1	18.0	19.1	25.3	35.9%	0.4%	18.6	19.4	20.4	-6.8%	0.4%

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 effective and efficient delivery of justice services to be submitted to the minister for approval in 2015/16
 - preparing 6 research papers completed for consideration and approval in 2015/16.
- Provide quality legal advisory services by:
 - increasing the percentage of legal opinions finalised within 30 days from the date of receipt, from 82 per cent in 2014/15 to 85 per cent in 2017/18
 - increasing the percentage of preliminary opinions on draft bills for Cabinet consideration from 70 per cent in 2014/15 to 75 per cent in 2017/18
 - increasing the percentage of bills and subordinate legislation finalised within 40 days from the date of receipt from 84 per cent in 2015/16 to 87 per cent in 2017/18.
- Enhance litigation services by:
 - increasing the percentage value of briefs allocated to counsel who were previously disadvantaged from 75 per cent in 2014/15 to 79 per cent in 2017/18
 - increasing the percentage of successfully concluded cases enrolled by state attorneys from 61 per cent in 2014/15 to 63 per cent in 2017/18.

- 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 issued in deceased estates within 15 days of receipt of all required documents, from 94 per cent in 2014/15 to 97 per cent in 2017/18
 - 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 87 per cent in 2014/15 to 90 per cent in 2017/18
 - increasing the percentage of beneficiaries in receipt of services within 40 days of receipt of all required documents (Guardian's Fund), from 90 per cent in 2014/15 to 93 per cent in 2017/18
 - increasing the percentage of certificates of appointment issued in all bankruptcy matters within 10 days of receipt of all required documents, from 86 per cent in 2014/15 to 89 per cent in 2017/18
 - increasing the percentage of liquidation and distribution accounts in bankruptcy matters examined within 15 days of receipt of all required documents, from 92 per cent in 2014/15 to 95 in 2017/18
 - increasing the percentage of letters of authority issued in trusts within 14 days of receipt of all required documents, from 85 per cent in 2014/15 to 93 per cent in 2017/18
 - increasing the percentage of new deceased estates registered on the paperless estate administration system in the master's office, from 75 per cent in 2014/15 to 100 per cent in 2017/18.
- Promote constitutional development and strengthen participatory democracy to ensure respect for fundamental human rights by:
 - increasing the percentage of complaints from chapter 9 institutions against the Department of Justice and Constitutional Development resolved, from 70 per cent in 2014/15 to 80 per cent in 2015/16
 - reaching 1 million people through awareness campaigns that popularise socioeconomic rights by 2015/16
 - conducting 274 dialogues on combating racism, racial discrimination, xenophobia and intolerance by 2015/16.

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 (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
State Law Advisors	49.4	53.0	57.5	62.8	8.4%	6.7%	72.7	77.4	82.2	9.4%	6.9%
Litigation and Legal Services	267.5	315.0	332.8	363.6	10.8%	38.5%	387.8	411.6	436.2	6.3%	37.6%
Legislative Development and Law Reform	38.9	41.7	47.0	53.1	10.9%	5.4%	56.3	59.8	63.5	6.2%	5.5%
Master of the High Court	331.0	353.4	385.0	407.2	7.2%	44.5%	442.3	469.5	498.3	7.0%	42.7%
Constitutional Development	11.0	28.4	45.7	77.7	91.9%	4.9%	73.0	76.4	80.8	1.3%	7.2%
Total	697.7	791.6	868.1	964.4	11.4%	100.0%	1 032.2	1 094.7	1 161.0	6.4%	100.0%
Change to 2014				42.4			30.5	28.2	29.2		
Budget estimate											
Economic classification											
Current payments	687.7	779.1	830.0	921.8	10.3%	96.9%	1 005.9	1 067.6	1 132.5	7.1%	97.1%
Compensation of employees	595.1	651.2	713.2	797.3	10.2%	83.0%	878.4	936.7	995.3	7.7%	84.8%
Goods and services	92.5	127.9	116.8	124.5	10.4%	13.9%	127.4	130.8	137.2	3.3%	12.2%
of which:											
Assets less than the capitalisation threshold	4.7	8.7	6.1	5.8	7.2%	0.8%	7.4	7.7	7.9	11.0%	0.7%
Communication	15.3	16.1	13.7	16.0	1.4%	1.8%	13.9	14.5	15.1	-2.0%	1.4%
Consultants and professional services:	28.6	53.9	39.9	35.8	7.8%	4.8%	32.8	34.9	36.5	0.7%	3.3%
Legal costs											
Consumables: Stationery, printing and office supplies	8.2	10.0	13.6	16.5	26.5%	1.5%	18.1	18.6	19.3	5.4%	1.7%
Travel and subsistence	19.7	23.8	23.3	22.5	4.5%	2.7%	26.0	24.8	26.9	6.1%	2.4%
Operating payments	9.8	7.5	8.7	9.4	-1.4%	1.1%	9.5	9.8	10.2	2.8%	0.9%
Interest and rent on land	0.2	—	—	—	-100.0%	—	—	—	—	—	—
Transfers and subsidies	2.7	3.7	20.7	32.2	129.4%	1.8%	16.1	17.0	17.8	-17.9%	2.0%
Foreign governments and international organisations	—	—	10.4	25.1	—	1.1%	14.4	15.2	16.0	-14.0%	1.7%
Households	2.6	3.7	10.2	7.1	38.8%	0.7%	1.6	1.7	1.8	-36.9%	0.3%
Payments for capital assets	7.4	8.8	14.7	10.2	11.5%	1.2%	10.2	10.2	10.7	1.5%	1.0%
Machinery and equipment	7.4	8.8	14.7	10.2	11.5%	1.2%	10.2	10.2	10.7	1.5%	1.0%
Payments for financial assets	—	0.0	2.7	0.1	—	0.1%	—	—	—	-100.0%	—
Total	697.7	791.6	868.1	964.4	11.4%	100.0%	1 032.2	1 094.7	1 161.0	6.4%	100.0%
Proportion of total programme expenditure to vote expenditure	6.4%	6.4%	6.6%	6.6%	—	—	6.9%	6.8%	6.8%	—	—
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	2.6	3.2	4.2	1.6	-15.9%	0.3%	1.6	1.7	1.8	4.2%	0.2%
Employee social benefits	2.6	3.2	4.2	1.6	-15.9%	0.3%	1.6	1.7	1.8	4.2%	0.2%
Foreign governments and international organisations											
Current	—	—	10.4	25.1	—	1.1%	14.4	15.2	16.0	-14.0%	1.7%
International Criminal Court	—	—	10.4	25.1	—	1.1%	14.4	15.2	16.0	-14.0%	1.7%

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; removes the profit from crime; and protects certain witnesses.

Objectives

- Improve the rate of successful prosecution by increasing the number of criminal court cases finalised from 472 469 in 2014/15 to 491 397 in 2017/18.
- Improve the conviction rate in cases that require specialised prosecution by:
 - ensuring that between 2014/15 and 2017/18, 100 people are convicted of corruption or offences relating to corruption where the amount benefited per case is more than R5 million

- increasing the number of convictions in complex commercial crime cases from 919 in 2014/15 to 947 in 2017/18.
- Contribute to the effectiveness of the criminal justice system by ensuring that threatened witnesses and related persons are not harmed.
- Remove the profit from crime by increasing the impact of asset forfeiture by:
 - increasing the number of completed forfeiture cases from 324 in 2014/15 to 440 in 2017/18
 - increasing the number of freezing orders from 281 in 2014/15 to 327 in 2017/18
 - increasing the value of completed forfeiture cases from R180 million in 2014/15 to R260 million in 2017/18
 - increasing the value of freezing orders from R755 million in 2014/15 to R1.2 billion by 2017/18
 - maintaining a success rate of 93 per cent from 2014/15 to 2017/18 while handling more high value cases, where the risk of losing is greater.

Subprogrammes

- *National Prosecutions Service* is primarily responsible for general prosecutions and the appeals that might follow, which 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.
- *National Specialised Prosecutions Services* deals with priority crimes, litigation, sexual offences and community affairs, and specialised commercial crime.
- *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, 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	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million				2014/15	2011/12 - 2014/15					2014/15 - 2017/18	
National Prosecutions Service	1 722.7	1 920.1	1 990.7	2 162.6	7.9%	66.2%	2 294.1	2 429.1	2 580.8	6.1%	67.8%
National Specialised Prosecutions Services	229.1	223.4	241.4	297.6	9.1%	8.4%	304.2	323.5	342.9	4.8%	9.1%
Asset Forfeiture Unit	104.5	103.7	179.8	122.0	5.3%	4.3%	125.3	132.1	140.1	4.7%	3.7%
Office for Witness Protection	132.9	149.3	146.5	164.4	7.4%	5.0%	161.6	168.9	178.1	2.7%	4.8%
Support Services	426.2	443.4	509.8	507.4	6.0%	16.0%	488.8	503.9	529.3	1.4%	14.5%
Total	2 615.4	2 839.8	3 068.2	3 254.1	7.6%	100.0%	3 374.0	3 557.5	3 771.2	5.0%	100.0%
Change to 2014				1.3			(3.7)	(34.7)	(38.8)		
Budget estimate											

Table 21.9 National Prosecuting Authority expenditure trends and estimates by subprogramme and economic classification

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome							2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Current payments	2 567.1	2 761.1	2 998.3	3 149.4	7.1%	97.4%	3 285.4	3 457.2	3 666.6	5.2%	97.1%
Compensation of employees	2 101.0	2 310.8	2 431.5	2 635.9	7.9%	80.5%	2 800.9	2 962.5	3 149.3	6.1%	82.7%
Goods and services	457.3	450.3	566.8	513.5	3.9%	16.9%	484.6	494.7	517.3	0.2%	14.4%
of which:											
Communication	33.6	32.4	20.9	36.5	2.8%	1.0%	37.5	39.6	41.7	4.5%	1.1%
Computer services	38.8	50.1	57.9	61.2	16.5%	1.8%	60.5	60.2	60.5	-0.4%	1.7%
Agency and support/outsourced services	7.3	16.4	2.3	17.4	33.3%	0.4%	37.3	37.2	37.9	29.7%	0.9%
Property payments	74.6	63.7	144.9	70.4	-1.9%	3.0%	74.1	78.4	84.8	6.4%	2.2%
Travel and subsistence	77.0	80.2	63.7	83.1	2.6%	2.6%	47.0	54.3	56.8	-11.9%	1.7%
Operating payments	54.9	54.3	45.1	70.6	8.8%	1.9%	62.4	62.3	65.3	-2.6%	1.9%
Interest and rent on land	8.9	—	—	—	-100.0%	0.1%	—	—	—	—	—
Transfers and subsidies	7.4	6.6	11.2	11.0	14.0%	0.3%	15.2	16.1	16.9	15.4%	0.4%
Departmental agencies and accounts	2.0	2.2	2.4	2.8	11.3%	0.1%	8.1	8.6	9.0	47.5%	0.2%
Households	5.4	4.3	8.7	8.2	15.0%	0.2%	7.1	7.6	7.9	-1.1%	0.2%
Payments for capital assets	40.5	68.5	54.5	93.2	32.0%	2.2%	73.4	84.2	87.6	-2.0%	2.4%
Buildings and other fixed structures	15.4	17.7	11.2	19.2	7.6%	0.5%	20.5	21.8	22.9	6.0%	0.6%
Machinery and equipment	25.1	50.9	43.3	74.0	43.3%	1.6%	52.9	62.4	64.8	-4.3%	1.8%
Payments for financial assets	0.3	3.6	4.3	0.5	18.6%	0.1%	—	—	—	-100.0%	—
Total	2 615.4	2 839.8	3 068.2	3 254.1	7.6%	100.0%	3 374.0	3 557.5	3 771.2	5.0%	100.0%
Proportion of total programme expenditure to vote expenditure	23.9%	23.0%	23.5%	22.3%	—	—	22.5%	22.2%	22.2%	—	—
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	5.4	4.3	8.7	8.2	15.0%	0.2%	7.1	7.6	7.9	-1.1%	0.2%
Employee social benefits	5.4	4.3	8.7	8.2	15.0%	0.2%	7.1	7.6	7.9	-1.1%	0.2%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	2.0	2.2	2.4	2.8	11.3%	0.1%	8.1	8.6	9.0	47.5%	0.2%
Safety and Security Sector Education and Training Authority	2.0	2.2	2.4	2.8	11.3%	0.1%	8.1	8.6	9.0	47.5%	0.2%

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, which registers and tracks offenders from the time they enter until the time they exit the criminal justice system, by 2017/18
 - 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 the 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 IT 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 (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
Legal Aid South Africa	1 137.5	1 255.1	1 375.4	1 504.7	9.8%	51.7%	1 523.0	1 577.2	1 754.4	5.3%	48.0%
Special Investigating Unit	323.2	340.7	295.9	296.8	-2.8%	12.3%	304.5	316.7	346.2	5.3%	9.6%
Public Protector of South Africa	153.7	183.1	199.3	217.6	12.3%	7.4%	245.4	262.6	279.7	8.7%	7.6%
South African Human Rights Commission	89.8	101.5	119.3	130.1	13.2%	4.3%	144.3	153.5	161.9	7.5%	4.5%
Justice Modernisation	391.3	528.1	606.1	942.1	34.0%	24.2%	976.4	1 026.7	1 072.2	4.4%	30.4%
Total	2 095.5	2 408.6	2 596.0	3 091.3	13.8%	100.0%	3 193.5	3 336.7	3 614.4	5.3%	100.0%
Change to 2014				21.3			(61.9)	(82.9)	23.8		
Budget estimate											
Economic classification											
Current payments	381.4	432.6	470.1	621.2	17.7%	18.7%	617.9	644.8	677.0	2.9%	19.3%
Goods and services	381.4	432.6	470.1	621.2	17.7%	18.7%	617.9	644.8	677.0	2.9%	19.3%
of which:											
Assets less than the capitalisation threshold	22.2	5.9	9.4	2.0	-54.9%	0.4%	0.8	0.9	0.9	-23.2%	-
Computer services	313.4	409.7	441.3	559.9	21.3%	16.9%	571.7	603.9	642.1	4.7%	18.0%
Contractors	19.9	6.2	2.3	0.1	-84.6%	0.3%	3.0	3.8	4.0	282.5%	0.1%
Agency and support/outsourced services	25.8	10.7	6.8	35.8	11.5%	0.8%	40.6	34.3	28.0	-7.9%	1.0%
Consumables: Stationery, printing and office supplies	0.1	-	-	1.1	159.7%	-	0.6	0.6	0.6	-16.0%	-
Travel and subsistence	-	-	-	1.0	295.7%	-	1.0	1.1	1.2	5.4%	-
Transfers and subsidies	1 704.2	1 880.5	1 989.9	2 149.2	8.0%	75.8%	2 217.2	2 310.0	2 542.2	5.8%	69.6%
Departmental agencies and accounts	1 704.2	1 880.5	1 989.9	2 149.2	8.0%	75.8%	2 217.2	2 310.0	2 542.2	5.8%	69.6%
Payments for capital assets	9.9	95.5	131.7	320.9	219.0%	5.5%	358.4	381.8	395.2	7.2%	11.0%
Machinery and equipment	9.9	87.0	131.7	320.9	219.0%	5.4%	358.4	381.8	395.2	7.2%	11.0%
Software and other intangible assets	-	8.4	-	-	-	0.1%	-	-	-	-	-
Payments for financial assets	-	-	4.4	-	-	-	-	-	-	-	-
Total	2 095.5	2 408.6	2 596.0	3 091.3	13.8%	100.0%	3 193.5	3 336.7	3 614.4	5.3%	100.0%
Proportion of total programme expenditure to vote expenditure	19.1%	19.5%	19.9%	21.2%	-	-	21.3%	20.9%	21.3%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 704.2	1 880.5	1 989.9	2 149.2	8.0%	75.8%	2 217.2	2 310.0	2 542.2	5.8%	69.6%
Legal Aid South Africa	1 137.5	1 255.1	1 375.4	1 504.7	9.8%	51.7%	1 523.0	1 577.2	1 754.4	5.3%	48.0%
Special Investigating Unit	323.2	340.7	295.9	296.8	-2.8%	12.3%	304.5	316.7	346.2	5.3%	9.6%
Public Protector of South Africa	153.7	183.1	199.3	217.6	12.3%	7.4%	245.4	262.6	279.7	8.7%	7.6%
South African Human Rights Commission	89.8	101.5	119.3	130.1	13.2%	4.3%	144.3	153.5	161.9	7.5%	4.5%

Public entities and other agencies

Legal Aid South Africa

Mandate

Legal Aid South Africa was established in terms of section 2 of the Legal Aid Act (1969) to provide legal aid to indigent people and legal representation at the state's expense to eligible people in terms of the Constitution. The entity is required to provide independent and impartial legal aid, with the intention of improving justice and public confidence in the law and the administration of justice. 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 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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
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	428 653	438 844	447 301	449 538	451 785	454 044	456 314
- Criminal matters			328 125	383 567	390 567	392 069	394 029	395 999	397 979
- Civil matters			46 528	55 277	57 183	57 469	57 756	58 045	58 335
Number of legal matters finalised per year:	Legal aid services and special projects		414 517	432 002	433 532	431 702	437 878	440 068	442 268
- Criminal matters			385 918 (91.3%)	389 624 (90%)	383 287 (88%)	385 203 (88%)	387 129 (88%)	389 065 (88%)	391 010 (88%)
- Civil matters			28 599 (7%)	42 378 (10%)	50 245 (12%)	50 496 (12%)	50 749 (12%)	51 002 (12%)	51 257 (12%)
Ratio of legal aid practitioners per district court per year	Legal aid services and special projects		1.11:1	1.09:1	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		1.21:1	1.23:1	1.24:1	1.24:1	1.24:1	1.24:1	1.24:1

Expenditure analysis

Building an effective and efficient criminal justice system is one of the pillars envisaged to achieve outcome 3 of government's 2014-2019 medium term strategic framework (all people in South Africa are and feel safe). In addition, the national development plan articulates a criminal justice system that provides equitable and fair justice. Building on this policy, Legal Aid South Africa will expand access to justice by accelerating the provision of legal aid to the poor and vulnerable, mostly women and children. The organisation's focus over the medium term will thus be on accelerating the provision of legal aid, particularly on civil matters, by appointing more legal practitioners. This will ensure the speedier resolution of cases as delays will be minimised as a result of increased capacity.

The increase in the number of permanently employed legal practitioners over the medium term is made possible by a Cabinet approved reprioritisation of funds of R39.1 million in 2015/16, R42.3 million in 2016/17 and R45.4 million in 2017/18 from the Department of Justice and Constitutional Development. This allocation will be channelled to the legal aid services and special projects programmes, and explains the increase in expenditure in the two programmes over the medium term. The funds will go towards reducing the backlog of criminal cases and hiring the personnel needed to support the additional magistrates. The additional allocation, particularly with regards to the special projects programme, will enable the department to reduce the backlog of criminal cases from 26 363 in 2014/15 to 22 652 in 2017/18. The number of legal practitioners in the organisation is set to increase from 2 132 in 2014/15 to 2 299 in 2017/18. This increase is intended to provide human resource capacity to the department's court expansion programme, which aims to promote access to justice.

The increase in legal capacity will also enable Legal Aid South Africa to increase the number of civil matters finalised from 50 496 in 2014/15 to 51 257 in 2017/18, and criminal matters finalised from 385 203 in 2014/15 to 391 010 in 2017/18.

Programmes/objectives/activities

Table 21.12 Legal Aid South 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
Administration	152.2	218.4	244.2	303.9	25.9%	17.2%	300.7	320.7	335.4	3.3%	19.2%
Legal aid services	947.3	977.5	1 071.1	1 152.5	6.8%	79.1%	1 215.6	1 275.2	1 364.9	5.8%	76.3%
Special projects	30.0	57.1	43.8	65.8	29.9%	3.7%	70.7	76.0	81.7	7.5%	4.5%
Total	1 129.5	1 253.0	1 359.1	1 522.2	10.5%	100.0%	1 587.0	1 672.0	1 782.0	5.4%	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								Outcome/ Budget Average (%)	
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
R million	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15
Revenue									
Non-tax revenue	19.0	21.9	15.6	22.5	17.5	26.1	19.8	17.5	122.3%
Other non-tax revenue	19.0	21.9	15.6	22.5	17.5	26.1	19.8	17.5	122.3%
Transfers received	1 126.1	1 137.5	1 232.7	1 255.1	1 360.7	1 377.2	1 465.9	1 504.7	101.7%
Total revenue	1 145.1	1 159.4	1 248.3	1 277.7	1 378.2	1 403.3	1 485.8	1 522.2	102.0%
Expenses									
Current expenses	1 145.1	1 129.5	1 248.3	1 253.0	1 378.2	1 359.1	1 485.8	1 522.2	100.1%
Compensation of employees	808.1	844.3	898.5	976.6	1 004.1	1 062.2	1 133.1	1 203.8	106.3%
Goods and services	311.3	254.5	311.0	245.1	333.2	276.3	310.4	276.1	83.1%
Depreciation	25.6	30.3	38.7	31.0	40.7	20.1	42.2	42.1	84.0%
Interest, dividends and rent on land	0.1	0.4	0.1	0.3	0.1	0.6	0.1	0.2	297.2%
Total expenses	1 145.1	1 129.5	1 248.3	1 253.0	1 378.2	1 359.1	1 485.8	1 522.2	100.1%
Surplus/(Deficit)	–	30.0	–	25.0	–	44.0	–	–	
Statement of financial position									
Carrying value of assets	96.5	114.8	82.2	110.7	88.4	113.8	146.7	128.3	113.0%
of which:									
Acquisition of assets	17.7	20.8	21.1	24.8	23.0	22.0	27.9	79.5	164.0%
Investments	8.7	–	–	1.8	–	1.9	3.6	3.6	59.4%
Inventory	–	–	–	1.1	–	1.3	–	1.3	–
Accrued investment interest	2.1	–	–	–	–	–	–	–	–
Receivables and prepayments	4.0	15.4	6.2	27.6	6.4	41.9	44.8	44.8	210.9%
Cash and cash equivalents	212.5	296.2	262.2	342.5	328.4	386.4	303.3	390.2	127.9%
Non-current assets held for sale	–	0.1	8.2	–	0.1	–	0.1	0.1	2.7%
Total assets	323.9	426.4	358.9	483.6	423.3	545.3	498.5	568.3	126.1%
Accumulated surplus/(deficit)	170.2	227.2	194.8	251.8	205.4	296.0	242.4	310.9	133.6%
Borrowings	1.0	–	–	–	–	–	–	–	–
Finance lease	–	2.0	0.4	4.1	2.3	4.9	3.2	3.8	254.2%
Trade and other payables	38.7	63.9	46.1	94.4	71.5	116.0	104.8	118.8	150.5%
Provisions	114.0	133.3	117.6	133.3	144.1	128.5	148.1	134.8	101.2%
Total equity and liabilities	323.9	426.4	358.9	483.6	423.3	545.3	498.5	568.3	126.1%

Personnel information

Table 21.14 Legal Aid South Africa personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015			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 (%)				
		2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18			
		Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost				Unit	Number	Cost
Legal Aid South Africa			Unit	Number	Cost	Cost	Unit	Number	Cost	Cost	Unit	Number	Cost	Cost	Unit	Number	Cost	Cost	
Salary level	2 669	2 714	2 527	-	-	2 527	1 203.8	0.5	2 616	1 223.5	0.5	2 616	1 306.8	0.5	2 616	1 410.7	0.5	5.4%	100.0%
1 – 6	1 186	1 207	1 119	212.2	0.2	1 119	222.5	0.2	1 120	224.3	0.2	1 120	239.0	0.2	1 120	281.2	0.3	8.1%	43.2%
7 – 10	546	554	518	201.3	0.4	518	282.6	0.5	653	268.1	0.4	653	287.5	0.4	653	308.4	0.5	3.0%	23.8%
11 – 12	722	734	685	435.6	0.6	685	485.6	0.7	733	596.5	0.8	733	642.9	0.9	733	684.1	0.9	12.1%	27.8%
13 – 16	215	219	205	213.1	1.0	205	213.1	1.0	110	134.7	1.2	110	137.4	1.2	110	137.0	1.2	-13.7%	5.2%

¹. Rand million.

Other public entities and agencies

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. Its total budget for 2015/16 is R246.1 million.
- The **South African Human Rights Commission** is an independent statutory body, established to support constitutional democracy by promoting, protecting and monitoring human rights. The commission's total budget for 2015/16 is R144.3 million.
- The **Special Investigating Unit** is established to investigate and litigate on serious malpractice, maladministration and corruption in connection with the administration of state institutions. The Special Investigating Unit is now empowered to institute and conduct civil proceedings in any court of law or special tribunal, in its own name or on behalf of state institutions. The unit's total budget for 2015/16 is R445.9 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		
					2011/12	2012/13		2013/14	2015/16	2017/18
Departmental infrastructure										
Nelspruit high court		New building for the province	Construction	706.4	74.8	14.4	60.2	194.9	60.5	–
Polkwane high court		New building for the province	Construction	876.3	126.4	72.7	130.2	132.5	23.5	–
Ntuzuma magistrate's office		New building	Handed over	274.3	–	14.0	9.0	–	–	–
Port Shepstone magistrate's office		New building	Construction	334.1	–	12.2	4.9	8.4	160.5	107.0
South Gauteng high court		Extensions to existing building	Construction	385.8	–	150.5	62.8	47.0	20.0	39.5
Kathehlong magistrate's office		New building	Handed over	332.2	146.2	90.3	0.5	–	–	–
Booyens magistrate's office		New building	Design	262.4	–	–	4.3	8.1	24.0	65.6
Soweto Magistrates' Court (formally referred to as Orlando Magistrates' Court)		New building	Identification	382.6	–	–	–	1.0	5.0	105.3
Accessibility programme (phase 2)		Accessibility to court facilities	Various	105.9	0.7	12.5	–	3.0	16.5	22.6
Mamelodi magistrate's office		New building	Construction	123.8	–	14.7	0.4	19.0	39.5	41.0
Plettenberg Bay magistrate's office		New building	Design	176.0	–	–	19.8	15.6	39.2	42.0
Richards Bay magistrate's office		New building	Design	207.1	–	–	3.3	15.0	–	51.8
Kagiso magistrate's office		New building	Hand over	74.1	18.7	1.8	7.5	5.0	16.4	–
Jan Kempdorp magistrate's office		New building	Design	45.0	–	0.1	–	0.5	3.0	5.0
Hankey magistrate's office		New building	Handed over	32.2	0.1	13.9	1.3	–	–	–
Tsakane magistrate's office		New building	Handed over	16.2	–	–	0.4	–	–	–
Ekangala magistrate's office		New building	Handed over	22.3	0.8	7.7	–	–	–	–
Garies magistrate's office		New building	Design	86.8	–	0.4	–	0.5	1.0	5.0
Ashton periodical court		New building	Handed over	119.5	113.3	–	–	–	–	–
Lothair periodical court		New building	Design	31.7	1.5	0.7	0.3	–	1.0	5.0
Lutzuville periodical court		New building	Handed over	11.8	0.4	5.2	–	–	–	–
Bityi periodical court		New building	Design	53.0	0.3	1.0	0.4	0.5	9.4	10.0
Dimbaza periodical court		New building	Tender	104.2	–	3.6	1.1	3.0	10.0	35.9
Supreme Court of Appeal (Bloemfontein)		Extensions to existing building	Handed over	129.8	–	65.3	7.2	–	–	–
Pietermaritzburg master's office: 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	0.5	4.4	0.3	–	–	–
Stanger magistrate's office		Extensions to existing building	Handed over	52.8	1.9	7.0	0.5	–	–	–
Soshanguve magistrate's office		Extensions to existing building	Design	69.9	–	4.6	–	0.5	1.0	2.0
Port Elizabeth high court		Extensions to existing building	Construction	86.4	2.3	2.8	5.3	13.0	17.9	25.0
National Prosecuting Authority building (Pietermaritzburg)		Extensions to existing building	Design	75.0	–	–	0.1	3.0	4.5	5.0
Humansdorp magistrate's office		Extensions to existing building	Design	19.7	–	0.3	–	0.3	0.5	1.5
Bredasdorp magistrate's office		Extensions to existing building	Handed over	27.4	1.0	21.2	–	–	–	–
Calvinia magistrate's office		Extensions to existing building	Design complete	17.4	–	–	–	–	–	–
KwaMbonambi periodical court		Extensions to existing building	Design	61.4	–	0.8	–	0.5	1.0	2.0
Umtata magistrate's office		Extensions to existing building	Design	162.4	–	–	8.2	3.0	10.0	20.0
Cala magistrate's office		Extensions to existing building	Design	12.2	–	–	–	0.3	0.5	1.5
Tarkstad magistrate's office		Extensions to existing building	Handed over	9.4	–	–	1.1	–	–	–
Schweizer-Reneke magistrate's office		Extensions to existing building	Hand over	11.3	–	–	2.1	1.5	–	–

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	
				2011/12	2012/13		2015/16	2016/17
R million								
Danielskui periodical court	Extensions to existing building	Handed over	9.5	1.4	3.7	–	–	–
Nyoni periodical court	Extensions to existing building	Design	13.8	–	1.5	0.5	1.5	2.0
Wolmaranstad magistrate's office	Extensions to existing building	Design	29.9	0.2	1.4	0.5	0.5	1.0
Bisho high court	Extensions to existing building	Feasibility	28.3	0.0	–	0.0	0.8	1.0
Mount Ayliff magistrate's office	Extensions to existing building	Design	55.6	–	–	0.5	0.5	1.0
Barkley East magistrate's office	Extensions to existing building	Design	6.6	–	–	0.5	0.5	1.0
Whitesea magistrate's office	Extensions to existing building	Design	68.5	–	–	0.5	3.0	30.0
Christiana magistrate's office	Extensions to existing building	Design	18.2	–	0.4	0.5	0.8	1.4
Fraserburg magistrate's office	Extensions to existing building	Design	9.6	–	–	0.3	0.5	1.0
Deben periodical court	Extensions to existing building	Handed over	3.6	–	–	–	–	–
Umbumbulu magistrate's office	Extensions to existing building	Construction	48.3	–	2.9	2.0	4.3	4.7
Riversdale magistrate's office	Extensions to existing building	Handed over	20.2	9.1	5.1	–	–	–
Galvendale magistrate's office	Extensions to existing building	Handed over	54.1	–	28.8	–	–	–
Repairs and maintenance	Repairs and maintenance to various offices	Handed over	190.8	72.9	–	–	–	–
Upgrading, renovations and refurbishments	Upgrading of various offices	Various	92.5	105.0	0.9	0.1	0.0	0.0
Various smaller courts	Upgrading of various offices	Design	125.5	0.2	0.0	0.1	0.1	0.1
Various smaller courts	Smaller construction projects	Various	52.3	6.0	0.0	0.0	0.0	0.0
Goodwood magistrate's office	New building	Pre-feasibility	145.5	–	–	15.0	1.0	2.0
Planning for various courts	Smaller construction projects	Identification	72.3	–	0.0	15.0	0.1	25.1
Tshilwabusiku magistrate's office	New building	Design	9.5	–	0.4	1.0	1.5	7.0
Tsineng magistrate's office	New building	Identification	49.2	–	–	1.0	0.1	0.1
Second Gelvandale magistrate's office	Upgrading of various offices	Hand over	6.8	–	0.2	1.0	–	–
Odenaalsrus magistrate's office	Extensions to existing building	Feasibility	0.7	–	–	0.6	–	–
Villiers magistrate's office	Extensions to existing building	Feasibility	7.7	–	–	0.5	1.0	1.0
Bultfontein magistrate's office	Extensions to existing building	Feasibility	1.1	–	–	0.5	1.0	–
Bloemfontein high court	Extensions to existing building	Design	1.6	–	–	0.3	0.5	–
Kroonstad magistrate's office	Extensions to existing building	Design	2.6	–	–	0.5	1.0	–
Welkom magistrate's office	Extensions to existing building	Design	18.2	–	–	1.0	5.0	2.0
Caledon magistrate's office	Extensions to existing building	Hand over	16.9	–	14.4	0.5	1.0	–
Ladysmith magistrate's office (Western Cape)	Extensions to existing building	Design	10.9	–	0.9	0.5	0.5	1.0
Grabouw magistrate's office	Extensions to existing building	Design	8.5	–	0.3	1.0	2.0	0.8
Clanwilliam magistrate's office	Extensions to existing building	Design	9.4	–	0.0	1.5	2.0	–
Cape Town magistrate's office	Extensions to existing building	Design	14.7	–	0.2	0.5	1.0	3.0
Justitia Building (Cape Town)	Extensions to existing building	Tender	109.1	–	0.3	10.0	8.0	55.0
Msimang magistrate's office	Extensions to existing building	Design	22.0	–	6.6	1.0	1.6	1.7
Umtzimkulu magistrate's office	Extensions to existing building	Design	45.8	–	1.0	1.0	2.0	3.0
Ixopo justice cluster	Extensions to existing building	Design	25.2	–	1.7	1.3	2.0	3.0
Ingwavuma justice cluster	Extensions to existing building	Design	32.4	–	1.8	1.0	1.0	2.0
Kranskop justice cluster	Extensions to existing building	Design	5.1	–	0.7	0.3	1.0	1.0
Greytown justice cluster	Extensions to existing building	Design	21.8	–	2.7	0.5	1.3	1.9
Bergville justice cluster	Extensions to existing building	Design	25.7	–	0.1	1.0	1.0	2.0
Paupietburg justice cluster	Extensions to existing building	Design	17.2	–	1.3	0.5	1.0	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			
				2011/12	2012/13		2013/14	2015/16	2016/17	2017/18
R million										
Magudu justice cluster	Extensions to existing building	Design	18.2	-	0.5	-	0.5	1.1	1.7	2.3
Sundumbili magistrate's office	Extensions to existing building	Design	16.5	-	-	-	0.5	1.0	2.0	2.6
Newcastle magistrate's office	Extensions to existing building	Design	98.0	-	1.5	4.8	0.5	1.0	1.0	1.6
Durban magistrate's office	Extensions to existing building	Design	106.0	-	4.1	6.0	0.5	1.0	2.5	3.1
Vulamehlo magistrate's office	Extensions to existing building	Design	40.4	-	-	0.8	0.5	1.0	1.0	1.6
Poladder magistrate's office	Extensions to existing building	Design	20.0	-	-	-	0.3	0.5	0.5	1.0
Hopetown magistrate's office	Extensions to existing building	Design	34.0	-	0.8	-	0.5	1.0	1.0	1.6
Kakamas magistrate's office	Extensions to existing building	Design	5.9	-	-	-	0.5	2.0	18.1	19.5
Keimoes magistrate's office	Construction of new court	Design	19.1	-	-	0.0	0.5	4.0	3.0	3.7
Mankwe magistrate's office	Extensions to existing building	Hand over	2.4	-	0.1	2.3	-	-	-	0.5
Klerksdorp magistrate's office	Extensions to existing building	Design	29.8	-	0.8	-	3.8	2.3	3.0	3.6
Evander magistrate's office	Extensions to existing building	Design	10.0	-	0.1	1.1	0.2	0.2	3.5	4.2
Tzaneen magistrate's office	Extensions to existing building	Design	39.1	-	0.4	0.0	0.2	1.0	20.0	15.0
Dzanani magistrate's office	Extensions to existing building	Design	19.8	-	0.6	0.2	1.0	2.5	10.0	10.5
Naboomspruit magistrate's office	Extensions to existing building	Design	30.8	-	0.1	-	0.5	1.7	5.0	5.3
Ezibeleni magistrate's office	Extensions to existing building	Design	17.9	-	0.9	0.2	0.2	0.7	1.0	1.1
King William's Town magistrate's office	Extensions to existing building	Design	6.4	-	0.1	0.6	0.3	0.8	1.5	2.1
Grahamstown magistrate's office	Extensions to existing building	Design	5.1	-	-	-	0.7	0.8	0.8	1.4
Seymour magistrate's office	Extensions to existing building	Design	22.1	-	0.0	-	0.5	1.0	3.0	3.7
Middelburg magistrate's office (Eastern Cape)	Extensions to existing building	Design	47.4	-	0.8	-	0.5	1.0	6.5	7.3
Port Elizabeth magistrate's office	Extensions to existing building	Design	12.0	-	0.7	0.1	0.5	4.0	5.0	25.3
Bedford magistrate's office	Extensions to existing building	Design	12.8	-	0.2	-	1.0	0.7	1.3	1.4
Odi magistrate's office	Extensions to existing building	Design	53.6	-	-	-	1.5	2.0	40.0	60.8
Palace of Justice (Pretoria)	Extensions to existing building	Construction	21.0	-	2.8	-	7.5	7.0	-	-
Rustenburg magistrate's office	Extensions to existing building	Design	85.0	-	-	2.8	5.0	6.0	49.5	52.0
Total			7 970.2	683.6	621.2	387.6	566.8	661.5	920.1	966.1

Vote 22

Office of the Chief Justice and Judicial Administration

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	69.4	59.8	–	9.6	73.3	77.8
Judicial Support and Court Administration	640.4	633.6	3.0	3.8	696.5	735.7
Judicial Education and Research	32.6	32.3	–	0.4	34.5	36.4
Subtotal	742.4	725.6	3.0	13.8	804.3	849.9
Direct charge against the National Revenue Fund						
Judges' salaries	873.7	821.5	52.3	–	920.1	966.1
Total expenditure estimates	1 616.2	1 547.1	55.3	13.8	1 724.4	1 816.0

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, public entities, donor funding, public private partnerships, conditional allocations 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 ¹	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Percentage of cases finalised:	Judicial Support and Court Administration	Outcome 3: All people in South Africa are and feel safe							
- Constitutional Court			59% (132)	65% (159)	66% (190)	60% ²	80% ²	80% ²	80% ²
- Supreme Court of Appeal			—	68% (176)	52% (164)	70% ²	80% ²	80% ²	80% ²
- High courts									
• Criminal (with verdict)			58% (1 275)	61% (1 304)	66% (1 140)	60%	62%	64%	66%
• Civil	Judicial Support and Court Administration	Outcome 3: All people in South Africa are and feel safe	—	—	—	—	52%	54%	56%
- Specialised courts			61% (6 951)	75% (6 700)	86% (10 555)	50%	52%	54%	56%
Number of criminal cases on the backlog roll in the high courts			374	362	287	281	206 ³	156 ³	106 ³
Number of judicial education courses conducted	Judicial Education and Research		2 ⁴	58	53	60	65	70	75

1. The information for 2011/12 to 2014/15 was supplied by the Department of Justice and Constitutional Development, except for the judicial education and research indicator.

2. Because the exact number of cases finalised cannot be predicted, the targets for this indicator from 2014/15 to 2017/18 are expressed as percentages.

3. The targets for this indicator from 2015/16 to 2017/18 differ from those listed in outcome 3 of government's 2014-2019 medium term strategic framework, because it is expected that the number of criminal cases on the backlog roll will be reduced more quickly than originally anticipated following the issuance of judicial norms and standards in February 2014.

4. The South African Judicial Education Institute began operating in mid-2011/12, which is why fewer courses were conducted in that year than in the following years.

Expenditure analysis

The Office of the Chief Justice is a new department, and will become fully operational in April 2015. Its annual budget over the MTEF period is R1.6 billion in 2015/16, R1.7 billion in 2016/17 and R1.8 billion in 2017/18. These funds are transferred from the Department of Justice and Constitutional Development and provide for the Constitutional Court, the Supreme Court of Appeal, the high courts, and the specialised courts, including for administrative personnel who support judicial functions at the superior courts and other staff attached to the department whose roles are directly connected to the superior courts. Judges' salaries are also in the Office of the Chief Justice's budget.

The department's focus over the medium term is to improve the efficiency of the court system, specifically by implementing and monitoring judicial norms and standards, and facilitating the appointment and training of judicial officers. This focus supports the call of the national development plan to strengthen judicial governance and the rule of law through accelerating reforms to implement a court administration that is judiciary led and independent, and through dramatically scaling up judicial training. The department's focus also supports outcome 3 of government's 2014-2019 medium term strategic framework (all people in South Africa are and feel safe).

The bulk of the department's spending over the medium term goes towards personnel costs, given the labour intensive nature of its functions. The department has 1 714 posts (including 243 judicial officers), which are all funded and filled. The number of posts is expected to increase to 1 763 in 2015/16 to provide for the provincial service centres that will be responsible for administrative support to the superior courts. The related spending of R17.6 million is in the *Administration* and *Judicial Education and Research* programmes on compensation of employees and goods and services. Other developments in the staffing of the department include the transfer of functions such as case flow management and judicial support from the Department of Justice and Constitutional Development. The 12.9 per cent increase in spending expected in the *Judicial Support and Court Administration* programme's budget over the medium term, as well as the budgets of the *Administration* and *Judicial Education and Research* programmes, reflect these function transfers.

Implementing and monitoring judicial norms and standards

Judicial norms and standards, which are for monitoring courts' performance and implementing a sound case flow management system, were developed and gazetted in February 2014. Courts are responsible for implementing the norms and standards and reporting on performance, and the Office of the Chief Justice is responsible for monitoring and reporting on compliance. In addition, national and provincial efficiency enhancement committees have been established to ensure that all stakeholders in the justice, crime prevention and security cluster meet regularly to improve efficiency. The Office of the Chief Justice has rolled out a

reporting tool to all provincial efficiency enhancement committees. Committee reports are sent to the department, which collates and analyses the information. 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.

Facilitating the appointment and training of judicial officers

The department will support the Judicial Service Commission in executing its mandate of recommending candidates to be appointed as judicial officers by providing secretariat and administrative support services. Judicial officers receive training from the South African Judicial Education Institute. The focus is on providing continuing judicial education for judicial officers and training for aspirant judicial officers. An average of 70 courses will be provided each year over the medium term. The budget for this is reflected in the *South African Judicial Education Institute* subprogramme in the *Judicial Education and Research* programme.

Expenditure trends

Table 22.2 Vote expenditure trends by programme and economic classification

Table 22.12: 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 ¹	Annual budget	Adjusted appropriation	Audited Outcome ¹	Annual budget	Adjusted appropriation	Audited Outcome ¹	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Programme 1	17.9	21.8	8.9	23.7	23.7	6.2	17.8	15.5	40.7	33.2	36.9	36.9	100.0%	94.7%
Programme 2	408.9	475.7	496.9	500.7	461.4	573.3	477.5	471.0	596.6	505.4	510.6	510.6	115.1%	113.5%
Programme 3	22.1	13.2	1.4	26.1	26.1	8.3	29.0	31.0	32.0	26.5	26.5	26.5	65.9%	70.6%
Subtotal	448.9	510.6	507.2	550.5	511.2	587.9	524.4	517.6	669.3	565.1	574.0	574.0	111.9%	110.6%
Direct charge against the National Revenue Fund	504.9	555.4	710.9	579.1	702.6	744.8	621.2	786.5	788.7	829.0	856.0	856.0	122.3%	106.9%
Judges' salaries	504.9	555.4	710.9	579.1	702.6	744.8	621.2	786.5	788.7	829.0	856.0	856.0	122.3%	106.9%
Total	953.8	1 066.0	1 218.2	1 129.6	1 213.8	1 332.7	1 145.5	1 304.1	1 457.9	1 394.1	1 430.0	1 430.0	117.6%	108.5%
Change to 2014 Budget estimate										35.9				
Economic classification														
Current payments	897.2	1 009.2	1 151.8	1 058.3	1 128.4	1 278.0	1 101.8	1 247.6	1 302.2	1 336.3	1 345.9	1 345.9	115.6%	107.3%
Compensation of employees	713.5	815.1	912.9	846.9	925.1	1 005.1	900.4	1 037.5	1 090.0	1 121.0	1 133.8	1 133.8	115.6%	105.9%
Goods and services of which:	183.7	194.1	238.8	211.4	203.2	272.9	201.4	210.1	212.2	215.3	212.1	212.1	115.3%	114.2%
Communication	14.2	14.4	14.9	15.6	16.2	16.0	16.7	16.5	16.0	18.9	18.9	18.9	100.8%	99.7%
Agency and support/outourced services	8.2	8.2	19.8	17.2	12.3	16.0	17.5	12.6	11.3	15.7	14.2	14.2	104.8%	129.4%
Consumables: Stationery, printing and office supplies	20.3	13.8	13.2	20.9	13.5	7.4	17.5	11.8	8.2	8.2	10.3	10.3	58.4%	79.2%
Travel and subsistence	83.4	94.5	153.1	92.6	92.6	190.0	85.2	112.8	101.2	98.9	104.3	104.3	152.3%	135.7%
Training and development	1.9	1.9	—	0.7	1.8	0.9	0.7	1.5	1.0	14.3	1.3	1.3	18.8%	50.6%
Operating payments	8.0	8.2	3.9	11.4	8.0	5.7	13.0	6.6	3.4	11.3	11.1	11.1	55.2%	71.4%
Transfers and subsidies	54.5	54.6	63.7	69.9	69.9	46.3	39.9	48.6	51.7	52.4	67.5	67.5	105.7%	95.3%
Provinces and municipalities	—	—	—	—	—	0.1	—	—	—	0.1	0.1	0.1	138.3%	108.7%
Households	54.5	54.5	63.6	69.9	69.9	46.2	39.8	48.5	51.7	52.4	67.4	67.4	105.7%	95.2%
Payments for capital assets	2.0	2.3	1.2	1.4	15.6	8.2	3.8	7.9	103.8	5.3	16.6	16.6	1 028.1%	306.3%
Machinery and equipment	2.0	2.2	1.2	1.4	15.5	8.1	3.8	7.9	103.8	5.3	16.6	16.6	1033.1%	306.7%
Payments for financial assets	—	—	1.5	—	—	0.2	—	—	0.2	—	—	—	—	—
Total	953.8	1 066.0	1 218.2	1 129.6	1 213.8	1 332.7	1 145.5	1 304.1	1 457.9	1 394.1	1 430.0	1 430.0	117.6%	108.5%

1. The higher than planned spending from 2011/12 to 2013/14 was financed by means of virements carried out with the Justice and Constitutional Development vote. The audited outcomes for these years can 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 (%)	
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18		
Programme 1	36.9	19.2%	1.7%	69.4	73.3	77.8	28.3%	3.9%	
Programme 2	510.6	2.4%	40.0%	640.4	696.5	735.7	12.9%	39.2%	
Programme 3	26.5	26.3%	1.3%	32.6	34.5	36.4	11.1%	2.0%	
Subtotal	574.0	4.0%	43.0%	742.4	804.3	849.9	14.0%	45.1%	
Direct charge against the National Revenue Fund	856.0	15.5%	57.0%	873.7	920.1	966.1	4.1%	54.9%	
Judges' salaries	856.0	15.5%	57.0%	873.7	920.1	966.1	4.1%	54.9%	
Total	1 430.0	10.3%	100.0%	1 616.2	1 724.4	1 816.0	8.3%	100.0%	
Economic classification									
Current payments	1 345.9	10.1%	93.4%	1 547.1	1 651.4	1 739.4	8.9%	95.4%	
Compensation of employees	1 133.8	11.6%	76.2%	1 279.5	1 353.9	1 426.4	8.0%	78.9%	
Goods and services	212.1	3.0%	17.2%	267.6	297.5	313.0	13.8%	16.6%	
of which:									
Communication	18.9	9.6%	1.2%	21.6	22.7	23.9	8.1%	1.3%	
Agency and support/outourced services	14.2	20.3%	1.1%	16.5	17.3	18.2	8.5%	1.0%	
Consumables: Stationery, printing and office supplies	10.3	-9.2%	0.7%	13.5	14.1	14.6	12.3%	0.8%	
Travel and subsistence	104.3	3.3%	10.1%	119.3	140.8	148.0	12.4%	7.8%	
Training and development	1.3	-10.8%	0.1%	16.1	17.2	18.1	138.7%	0.8%	
Operating payments	11.1	10.7%	0.4%	13.3	14.0	14.7	9.9%	0.8%	
Transfers and subsidies	67.5	7.3%	4.2%	55.3	58.2	61.1	-3.2%	3.7%	
Provinces and municipalities	0.1	22.8%	-	0.1	0.1	0.1	4.3%	-	
Households	67.4	7.3%	4.2%	55.2	58.1	61.0	-3.3%	3.7%	
Payments for capital assets	16.6	94.4%	2.4%	13.8	14.8	15.5	-2.3%	0.9%	
Machinery and equipment	16.6	95.3%	2.4%	13.8	14.8	15.5	-2.3%	0.9%	
Total	1 430.0	10.3%	100.0%	1 616.2	1 724.4	1 816.0	8.3%	100.0%	

Personnel information

Table 22.4 Vote personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. Judicial Support and Court Administration																			
3. Judicial Education and Research																			
Number of posts estimated for 31 March 2015			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 (%)			
			2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Office of the Chief Justice and Judicial Administration			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Salary level	1 714	–	1 601	1 090.0	0.7	1 714	1 133.8	0.7	1 763	1 279.5	0.7	1 763	1 353.9	0.8	1 763	1 426.4	0.8	0.9%	100.0%
1 – 6	818	–	784	111.5	0.1	818	109.0	0.1	837	144.7	0.2	837	154.7	0.2	837	163.9	0.2	0.8%	47.5%
7 – 10	503	–	419	113.2	0.3	503	128.7	0.3	516	171.7	0.3	516	183.5	0.4	516	194.4	0.4	0.9%	29.3%
11 – 12	73	–	49	26.7	0.5	73	36.9	0.5	82	49.4	0.6	82	52.6	0.6	82	55.7	0.7	4.0%	4.6%
13 – 16	27	–	23	20.1	0.9	27	22.7	0.8	35	33.2	0.9	35	35.1	1.0	35	37.6	1.1	9.0%	1.9%
Other	293	–	326	818.5	2.5	293	836.5	2.9	293	880.4	3.0	293	928.0	3.2	293	975.0	3.3	–	16.7%
Programme	1 471	–	1 358	351.9	0.3	1 471	342.4	0.2	1 520	458.0	0.3	1 520	488.9	0.3	1 520	518.2	0.3	1.1%	100.0%
Programme 1	75	–	71	29.5	0.4	75	30.6	0.4	116	44.8	0.4	116	47.2	0.4	116	50.1	0.4	15.6%	7.0%
Programme 2	1 385	–	1 277	317.4	0.2	1 385	306.8	0.2	1 385	403.1	0.3	1 385	431.1	0.3	1 385	456.8	0.3	–	91.9%
Programme 3	11	–	10	5.0	0.5	11	5.1	0.5	19	10.1	0.5	19	10.6	0.6	19	11.2	0.6	20.0%	1.1%

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

2. Rand million.

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 22.5 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Management	–	–	14.4	14.3	–	31.0%	31.9	33.7	36.1	36.1%	45.1%
Corporate Services	8.9	6.2	12.4	7.7	-4.8%	38.1%	11.6	12.2	12.9	18.6%	17.2%
Financial Administration	–	–	10.3	10.2	–	22.2%	14.1	14.7	15.3	14.5%	21.1%
Internal Audit and Risk Management	–	–	1.2	1.5	–	3.0%	2.4	2.5	2.7	21.4%	3.6%
Office Accommodation	–	–	2.3	3.1	–	5.9%	9.4	10.1	10.8	51.5%	13.0%
Total	8.9	6.2	40.7	36.9	60.4%	100.0%	69.4	73.3	77.8	28.3%	100.0%
Change to 2014				3.7							
Budget estimate											
Economic classification	8.6	4.6	37.3	34.2	58.6%	91.5%	59.8	63.2	67.1	25.2%	87.2%
Current payments	–	–	29.5	30.6	–	64.9%	44.8	47.2	50.1	17.9%	67.1%
Compensation of employees	–	–	29.5	30.6	–	64.9%	44.8	47.2	50.1	17.9%	67.1%
Goods and services	8.6	4.6	7.8	3.6	-25.0%	26.6%	15.0	16.0	17.0	67.3%	20.1%
of which:											
Advertising	0.6	0.1	0.7	0.3	-23.5%	1.8%	0.9	1.0	1.0	57.2%	1.3%
Communication	0.2	0.5	0.4	0.2	3.0%	1.5%	0.4	0.5	0.5	26.7%	0.6%
Consumables: Stationery, printing and office supplies	0.5	0.1	0.3	0.6	6.6%	1.7%	2.6	2.7	2.6	62.1%	3.3%
Operating leases	0.1	–	–	–	-100.0%	0.1%	6.8	7.4	7.9	–	8.6%
Travel and subsistence	3.5	2.0	2.3	1.6	-22.7%	10.2%	2.1	2.2	2.3	12.4%	3.2%
Venues and facilities	0.4	0.2	0.1	0.4	-7.4%	1.1%	1.8	1.8	1.9	75.4%	2.3%
Payments for capital assets	0.3	1.6	3.3	2.6	96.3%	8.5%	9.6	10.1	10.6	59.3%	12.8%
Machinery and equipment	0.3	1.6	3.3	2.6	96.3%	8.5%	9.6	10.1	10.6	59.3%	12.8%
Total	8.9	6.2	40.7	36.9	60.4%	100.0%	69.4	73.3	77.8	28.3%	100.0%
Proportion of total programme expenditure to vote expenditure	1.8%	1.1%	6.1%	6.4%	–	–	9.3%	9.1%	9.2%	–	–

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 3 monitoring reports on the performance of the superior courts in 2015/16, and 5 reports per year in 2016/17 and 2017/18
 - producing 3 monitoring reports on judicial norms and standards in 2015/16, and 5 reports per year in 2016/17 and 2017/18.
- Enhance the efficiency and 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 Supreme Court of Appeal to finalise 80 per cent of cases per year between 2015/16 and 2017/18
 - high courts to reduce the number of criminal case backlogs from a projected 281 cases in 2014/15 to 106 cases in 2017/18
 - high courts to finalise criminal cases with a verdict from a projected 60 per cent in 2014/15 to 66 per cent in 2017/18

- high courts to finalise civil cases from a projected 52 per cent in 2014/15 to 56 per cent in 2017/18
- specialised courts to finalise cases from a projected 50 per cent in 2014/15 to 56 per cent in 2017/18.

Subprogrammes

- *Administration of Superior Courts* provides administration 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.
- *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.

Expenditure trends and estimates

Table 22.6 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 (%)
	2011/12	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million						2011/12 - 2014/15					2014/15 - 2017/18	
Administration of Superior Courts	–	–	0.6	4.3	–	0.2%		21.3	22.3	23.4	75.3%	2.8%
Judicial Service Commission	9.0	4.6	5.7	9.1	0.3%	1.3%		10.0	10.9	11.5	8.2%	1.6%
Constitutional Court	68.4	73.1	76.1	57.9	-5.4%	12.7%		68.4	72.2	76.1	9.5%	10.6%
Supreme Court of Appeal	20.9	26.4	29.8	24.7	5.7%	4.7%		25.2	27.2	28.7	5.2%	4.1%
High Courts	353.8	409.9	431.4	374.9	1.9%	72.3%		473.4	518.1	547.5	13.5%	74.1%
Specialised Courts	41.5	55.9	52.9	39.8	-1.4%	8.8%		42.0	45.9	48.6	6.8%	6.8%
Total	493.6	569.8	596.6	510.6	1.1%	100.0%		640.4	696.5	735.7	12.9%	100.0%
Change to 2014				5.2								
Budget estimate												
Economic classification												
Current payments	489.7	561.3	494.9	494.4	0.3%	94.0%		633.6	689.2	728.1	13.8%	98.5%
Compensation of employees	260.8	301.4	317.4	306.8	5.6%	54.7%		403.1	431.1	456.8	14.2%	61.9%
Goods and services	228.9	259.9	177.5	187.7	-6.4%	39.3%		230.4	258.1	271.2	13.1%	36.7%
of which:												
Assets less than the capitalisation threshold	2.3	4.5	5.2	9.1	57.7%	1.0%		10.6	11.2	11.8	8.9%	1.6%
Communication	14.6	15.5	15.5	18.6	8.3%	3.0%		21.1	22.2	23.3	7.9%	3.3%
Consultants and professional services:	8.5	10.0	10.6	8.1	-1.5%	1.7%		10.6	11.2	11.8	13.1%	1.6%
Business and advisory services												
Agency and support/outourced services	17.4	15.4	11.2	14.2	-6.6%	2.7%		16.4	17.3	18.1	8.4%	2.6%
Travel and subsistence	148.7	180.3	80.7	92.8	-14.6%	23.1%		113.9	135.2	142.0	15.3%	18.7%
Operating payments	3.8	5.4	3.3	10.7	41.6%	1.1%		12.8	13.5	14.2	9.9%	2.0%
Transfers and subsidies	1.6	1.7	1.1	2.9	21.2%	0.3%		3.0	3.1	3.3	4.8%	0.5%
Provinces and municipalities	–	0.1	–	0.1	23.8%	–		0.1	0.1	0.1	4.3%	–
Households	1.6	1.6	1.0	2.8	21.1%	0.3%		2.9	3.1	3.2	4.8%	0.5%
Payments for capital assets	0.8	6.6	100.4	13.3	157.9%	5.6%		3.8	4.2	4.4	-31.0%	1.0%
Machinery and equipment	0.8	6.6	100.4	13.3	157.9%	5.6%		3.8	4.2	4.4	-31.0%	1.0%
Payments for financial assets	1.5	0.2	0.2	–	-100.0%	0.1%		–	–	–	–	–
Total	493.6	569.8	596.6	510.6	1.1%	100.0%		640.4	696.5	735.7	12.9%	100.0%
Proportion of total programme expenditure to vote expenditure	97.3%	96.9%	89.1%	89.0%	–	–		86.3%	86.6%	86.6%	–	–

Table 22.6 Judicial Support and Court Administration 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											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Households											
Social benefits											
Current	0.8	1.5	1.0	2.8	54.6%	0.3%	2.9	3.1	3.2	4.8%	0.5%
Employee social benefits	0.8	1.5	1.0	2.8	54.6%	0.3%	2.9	3.1	3.2	4.8%	0.5%
Households											
Other transfers to households											
Current	0.8	0.1	–	–	-100.0%	–	–	–	–	–	–
Employee social benefits	0.8	0.1	–	–	-100.0%	–	–	–	–	–	–

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

- Capacitate serving and aspirant judicial officers to perform optimally by increasing judicial education courses from a projected 60 in 2014/15 to 75 in 2017/18.
- Enhance the governance of the judiciary and the department by increasing the number of opinions on policy development and regulatory services provided from a projected 10 in 2014/15 to 15 in 2017/18.

Subprogrammes

- *South African Judicial Education Institute* funds the activities of the South African Judicial Education Institute to provide training for judicial officers and aspirant judicial officers.
- *Judicial Policy and Research* funds the provision of research, advisory opinions on policy development and regulatory services to the judiciary and the department.

Expenditure trends and estimates

Table 22.7 Judicial Education and Research expenditure trends and estimates by subprogramme and economic classification

Subprogramme				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
South African Judicial Education Institute	4.7	11.8	31.0	25.3	75.3%	97.0%	28.6	30.2	31.9	8.0%	89.2%
Judicial Policy and Research	–	–	1.0	1.2	–	3.0%	4.1	4.3	4.5	55.4%	10.8%
Total	4.7	11.8	32.0	26.5	78.0%	100.0%	32.6	34.5	36.4	11.1%	100.0%
Economic classification											
Current payments	4.6	11.8	31.9	25.9	77.4%	98.9%	32.3	34.1	35.9	11.6%	98.5%
Compensation of employees	3.3	3.5	5.0	5.1	15.6%	22.4%	10.1	10.6	11.2	30.3%	28.5%
Goods and services	1.4	8.3	26.9	20.8	148.8%	76.5%	22.2	23.4	24.7	5.9%	70.0%
of which:											
Administrative fees	–	0.1	–	0.5	–	0.7%	0.5	0.5	0.5	5.1%	1.5%
Consultants and professional services:	–	–	–	–	–	–	0.9	0.9	1.0	–	2.2%
Business and advisory services											
Consumables: Stationery, printing and office supplies	–	–	0.4	1.3	–	2.2%	1.3	1.3	1.4	2.3%	4.0%
Travel and subsistence	0.9	7.7	18.2	9.9	123.3%	48.7%	3.3	3.5	3.7	-28.2%	15.6%
Training and development	–	0.3	0.9	0.9	–	2.8%	15.0	16.0	16.9	167.0%	37.4%
Operating payments	–	–	–	0.4	–	0.6%	0.4	0.4	0.5	3.1%	1.4%

Table 22.7 Judicial Education 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million				2014/15	2011/12 - 2014/15					2014/15 - 2017/18	
Payments for capital assets	0.1	–	0.1	0.7	112.3%	1.1%	0.4	0.4	0.5	-10.8%	1.5%
Machinery and equipment	0.1	–	0.1	0.7	112.3%	1.1%	0.4	0.4	0.5	-10.8%	1.5%
Total	4.7	11.8	32.0	26.5	78.0%	100.0%	32.6	34.5	36.4	11.1%	100.0%
Proportion of total programme expenditure to vote expenditure	0.9%	2.0%	4.8%	4.6%	–	–	4.4%	4.3%	4.3%	–	–

Vote 23

Police

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	16 264.2	14 386.6	611.8	1 265.8	17 133.3	18 114.7
Visible Policing	38 855.0	37 746.5	201.9	906.5	41 155.3	44 107.3
Detective Services	15 816.0	15 112.8	81.8	621.3	16 716.2	17 943.2
Crime Intelligence	3 110.4	3 062.7	11.5	36.2	3 328.8	3 572.3
Protection and Security Services	2 331.5	2 295.8	4.8	30.9	2 482.1	2 635.2
Total expenditure estimates	76 377.1	72 604.4	911.9	2 860.8	80 815.6	86 372.7

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, public entities, donor funding, public private partnerships, conditional allocations 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		
			2011/12	2012/13	2013/14	2014/15 ¹	2015/16	2016/17	2017/18
Number of serious crimes reported per year ²	Visible Policing	Outcome 3: All people in South Africa are and feel safe	1 825 548	1 833 775	1 826 967	1 718 191	1 790 428 ²	1 754 619 ²	1 719 527 ²
Number of reported crimes for unlawful possession of, and dealing in, drugs ³	Visible Policing		176 307	206 825	260 732	264 094	294 627 ³	332 929 ³	376 209 ³
Total number of rural police stations implementing the minimum criteria of the rural safety strategy pillars	Visible Policing		— ⁴	— ⁴	— ⁴	515 ⁴	637 ⁴	759 ⁴	882 ⁴
Percentage of police stations rendering a victim friendly service to victims of rape, sexual offences and abuse ⁵	Visible Policing		82.2% (925)	81.2% (919)	83.3% (947)	100%	84% ⁵	85% ⁵	86% ⁵

Table 23.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15 ¹	2015/16	2016/17	2017/18
Percentage of crime related hits reacted to ⁶ as a result of the movement control system screening of: - wanted persons	Visible Policing	Outcome 3: All people in South Africa are and feel safe	100% (32 805)	100% (3 435)	100% (3 159)	100%	100%	100%	100%
- circulated stolen or robbed vehicles			100% (13 226)	100% (3 331)	100% (3 926)	100%	100%	100%	100%
Percentage of medium to high risk incidents stabilised ⁷ in relation to requests received	Visible Policing		100% (14 096) ⁷	100% (15 762) ⁷	100% (16 107)	100%	100%	100%	100%
Detection rate ⁸ for serious crimes per year	Detective Services		40.66% ⁹ (876 810)	39.61% ⁹ (851 851)	38.14% ⁹ (834 538)	41.00% ⁹ (858 405)	41.05% ²	41.07% ²	41.10% ²
Percentage of trial ready case dockets ¹⁰ for serious crimes per year	Detective Services		50.73% ⁹ (187 781)	68.42% ⁹ (253 971)	68.38% ⁹ (260 797)	68.50% ⁹ (261 109)	69.00% ²	69.04% ²	69.08% ²
Percentage of trial ready case dockets for crimes dependent on police action for detection	Detective Services		41.58% ⁹ (62 098)	61.80% ⁹ (115 233)	64.40% ⁹ (138 141)	64.50% ⁹ (138 279)	65% ²	65.04% ²	65.09% ²
Percentage of trial ready case dockets for serious commercial crime related charges per year ¹¹	Detective Services		50%	56.5%	54.9%	44%	53% ¹¹	53% ¹¹	53% ¹¹
Percentage of original previous conviction reports for formally charged individuals generated per year	Detective Services		93.88% (1 137 423 from a total of 1 211 598) generated within 20 days	97% (1 164 990 from a total of 1 201 643) generated within 20 days	91.88% (1 119 843 from a total of 1 218 869) generated within 15 calendar days	93% generated within 15 calendar days	94% generated within 15 calendar days	95% generated within 15 calendar days	96% generated within 15 calendar days
Number of network operations ¹² conducted	Crime Intelligence		49 019 ¹²	37 188 ¹²	34 534 ¹²	32 507 ¹²	759 ¹²	833 ¹²	875 ¹²
Percentage of national key points evaluated in compliance with the National Key Points Act (1980)	Protection and Security Services		98% (171/175)	96.2% (175/182)	101% (199) ¹³	100% (197)	100% (204)	100% (204)	100% (204)

1. The figures for 2014/15 are based on the published targets in the department's 2014/15 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. The number of serious crimes reported cannot be predicted, therefore medium term targets for all indicators relating to the reporting, detection and investigation of crime are only estimates, based on past performance and measures to combat crime to be implemented over the medium term.

3. This indicator is now being reported on as it is one of the impact indicators included in government's 2014-2019 medium term strategic framework. 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 to the 5-year targets as outlined in government's 2014-2019 medium term strategic framework.

4. Historical data is not available, as reporting on this indicator started in 2014/15. As the indicator is cumulative, the 2014/15 and medium term targets have been revised to include the total number of police stations implementing and/or expected to implement the strategy.

5. The rendering of victim friendly services is based on set criteria, such as the availability of dedicated infrastructure for taking statements and specific training provided to frontline members to deal with victims. This indicator is calculated against the number of police stations in operation in the specific financial year, and the medium term targets are based on past average performance.

6. Reaction to hits includes arrests and confiscations. Crime related hits are tip-offs generated from the movement control system.

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 get worse and can be managed through normal day-to-day policing. The indicator has been revised to include the performance outcomes of the national intervention unit, the special task force and the public order policing unit to reflect a more comprehensive target and performance output for the indicator. The actual nominal outcomes for 2011/12 and 2012/13, as reported in the 2014 ENE, have been revised to reflect the consolidated performance output for all three units.

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. Until 2013/14, the calculation method for the detection rate and percentage of trial ready case dockets for serious crimes included contact crime, contact related crimes, other serious crimes, and crimes dependent on police action for detection. From 2014/15, the calculation now excludes crimes dependent on police action for detection, as these are now being measured separately. Taking into account the change in methodology for calculating these indicators, the planned targets for 2014/15 and the 2015 MTEF period have been revised. In response to the auditor general's findings with respect to errors in the department's reported performance for these indicators for 2011/12 to 2013/14, the historical performance has been revised to reflect the actual performance.

10. A trial ready docket is a fully investigated case docket (whether it includes one or more charges) which 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.

11. This percentage is a composite calculation. Therefore, single absolute numbers cannot be provided. Due to the unpredictable and complex nature of serious commercial crimes, the medium term targets for this indicator are constant and based on past average performance.

12. Network operations refer to planned and purposeful processes of obtaining, assembling and organising information through exploitation of all types of sources on a target (organisation, group or individual) for further intelligence processing and/or use as evidence. These operations are approved during provincial network operations evaluation committee meetings for the duration of 3 months, although in some instances the operation can be extended beyond 3 months. As specific targets are not known, actual figures vary and predictions are based on past average performance. Over the medium term, the definition 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, hence the downward revision in the medium term targets.

13. 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

The national development plan's vision for building safer communities, read with outcome 3 of government's 2014-2019 medium term strategic framework (all people in South Africa are and feel safe), provides that strengthening the criminal justice system and professionalising the police service are among the key priorities that the justice, crime prevention and security cluster will have to focus on to achieve a crime free South Africa by 2030. As a member department of this cluster, the South African Police Service will continue to position its work towards achieving the sub-outcomes of outcome 3, which relate to reduced levels of contact crime and an efficient and effective criminal justice system. Over the medium term, the department will focus on strengthening the criminal justice system, facilitating community participation and building partnerships, enhancing the safety of women and children, and professionalising the police service. The department will also prioritise creating an enabling environment for executing its core functions.

The bulk of the department's spending over the medium term will be in its core service delivery programmes, the *Visible Policing* programme and the *Detective Services* programme. Compensation of employees will remain the department's largest driver of spending, constituting 75 per cent of the total budget for 2015/16 with growth of 6.2 per cent expected between 2014/15 and 2017/18. This higher than inflation growth rate provides for higher remuneration costs than the 2014 Budget provided for, and for the department's existing and projected personnel numbers over the medium term. The department has reprioritised R352.9 million in 2015/16, R372.3 million in 2016/17 and R390.9 million in 2017/18 to compensation of employees from savings on goods and services and buildings and other fixed structures. The savings were made by rescheduling non-priority infrastructure projects such as refurbishments and upgrades to departmental training institutions, among other cost containment measures. The department's funded posts are expected to stabilise at 198 062 from 2016/17 onwards. Only critical posts for the department's core functions will be filled.

Cabinet approved reductions of R164.3 million in 2015/16, R867.3 million in 2016/17 and R411.1 million in 2017/18 will be effected on non-core goods and services items, such as advertising, communication, and consultancy services, and on payments for capital assets, specifically on transport equipment in 2016/17. The reduction on transport equipment is consistent with the decision in the 2014 Budget to limit budget increases on transport equipment to levels that can be sustained over the medium term. This means that the lifespan of the department's current vehicles will be extended, and only obsolete vehicles will be replaced. R400 million in 2017/18 is reallocated to the department for replacing obsolete vehicles.

Creating an enabling environment for the department's core functions

At the end of March 2014, there were 1 138 police stations. Over the medium term, the bulk of the department's infrastructure budget will go towards upgrading existing police stations and constructing new ones. Starting in 2015/16, in line with the department's 2015/16 draft annual performance plan, an additional 6 rural police stations will be constructed at an estimated cost of R150 million, and 18 police stations will be upgraded at an estimated cost of R74 million. Other infrastructure projects over the medium term include upgrading shooting ranges, administrative offices, dog kennels and dog training facilities. The work on the new and upgraded police stations is expected to be concluded by the end of 2017/18, after which ongoing reviews will ensure that the facilities are maintained over their lifecycle.

The department also aims to ensure that all police stations have victim friendly infrastructure. This includes private rooms specifically designed for victims of traumatic crimes such as rape, sexual offences and abuse. The percentage of police stations providing victim friendly services is projected to increase to 86 per cent in 2017/18. Using funds allocated for training and development in the *Visible Policing* programme, the department will provide training to all frontline members to deal with victims of rape, sexual offences and abuse.

Strengthening the criminal justice system

Bringing criminals to justice is not solely dependent on the police, but requires an effective criminal justice system. The 2008 criminal justice system's 7-point plan, which is endorsed by the national development plan, envisages an integrated criminal justice system. Towards this integration, the department will be implementing the Criminal Law (Forensic Procedures) Amendment Act (2013) over the medium term. Through interdepartmental cooperation, the act aims to enhance the use of fingerprints for crime investigation by linking

different fingerprint databases, among other forensic issues. The budget for implementing the 7-point plan is R6.9 billion over the MTEF period.

The department will invest in IT over the medium term, specifically for the systems integration project, which includes a performance monitoring component. The department will also upgrade and expand IT networks at all police sites, including police stations. This prioritised IT spending partially accounts for the growth in goods and services (computer services) in the *Administration* programme and the *Detective Services* programme.

Facilitating community participation and building partnerships

To enhance partnership policing and encourage community participation, the department will continue to ensure that all police stations implement sector policing and have functioning community policing forums. Sector policing is part of a decentralised policing approach, intended to address the root causes of crime at specific geographical locations in partnership with communities. It complements community policing within station boundaries. At the end of March 2014, approximately 90 per cent of police stations were implementing sector policing and had functioning community policing forums.

The rural safety strategy is a crime prevention approach based on the principles of sector policing to address the policing needs of a rural community. The department anticipates that by the end of 2017/18, all 882 rural police stations will be implementing the minimum criteria of the rural safety strategy.

Enhancing the safety of women and children

The detection rate for crimes against women 18 years and older is expected to increase to 75.4 per cent, and for crimes against children under 18 years to 70 per cent in 2017/18. These are minimal increases over the medium term, because in most cases victims are not in a position to identify suspects, which has an impact on the detection rates. Spending for this function is in the *Detective Services* programme.

Professionalising the police service

Over the medium term, the department will implement the following broad interventions aimed at professionalising the police service: establish relations with research and academic institutions on curriculum development and research areas for the policing sector, including capacitating the department's research institute; include the police code of conduct in the department's disciplinary regulations, performance appraisals and basic training programme; conduct marketing campaigns to attract young graduates to the police service; streamline the process for dealing with disciplinary cases in the department; and launch the community based recruitment and selection strategy, which seeks to ensure that communities participate in recruiting police officers from their communities.

The department has begun implementing a new recruitment framework, which is underpinned by its vision of an integrated human resources management system.

Expenditure trends

Table 23.2 Vote expenditure trends by programme and economic classification

2014/15 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	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Programme 1	12 510.4	12 713.1	11 990.4	13 441.9	13 094.0	12 782.2	14 318.2	14 524.9	14 179.2	15 304.0	15 304.0	15 304.0	97.6%	97.5%
Programme 2	29 683.6	29 759.5	29 941.5	31 523.7	32 354.4	32 315.2	34 570.1	35 015.1	35 149.1	37 008.8	37 043.8	37 043.8	101.3%	100.2%
Programme 3	11 848.0	11 960.6	11 917.1	13 159.8	13 542.9	13 693.7	14 348.5	14 550.9	14 704.0	15 242.7	15 133.0	15 133.0	101.6%	100.5%
Programme 4	2 313.7	2 391.6	2 395.6	2 549.2	2 590.6	2 570.1	2 715.3	2 735.6	2 740.0	2 880.8	2 880.8	2 880.8	101.2%	99.9%
Programme 5	1 705.8	1 725.8	1 688.6	1 810.8	1 806.8	1 795.5	1 964.9	1 964.9	2 019.0	2 070.9	2 145.6	2 145.6	101.3%	99.1%
Total	58 061.5	58 550.5	57 933.1	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	100.5%	99.7%

Table 23.2 Vote expenditure trends by programme and economic classification

Economic classification														
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Current payments	54 564.7	55 053.7	54 394.4	58 685.0	59 936.1	59 234.4	64 212.7	65 084.8	64 818.6	68 924.4	68 766.5	68 766.5	100.3%	99.3%
Compensation of employees	41 050.1	42 278.4	42 407.5	45 013.9	46 804.9	46 796.3	50 358.5	51 231.6	51 241.8	54 210.0	54 449.0	54 449.0	102.2%	100.1%
Goods and services of which:	13 514.6	12 775.3	11 986.9	13 671.1	13 131.1	12 438.2	13 854.2	13 853.2	13 576.8	14 714.4	14 317.5	14 317.5	93.8%	96.7%
Computer services	3 363.9	3 326.1	2 257.4	3 450.9	3 288.9	2 296.9	3 073.8	2 985.5	2 550.1	2 939.7	2 747.2	2 747.2	76.8%	79.8%
Contractors	802.7	867.4	1 010.5	965.9	932.9	907.8	1 041.5	1 041.5	975.7	1 158.3	1 193.2	1 193.2	103.0%	101.3%
Inventory: Fuel, oil and gas	1 872.2	1 655.7	1 970.5	1 757.5	1 750.4	2 262.8	1 921.1	1 927.6	2 652.9	2 153.1	2 197.1	2 197.1	117.9%	120.6%
Operating leases	1 995.6	1 930.0	1 837.2	2 132.4	2 132.4	2 057.9	2 254.0	2 254.0	2 308.2	2 395.5	2 396.0	2 396.0	98.0%	98.7%
Property payments	1 011.1	898.5	1 013.9	991.2	922.7	933.7	1 073.7	1 073.7	929.2	1 145.7	924.6	924.6	90.0%	99.5%
Travel and subsistence	733.8	687.8	654.2	801.0	738.4	707.6	821.0	813.7	754.9	877.2	971.4	971.4	95.5%	96.2%
Transfers and subsidies	496.6	496.6	537.4	532.0	533.7	605.7	637.3	639.6	812.8	737.1	852.0	852.0	116.9%	111.3%
Provinces and municipalities	25.3	25.3	29.8	26.6	26.6	31.2	28.0	28.0	34.6	33.4	33.4	33.4	113.9%	113.9%
Departmental agencies and accounts	56.2	56.2	58.8	67.6	69.3	69.5	115.5	116.7	93.0	133.8	134.7	134.7	95.4%	94.4%
Non-profit institutions	1.0	1.0	1.0	–	–	–	–	1.0	1.0	1.0	1.0	1.0	150.0%	100.0%
Households	414.0	414.0	447.9	437.8	437.8	505.0	493.9	493.9	684.3	568.9	682.9	682.9	121.2%	114.4%
Payments for capital assets	3 000.3	3 000.3	2 994.7	3 268.4	2 918.9	3 310.8	3 067.1	3 067.1	3 146.4	2 845.7	2 888.8	2 888.8	101.3%	103.9%
Buildings and other fixed structures	1 235.3	1 235.3	671.1	1 344.6	794.6	691.6	1 036.9	1 036.9	868.1	1 099.9	984.9	984.9	68.2%	79.4%
Machinery and equipment	1 764.8	1 764.8	2 322.0	1 923.6	2 124.1	2 618.8	2 029.9	2 029.9	2 278.1	1 745.5	1 898.5	1 898.5	122.2%	116.6%
Biological assets	0.2	0.2	1.6	0.3	0.3	0.3	0.3	0.3	0.2	0.3	5.4	5.4	739.6%	122.8%
Payments for financial assets	–	–	6.6	–	–	5.7	–	–	13.6	–	–	–	–	–
Total	58 061.5	58 550.5	57 933.1	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	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 (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18
Programme 1	15 304.0	6.4%	20.7%	16 264.2	17 133.3	18 114.7	5.8%
Programme 2	37 043.8	7.6%	51.2%	38 855.0	41 155.3	44 107.3	6.0%
Programme 3	15 133.0	8.2%	21.1%	15 816.0	16 716.2	17 943.2	5.8%
Programme 4	2 880.8	6.4%	4.0%	3 110.4	3 328.8	3 572.3	7.4%
Programme 5	2 145.6	7.5%	2.9%	2 331.5	2 482.1	2 635.2	7.1%
Total	72 507.2	7.4%	100.0%	76 377.1	80 815.6	86 372.7	6.0%
Change to 2014 Budget estimate				(164.3)	(867.3)	(11.1)	
Economic classification							
Current payments	68 766.5	7.7%	94.2%	72 604.4	76 924.1	81 376.1	5.8%
Compensation of employees	54 449.0	8.8%	74.3%	57 884.9	61 549.1	65 238.3	6.2%
Goods and services of which:	14 317.5	3.9%	19.9%	14 719.6	15 375.0	16 137.8	4.1%
Computer services	2 747.2	-6.2%	3.8%	2 890.1	3 045.5	3 193.7	5.1%
Contractors	1 193.2	11.2%	1.6%	1 201.7	1 266.8	1 331.7	3.7%
Inventory: Fuel, oil and gas	2 197.1	9.9%	3.5%	2 462.6	2 542.5	2 654.4	6.5%
Operating leases	2 396.0	7.5%	3.3%	2 462.9	2 591.4	2 719.0	4.3%
Property payments	924.6	1.0%	1.4%	991.6	1 047.5	1 104.3	6.1%
Travel and subsistence	971.4	12.2%	1.2%	864.7	901.3	942.7	-1.0%
Transfers and subsidies	852.0	19.7%	1.1%	911.9	919.2	966.0	4.3%
Provinces and municipalities	33.4	9.7%	–	37.0	38.7	40.4	6.5%
Departmental agencies and accounts	134.7	33.8%	0.1%	142.0	149.4	161.8	6.3%
Non-profit institutions	1.0	–	–	–	–	–	-100.0%
Households	682.9	18.2%	0.9%	732.9	731.1	763.7	3.8%

Table 23.3 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 (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Payments for capital assets	2 888.8	-1.3%	4.7%	2 860.8	2 972.3	4 030.6	11.7%	4.0%
Buildings and other fixed structures	984.9	-7.3%	1.2%	998.7	1 051.4	1 103.9	3.9%	1.3%
Machinery and equipment	1 898.5	2.5%	3.5%	1 856.5	1 915.3	2 926.1	15.5%	2.7%
Biological assets	5.4	183.8%	—	5.5	5.7	0.6	-51.8%	—
Total	72 507.2	7.4%	100.0%	76 377.1	80 815.6	86 372.7	6.0%	100.0%

Personnel information

Table 23.4 Vote personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration 2. Visible Policing 3. Detective Services 4. Crime Intelligence 5. Protection and Security Services																			
Number of posts estimated for 31 March 2015			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 (%)		
			2013/14			2014/15			2015/16			2016/17		2017/18				2014/15 - 2017/18	
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number				Cost
Police			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	198 010	–	194 852	51 241.8	0.3	198 010	54 449.0	0.3	198 042	57 884.9	0.3	198 062	61 549.1	0.3	198 062	65 238.3	0.3	–	100.0%
1 – 6	130 344	–	127 977	24 680.0	0.2	130 344	26 759.1	0.2	131 844	28 442.9	0.2	133 344	30 564.6	0.2	134 844	33 332.6	0.2	1.1%	67.0%
7 – 10	64 747	–	63 835	24 302.6	0.4	64 747	25 395.0	0.4	63 279	27 016.6	0.4	61 799	28 406.4	0.5	60 299	29 174.2	0.5	-2.3%	31.6%
11 – 12	2 179	–	2 276	1 597.2	0.7	2 179	1 620.9	0.7	2 179	1 698.0	0.8	2 179	1 805.0	0.8	2 179	1 912.2	0.9	–	1.1%
13 – 16	738	–	762	658.2	0.9	738	670.0	0.9	738	723.1	1.0	738	768.7	1.0	738	814.7	1.1	–	0.4%
Other	2	–	2	3.8	1.9	2	4.0	2.0	2	4.2	2.1	2	4.4	2.2	2	4.7	2.4	–	–
Programme	198 010	–	194 852	51 241.8	0.3	198 010	54 449.0	0.3	198 042	57 884.9	0.3	198 062	61 549.1	0.3	198 062	65 238.3	0.3	–	100.0%
Programme 1	37 058	–	36 304	8 701.8	0.2	37 058	9 309.1	0.3	37 058	10 060.1	0.3	37 058	10 687.1	0.3	37 058	11 316.1	0.3	–	18.7%
Programme 2	106 034	–	103 746	27 299.2	0.3	106 034	29 015.9	0.3	106 034	30 610.5	0.3	106 034	32 533.8	0.3	106 034	34 457.1	0.3	–	53.5%
Programme 3	39 822	–	39 748	11 043.8	0.3	39 822	11 605.6	0.3	39 854	12 314.6	0.3	39 874	13 096.4	0.3	39 874	13 893.8	0.3	–	20.1%
Programme 4	8 681	–	8 723	2 457.3	0.3	8 681	2 605.9	0.3	8 681	2 820.0	0.3	8 681	3 023.5	0.3	8 681	3 232.0	0.4	–	4.4%
Programme 5	6 415	–	6 331	1 739.7	0.3	6 415	1 912.5	0.3	6 415	2 079.6	0.3	6 415	2 208.3	0.3	6 415	2 339.3	0.4	–	3.2%

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

2. Rand million.

Departmental receipts

Table 23.5 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 (%)
R thousand	2011/12	2012/13	2013/14	2014/15		2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Departmental receipts	288 760	342 023	386 341	313 884	318 299	3.3%	100.0%	287 901	297 700	306 304	-1.3%	100.0%
Sales of goods and services produced by department	128 165	139 491	153 412	155 283	155 283	6.6%	43.2%	134 870	140 870	146 870	-1.8%	47.8%
Administrative fees	14 652	20 518	23 255	22 689	22 689	15.7%	6.1%	16 850	18 850	20 850	-2.8%	6.5%
of which:												
Firearm licences	14 652	20 518	23 255	22 689	22 689	15.7%	6.1%	16 850	18 850	20 850	-2.8%	6.5%
Other sales	113 513	118 973	130 157	132 594	132 594	5.3%	37.1%	118 020	122 020	126 020	-1.7%	41.2%
of which:												
House rentals	33 136	32 651	31 844	30 466	30 466	-2.8%	9.6%	30 500	30 500	30 500	—	10.1%
Commission on insurance	43 277	48 905	54 444	57 210	57 210	9.8%	15.3%	52 000	54 000	56 000	-0.7%	18.1%
Other	37 100	37 417	43 869	44 918	44 918	6.6%	12.2%	35 520	37 520	39 520	-4.2%	13.0%
Sales of scrap, waste, arms and other used current goods	7 521	10 844	12 388	14 379	14 379	24.1%	3.4%	9 900	9 900	9 900	-11.7%	3.6%
of which:												
Sales of scrap, waste and other used goods	7 521	10 844	12 388	14 379	14 379	24.1%	3.4%	9 900	9 900	9 900	-11.7%	3.6%

Table 23.5 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 (%)
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
R thousand												
Fines, penalties and forfeits	25 657	22 710	50 563	13 830	14 870	-16.6%	8.5%	10 650	11 520	12 480	-5.7%	4.1%
Interest, dividends and rent on land	771	780	769	852	852	3.4%	0.2%	765	765	765	-3.5%	0.3%
Interest	771	780	769	852	852	3.4%	0.2%	765	765	765	-3.5%	0.3%
Sales of capital assets	5 089	2 751	3 757	4 625	8 000	16.3%	1.5%	2 500	2 700	2 900	-28.7%	1.3%
Transactions in financial assets and liabilities	121 557	165 447	165 452	124 915	124 915	0.9%	43.2%	129 216	131 945	133 389	2.2%	42.9%
Total	288 760	342 023	386 341	313 884	318 299	3.3%	100.0%	287 901	297 700	306 304	-1.3%	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	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Ministry	23.3	22.5	24.3	28.9	7.4%	0.2%	32.4	34.5	36.9	8.5%	0.2%
Management	53.8	59.2	59.8	58.2	2.7%	0.4%	67.2	71.5	75.5	9.1%	0.4%
Corporate Services	11 881.4	12 660.6	14 034.1	15 117.2	8.4%	99.0%	16 059.5	16 916.7	17 881.3	5.8%	98.7%
Civilian Secretariat	31.9	39.9	61.0	99.8	46.2%	0.4%	105.1	110.6	121.1	6.6%	0.7%
Total	11 990.4	12 782.2	14 179.2	15 304.0	8.5%	100.0%	16 264.2	17 133.3	18 114.7	5.8%	100.0%
Change to 2014							116.5	0.8	17.2		
Budget estimate											
Economic Classification											
Current payments	10 785.4	11 426.1	12 539.4	13 499.1	7.8%	88.9%	14 386.6	15 197.1	16 056.5	6.0%	88.5%
Compensation of employees	7 014.9	7 811.7	8 701.8	9 309.1	9.9%	60.5%	10 060.1	10 687.1	11 316.1	6.7%	61.9%
Goods and services	3 770.6	3 614.5	3 837.6	4 190.0	3.6%	28.4%	4 326.4	4 510.0	4 740.4	4.2%	26.6%
of which:											
Communication	152.3	118.3	162.8	139.9	-2.8%	1.1%	147.3	155.0	162.8	5.2%	0.9%
Computer services	2 022.9	1 973.3	2 114.6	2 270.4	3.9%	15.4%	2 397.4	2 530.3	2 655.1	5.4%	14.7%
Consultants and professional services:	135.3	165.7	291.3	274.7	26.6%	1.6%	301.8	278.7	291.3	2.0%	1.7%
Legal costs											
Inventory: Fuel, oil and gas	158.0	167.5	187.2	160.8	0.6%	1.2%	204.4	215.9	224.3	11.7%	1.2%
Travel and subsistence	218.1	188.8	213.3	225.1	1.1%	1.6%	229.4	234.3	242.6	2.5%	1.4%
Operating payments	235.3	203.7	126.3	278.6	5.8%	1.6%	267.6	284.0	303.6	2.9%	1.7%
Transfers and subsidies	297.4	377.5	529.0	558.3	23.4%	3.2%	611.8	603.3	634.4	4.4%	3.6%
Provinces and municipalities	4.7	6.2	5.8	5.4	4.7%	—	7.0	7.2	7.3	10.7%	—
Departmental agencies and accounts	58.8	69.5	93.0	134.7	31.9%	0.7%	142.0	149.4	161.8	6.3%	0.9%
Households	234.0	301.8	430.3	418.2	21.4%	2.6%	462.8	446.7	465.2	3.6%	2.7%
Payments for capital assets	900.9	972.9	1 097.1	1 246.7	11.4%	7.8%	1 265.8	1 332.9	1 423.8	4.5%	7.9%
Buildings and other fixed structures	670.0	690.8	867.0	984.9	13.7%	5.9%	998.7	1 051.4	1 103.9	3.9%	6.2%
Machinery and equipment	229.5	281.9	229.9	256.4	3.8%	1.8%	261.6	275.8	319.3	7.6%	1.7%
Biological assets	1.4	0.2	0.2	5.4	57.7%	—	5.5	5.7	0.6	-51.8%	—
Payments for financial assets	6.6	5.7	13.6	—	-100.0%	—	—	—	—	—	—
Total	11 990.4	12 782.2	14 179.2	15 304.0	8.5%	100.0%	16 264.2	17 133.3	18 114.7	5.8%	100.0%
Proportion of total programme expenditure to vote expenditure	20.7%	20.2%	20.6%	21.1%	—	—	21.3%	21.2%	21.0%	—	—

Table 23.6 Administration 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	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	4.7	6.2	5.8	5.4	4.7%	–	7.0	7.2	7.3	10.7%	–
Vehicle licences	4.7	6.2	5.8	5.4	4.7%	–	7.0	7.2	7.3	10.7%	–
Households											
Social benefits											
Current	100.3	106.4	142.7	144.1	12.8%	0.9%	150.7	158.7	166.7	5.0%	0.9%
Employee social benefits	100.3	106.4	142.7	144.1	12.8%	0.9%	150.7	158.7	166.7	5.0%	0.9%
Households											
Other transfers to households											
Current	133.7	195.4	287.6	274.1	27.0%	1.6%	312.1	288.0	298.6	2.9%	1.8%
Claims against the state	133.7	195.4	287.6	274.1	27.0%	1.6%	312.1	288.0	298.6	2.9%	1.8%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	58.8	69.5	93.0	134.7	31.9%	0.7%	142.0	149.4	161.8	6.3%	0.9%
Safety and Security Sector Education and Training Authority	26.8	29.6	32.0	34.9	9.2%	0.2%	36.9	38.8	40.8	5.3%	0.2%
Civilian Secretariat for the Police Service	31.9	39.9	61.0	99.8	46.2%	0.4%	105.1	110.6	121.1	6.6%	0.7%

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 priority crimes by:
 - reducing the number of serious crimes from 1 826 967 in 2013/14 to 1 719 527 in 2017/18 through the implementation of sector policing at all stations, crime prevention operations in identified hot spots, and enhanced training for detectives and forensic specialists
 - increasing the number of reported crimes for unlawful possession of and dealing in drugs from 260 732 in 2013/14 to 376 209 in 2017/18 through focused crime prevention and intelligence led police operations
 - increasing the implementation of the pillars of the rural safety strategy from 515 rural police stations in 2014/15 to 882 rural police stations in 2017/18 through the establishment of mobile contact points and rural safety priority committees, as well as the use of reservists to enhance capacity for rural safety policing
 - ensuring that an average of 85 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 as a result of the movement control system screenings of wanted persons and circulated stolen vehicles over the medium term.

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 (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
Crime Prevention	23 929.1	25 556.0	27 764.4	29 285.4	7.0%	79.2%	30 711.1	32 537.2	35 006.6	6.1%	79.1%
Border Security	1 434.6	1 467.3	1 550.7	1 659.8	5.0%	4.5%	1 753.4	1 855.2	1 964.7	5.8%	4.5%
Specialised Interventions	2 086.6	2 503.8	2 747.0	2 886.4	11.4%	7.6%	3 030.5	3 224.7	3 420.9	5.8%	7.8%
Facilities	2 491.2	2 788.1	3 087.0	3 212.3	8.8%	8.6%	3 360.0	3 538.1	3 715.0	5.0%	8.6%
Total	29 941.5	32 315.2	35 149.1	37 043.8	7.4%	100.0%	38 855.0	41 155.3	44 107.3	6.0%	100.0%
Change to 2014				35.0			(236.6)	(640.7)	(104.4)		
Budget estimate											
Economic classification											
Current payments	28 863.3	31 355.2	33 945.6	35 893.8	7.5%	96.7%	37 746.5	40 010.4	42 302.8	5.6%	96.8%
Compensation of employees	22 913.4	25 182.8	27 299.2	29 015.9	8.2%	77.7%	30 610.5	32 533.8	34 457.1	5.9%	78.6%
Goods and services	5 949.8	6 172.5	6 646.4	6 877.9	5.0%	19.1%	7 136.0	7 476.5	7 845.7	4.5%	18.2%
of which:											
Communication	370.4	353.8	344.0	382.8	1.1%	1.1%	373.7	395.6	415.5	2.8%	1.0%
Contractors	663.9	533.5	592.4	768.7	5.0%	1.9%	782.1	824.5	866.5	4.1%	2.0%
Inventory: Fuel, oil and gas	1 111.0	1 264.1	1 452.0	1 117.0	0.2%	3.7%	1 313.7	1 344.9	1 403.5	7.9%	3.2%
Inventory: Materials and supplies	283.2	280.2	296.2	300.0	1.9%	0.9%	310.8	326.8	343.6	4.6%	0.8%
Operating leases	1 781.7	2 001.6	2 224.0	2 323.5	9.3%	6.2%	2 388.1	2 512.6	2 636.2	4.3%	6.1%
Property payments	831.5	874.2	919.0	870.0	1.5%	2.6%	978.4	1 031.8	1 086.1	7.7%	2.5%
Transfers and subsidies	167.8	156.1	194.8	218.1	9.1%	0.5%	201.9	212.6	223.2	0.8%	0.5%
Provinces and municipalities	18.5	17.0	18.9	18.9	0.7%	0.1%	19.8	20.8	21.8	4.9%	0.1%
Non-profit institutions	1.0	—	1.0	1.0	—	—	—	—	—	-100.0%	—
Households	148.3	139.1	174.9	198.2	10.2%	0.5%	182.2	191.8	201.4	0.5%	0.5%
Payments for capital assets	910.4	803.8	1 008.7	931.8	0.8%	2.7%	906.5	932.3	1 581.2	19.3%	2.7%
Buildings and other fixed structures	0.6	0.8	0.7	—	-100.0%	—	—	—	—	—	—
Machinery and equipment	909.6	802.9	1 008.0	931.8	0.8%	2.7%	906.5	932.3	1 581.2	19.3%	2.7%
Biological assets	0.2	0.1	—	—	-100.0%	—	—	—	—	—	—
Total	29 941.5	32 315.2	35 149.1	37 043.8	7.4%	100.0%	38 855.0	41 155.3	44 107.3	6.0%	100.0%
Proportion of total programme expenditure to vote expenditure	51.7%	51.2%	51.1%	51.1%	—	—	50.9%	50.9%	51.1%	—	—
Details of selected transfers and subsidies											
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	18.5	17.0	18.9	18.9	0.7%	0.1%	19.8	20.8	21.8	4.9%	0.1%
Vehicle licences	18.5	17.0	18.9	18.9	0.7%	0.1%	19.8	20.8	21.8	4.9%	0.1%
Households											
Social benefits											
Current	112.5	97.0	124.9	149.8	10.0%	0.4%	131.5	138.5	145.4	-1.0%	0.4%
Employee social benefits	112.5	97.0	124.9	149.8	10.0%	0.4%	131.5	138.5	145.4	-1.0%	0.4%
Households											
Other transfers to households											
Current	35.8	42.2	50.0	48.4	10.6%	0.1%	50.7	53.4	56.1	5.0%	0.1%
Claims against the state	0.5	8.8	3.4	—	-100.0%	—	—	—	—	—	—
Detainee medical expenses	35.3	33.4	46.6	48.4	11.2%	0.1%	50.7	53.4	56.1	5.0%	0.1%

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 crime by:
 - increasing the detection rate for serious crimes from 38.14 per cent in 2013/14 to 41.10 per cent in 2017/18 through the provision of specialised training to detectives and enhancing dedicated specialised capabilities in different detective services units
 - increasing the trial ready case dockets rate for serious crimes from 68.38 per cent in 2013/14 to 69.08 per cent in 2017/18 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 64.40 per cent in 2013/14 to 65.09 per cent in 2017/18 through timeous submission of dockets for prosecution
 - generating 96 per cent of original previous conviction reports for formally charged individuals within 15 calendar days by 2017/18, from a baseline of 91.88 per cent of reports generated within 15 calendar days in 2013/14.

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	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Crime Investigations	7 942.0	8 978.5	9 728.4	10 164.0	8.6%	66.4%	10 580.1	11 198.9	12 035.0	5.8%	67.0%
Criminal Record Centre	1 330.2	1 582.4	1 924.9	1 988.0	14.3%	12.3%	2 114.9	2 259.1	2 450.3	7.2%	13.4%
Forensic Science Laboratory	1 567.8	1 922.4	1 779.1	1 637.7	1.5%	12.5%	1 761.1	1 827.0	1 929.1	5.6%	10.9%
Specialised Investigations	1 077.1	1 210.3	1 271.6	1 343.3	7.6%	8.8%	1 359.9	1 431.1	1 528.8	4.4%	8.6%
Total	11 917.1	13 693.7	14 704.0	15 133.0	8.3%	100.0%	15 816.0	16 716.2	17 943.2	5.8%	100.0%
Change to 2014 Budget estimate				(109.7)			(246.1)	(445.9)	(209.4)		
Economic classification											
Current payments	10 771.0	12 179.0	13 693.0	14 431.0	10.2%	92.1%	15 112.8	16 006.6	16 943.3	5.5%	95.3%
Compensation of employees	8 894.3	9 934.0	11 043.8	11 605.6	9.3%	74.8%	12 314.6	13 096.4	13 893.8	6.2%	77.6%
Goods and services	1 876.7	2 245.0	2 649.3	2 825.4	14.6%	17.3%	2 798.2	2 910.2	3 049.5	2.6%	17.7%
of which:											
Computer services	224.9	321.7	434.0	471.2	28.0%	2.6%	489.8	511.8	534.8	4.3%	3.1%
Contractors	191.6	202.4	202.7	239.2	7.7%	1.5%	255.4	269.5	283.5	5.8%	1.6%
Inventory: Fuel, oil and gas	610.7	724.6	893.2	815.2	10.1%	5.5%	820.7	854.5	892.6	3.1%	5.2%
Inventory: Materials and supplies	134.0	139.6	149.4	182.9	10.9%	1.1%	188.0	197.4	207.1	4.2%	1.2%
Consumable supplies	150.9	150.1	182.0	235.2	15.9%	1.3%	202.1	213.9	227.6	-1.1%	1.3%
Travel and subsistence	101.3	144.9	153.2	197.6	25.0%	1.1%	183.6	193.5	203.9	1.1%	1.2%
Transfers and subsidies	53.1	54.5	71.0	61.3	4.9%	0.4%	81.8	86.1	90.4	13.8%	0.5%
Provinces and municipalities	5.3	6.6	8.2	7.6	12.8%	–	8.4	8.8	9.2	6.9%	0.1%
Households	47.9	47.9	62.8	53.7	3.9%	0.4%	73.4	77.3	81.1	14.7%	0.4%
Payments for capital assets	1 092.9	1 460.1	940.0	640.7	-16.3%	7.5%	621.3	623.5	909.5	12.4%	4.3%
Buildings and other fixed structures	0.4	0.1	0.4	–	-100.0%	–	–	–	–	–	–
Machinery and equipment	1 092.6	1 460.1	939.7	640.7	-16.3%	7.5%	621.3	623.5	909.5	12.4%	4.3%
Total	11 917.1	13 693.7	14 704.0	15 133.0	8.3%	100.0%	15 816.0	16 716.2	17 943.2	5.8%	100.0%
Proportion of total programme expenditure to vote expenditure	20.6%	21.7%	21.4%	20.9%	–	–	20.7%	20.7%	20.8%	–	–

Table 23.8 Detective Services 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	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	5.3	6.6	8.2	7.6	12.8%	–	8.4	8.8	9.2	6.9%	0.1%
Vehicle licences	5.3	6.6	8.2	7.6	12.8%	–	8.4	8.8	9.2	6.9%	0.1%
Households											
Social benefits											
Current	47.8	47.8	62.2	53.7	4.0%	0.4%	73.4	77.3	81.1	14.7%	0.4%
Employee social benefits	47.8	47.8	62.2	53.7	4.0%	0.4%	73.4	77.3	81.1	14.7%	0.4%

Programme 4: Crime Intelligence

Programme purpose

Manage crime intelligence and analyse crime information, and provide technical support for investigations and crime prevention operations.

Objectives

- Contribute to combating crime by conducting 875 network operations by 2017/18 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				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Crime Intelligence Operations	944.3	1 016.2	1 121.8	1 214.6	8.8%	40.6%	1 311.2	1 404.8	1 510.5	7.5%	42.2%
Intelligence and Information Management	1 451.3	1 553.9	1 618.2	1 666.2	4.7%	59.4%	1 799.2	1 924.0	2 061.8	7.4%	57.8%
Total	2 395.6	2 570.1	2 740.0	2 880.8	6.3%	100.0%	3 110.4	3 328.8	3 572.3	7.4%	100.0%
Change to 2014							61.4	75.3	127.1		
Budget estimate											
Economic classification											
Current payments	2 352.7	2 524.3	2 690.2	2 833.3	6.4%	98.2%	3 062.7	3 276.6	3 496.1	7.3%	98.3%
Compensation of employees	2 119.3	2 287.3	2 457.3	2 605.9	7.1%	89.5%	2 820.0	3 023.5	3 232.0	7.4%	90.6%
Goods and services	233.3	237.0	232.9	227.4	-0.9%	8.8%	242.8	253.2	264.1	5.1%	7.7%
of which:											
Communication	29.1	29.5	27.6	28.0	-1.3%	1.1%	29.7	31.2	32.9	5.5%	0.9%
Contractors	23.4	19.9	19.1	18.7	-7.2%	0.8%	19.8	20.8	22.1	5.7%	0.6%
Inventory: Fuel, oil and gas	67.3	78.8	86.6	75.2	3.8%	2.9%	88.1	90.0	92.0	6.9%	2.7%
Inventory: Materials and supplies	16.3	17.5	13.9	14.6	-3.7%	0.6%	15.4	16.3	17.3	5.9%	0.5%
Travel and subsistence	34.7	39.0	27.6	37.4	2.6%	1.3%	36.8	38.9	41.0	3.1%	1.2%
Operating payments	22.1	22.4	15.8	22.9	1.2%	0.8%	21.0	22.1	23.3	0.7%	0.7%

Table 23.9 Crime Intelligence expenditure trends and estimates by subprogramme and economic classification

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome							2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Transfers and subsidies	16.4	15.0	13.7	9.8	-15.6%	0.5%	11.5	12.0	12.6	8.6%	0.4%
Provinces and municipalities	0.8	0.8	0.9	0.9	3.5%	–	1.0	1.0	1.1	8.6%	–
Households	15.6	14.3	12.8	9.0	-16.8%	0.5%	10.5	11.0	11.5	8.6%	0.3%
Payments for capital assets	26.6	30.8	36.1	37.6	12.3%	1.2%	36.2	40.1	63.6	19.1%	1.4%
Machinery and equipment	26.6	30.8	36.1	37.6	12.3%	1.2%	36.2	40.1	63.6	19.1%	1.4%
Total	2 395.6	2 570.1	2 740.0	2 880.8	6.3%	100.0%	3 110.4	3 328.8	3 572.3	7.4%	100.0%
Proportion of total programme expenditure to vote expenditure	4.1%	4.1%	4.0%	4.0%	–	–	4.1%	4.1%	4.1%	–	–
Details of selected transfers and subsidies											
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	0.8	0.8	0.9	0.9	3.5%	–	1.0	1.0	1.1	8.6%	–
Vehicle licences	0.8	0.8	0.9	0.9	3.5%	–	1.0	1.0	1.1	8.6%	–
Households											
Social benefits											
Current	15.6	14.3	12.7	9.0	-16.8%	0.5%	10.5	11.0	11.5	8.6%	0.3%
Employee social benefits	15.6	14.3	12.7	9.0	-16.8%	0.5%	10.5	11.0	11.5	8.6%	0.3%

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:
 - ongoing protection of all identified dignitaries, as well as local and foreign dignitaries, while in transit, without any security breaches
 - ongoing protection of the locations in which dignitaries, including persons related to the president and deputy president, are present, without any security breaches
 - the auditing of 50 per cent of strategic installations (124 out of 248 strategic installations) per year over the medium term
 - the evaluation of 100 per cent of the 204 national key points per year 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, and 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 (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18		
R million											
VIP Protection Services	663.4	748.2	876.4	899.7	10.7%	41.7%	1 004.4	1 077.3	1 153.8	8.6%	43.1%
Static and Mobile Security	760.6	784.9	863.0	943.1	7.4%	43.8%	998.7	1 057.9	1 114.9	5.7%	42.9%
Government Security Regulator	82.1	89.5	90.9	96.8	5.7%	4.7%	111.2	117.3	123.5	8.4%	4.7%
Operational Support	182.6	172.9	188.7	205.9	4.1%	9.8%	217.1	229.6	243.1	5.7%	9.3%
Total	1 688.6	1 795.5	2 019.0	2 145.6	8.3%	100.0%	2 331.5	2 482.1	2 635.2	7.1%	100.0%
Change to 2014				74.7			140.6	143.2	158.3		
Budget estimate											
Economic classification											
Current payments	1 622.1	1 749.8	1 950.2	2 109.2	9.1%	97.2%	2 295.8	2 433.5	2 577.4	6.9%	98.1%
Compensation of employees	1 465.6	1 580.6	1 739.7	1 912.5	9.3%	87.6%	2 079.6	2 208.3	2 339.3	6.9%	89.0%
Goods and services	156.5	169.2	210.6	196.7	7.9%	9.6%	216.2	225.1	238.1	6.6%	9.1%
of which:											
Communication	8.0	7.7	7.5	9.9	7.4%	0.4%	9.3	9.8	10.3	1.2%	0.4%
Contractors	17.6	17.2	21.3	20.3	4.8%	1.0%	23.9	25.1	26.4	9.2%	1.0%
Inventory: Fuel, oil and gas	23.6	27.8	33.8	28.9	7.1%	1.5%	35.7	37.4	42.1	13.3%	1.5%
Inventory: Materials and supplies	7.6	9.1	9.6	10.5	11.1%	0.5%	11.3	11.9	12.5	6.1%	0.5%
Consumables: Stationery, printing and office supplies	3.8	4.9	5.2	5.4	12.7%	0.3%	6.1	6.4	6.7	7.6%	0.3%
Travel and subsistence	78.6	88.7	115.0	106.2	10.5%	5.1%	115.0	118.6	123.2	5.1%	4.8%
Transfers and subsidies	2.6	2.5	4.3	4.5	19.7%	0.2%	4.8	5.1	5.4	5.9%	0.2%
Provinces and municipalities	0.5	0.6	0.8	0.7	11.3%	–	0.8	0.9	0.9	10.7%	–
Households	2.1	1.9	3.5	3.8	21.5%	0.1%	4.0	4.2	4.4	5.0%	0.2%
Payments for capital assets	63.9	43.2	64.4	31.9	-20.7%	2.7%	30.9	43.5	52.5	18.1%	1.7%
Buildings and other fixed structures	0.2	–	–	–	-100.0%	–	–	–	–	–	–
Machinery and equipment	63.7	43.2	64.4	31.9	-20.6%	2.7%	30.9	43.5	52.5	18.1%	1.7%
Total	1 688.6	1 795.5	2 019.0	2 145.6	8.3%	100.0%	2 331.5	2 482.1	2 635.2	7.1%	100.0%
Proportion of total programme expenditure to vote expenditure	2.9%	2.8%	2.9%	3.0%	–	–	3.1%	3.1%	3.1%	–	–
Details of selected transfers and subsidies											
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	0.5	0.6	0.8	0.7	11.3%	–	0.8	0.9	0.9	10.7%	–
Vehicle licences	0.5	0.6	0.8	0.7	11.3%	–	0.8	0.9	0.9	10.7%	–
Households											
Social benefits											
Current	2.1	1.9	3.4	3.8	22.3%	0.1%	4.0	4.2	4.4	5.0%	0.2%
Employee social benefits	2.1	1.9	3.4	3.8	22.3%	0.1%	4.0	4.2	4.4	5.0%	0.2%

Other departments within the vote

Civilian Secretariat for the Police Service

Table 23.11 Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	36.5	35.6	0.2	0.6	38.2	42.5
Intersectoral Coordination and Strategic Partnerships	22.5	22.2	–	0.3	23.8	25.8
Legislation and Policy Development	23.4	23.0	–	0.4	24.7	27.0
Civilian Oversight, Monitoring and Evaluations	22.7	22.3	–	0.3	23.9	25.8
Total expenditure estimates	105.1	103.2	0.2	1.7	110.6	121.1

Executive authority Minister of Police
 Accounting officer Deputy Director General
 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, public entities, donor funding, public private partnerships, conditional allocations to provinces and municipalities and expenditure information at the level of service delivery, where appropriate.

Aim

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 responsibility on 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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of oversight visits to police stations conducted per year	Civilian Oversight, Monitoring and Evaluation	Outcome 3: All people in South Africa are and feel safe	155 ¹	429	529 ¹	450	500	500	500
Number of audit reports related to the Domestic Violence Act (1998) finalised per year	Civilian Oversight, Monitoring and Evaluation		3	3	2 ²	3 ²	3 ²	3 ²	3 ²
Number of policies on policing developed per year	Legislation and Policy Development		5	0	0	2 ³	2 ³	2 ³	2 ³
Number of bills on policing developed per year	Legislation and Policy Development		1	2	3 ⁴	2	1 ⁴	1 ⁴	1 ⁴
Total number of provinces implementing community policing forum guidelines	Intersectoral Coordination and Strategic Partnerships		– ⁵	8	– ⁵	9	9	9	9

1. Before 2012/13, this indicator did not include oversight visits conducted by provinces, hence the low performance outcome for 2011/12. In 2013/14, provinces conducted more oversight visits on behalf of the department than were planned.

2. Medium term 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 over the medium term. In 2013/14, only 2 reports were required to be submitted.

3. Between 2011/12 and 2013/14, the targets for this indicator catered for both the development and approval of policies. From 2014/15, the indicator caters only for the development and finalisation of policies by the department, hence the downward revision of targets. No policies were finalised in 2012/13 and 2013/14 as the department was doing investigative work in support of the current policies being developed, hence the zero performance outcome for both years.

4. In 2013/14, the department developed 2 additional bills than initially planned, hence the overachievement of the target when comparing planned performance with actual performance. As no major change in policing legislation is expected over the medium term, there will not be more than 1 new bill developed per year.

5. As provinces used to develop their own community policing forum guidelines before 2012/13, there is no performance outcome for 2011/12. Due to inconsistencies observed with the measurement for the indicator in 2013/14, the indicator was not included in the secretariat's annual performance plan for 2013/14, which is why no performance outcome is reported for 2013/14.

Programmes

Programme 1: Administration

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

Programme 2: Intersectoral Coordination and Strategic Partnerships

Purpose: Manage and encourage national dialogue on community safety and crime prevention.

Programme 3: Legislation and Policy Development

Purpose: Develop policy and legislation for the police sector and conduct research on policing and crime.

Programme 4: Civilian Oversight, Monitoring and Evaluation

Purpose: Oversee, monitor and report on the performance of the South African Police Service.

Expenditure analysis

The national development plan envisages that people living in South Africa should feel safe at home, at school and at work, and enjoy an active community life free of fear. The plan promotes tackling the fundamental causes of crime through an integrated approach between state and non-state institutions, with active involvement from civil society. Over the medium term, the Civilian Secretariat for the Police Service will focus on: improving the effectiveness of policing in South Africa through regular monitoring and evaluation of the performance of the South African Police Service; and strengthening civilian oversight of the police service by promoting crime prevention partnerships between civil society and intergovernmental and private institutions, and by encouraging national dialogue on community safety and crime prevention.

The Civilian Secretariat for the Police Service was proclaimed a designated department from 1 April 2014, but the process of creating a separate department from the South African Police Service is still under way. Due to unexpected delays in finalising the service level agreement between the secretariat and the State Information Technology Agency, the secretariat will only begin to function as a designated department from 1 April 2015. The South African Police Service currently delivers various operational services on behalf of the secretariat. This will continue until the secretariat has acquired its own virtual private network from the State Information Technology Agency.

The secretariat recorded underspending of 23.7 per cent in 2011/12, 37.1 per cent in 2012/13 and 28.1 per cent in 2013/14, mainly because it was still a cost centre in the South African Police Service. The secretariat was not able to meet most of its annual performance targets because it was still finalising its establishment. Through its budget committee and management meetings, the secretariat will improve its procurement planning over the medium term and ensure that managers are held accountable for poor spending and non-performance against the secretariat's annual performance plans. Spending over the medium term is expected to improve, as costs which are presently carried by the South African Police Service shift to the secretariat, such as those relating to communications and IT costs.

Due to the labour intensive nature of oversight functions, the medium term budget for the Civilian Secretariat for the Police Service will be mostly personnel driven, which explains why compensation of employees constitutes an average 64 per cent of the secretariat's total budget over the MTEF period. Over the medium term, the number of filled posts will remain stable at 120. Computer services, transversal systems and transport equipment are centralised under the *Administration* programme, which receives the largest share of the secretariat's medium term budget and which is expected to grow at an average rate of 9.5 per cent over the period.

Monitoring and evaluating the performance of the police service

The secretariat will increase the number of police station oversight visits to 500 visits per year over the medium term, from the 2014/15 baseline of 450. The visits will measure service delivery trends and performance against the budget of each police station. The secretariat will also submit 3 audit reports per year to Parliament on the implementation of the Domestic Violence Act (1998). Funding for the execution of these functions is in the

Civilian Oversight, Monitoring and Evaluation programme, which has a budget of R22.7 million in 2015/16 and constitutes 21.1 per cent of the secretariat's total spending over the medium term.

Strengthening civilian oversight of the police service

Establishing community policing forums will be a key priority for strengthening civilian oversight of the police service. Using funds allocated to the *Intersectoral Coordination and Strategic Partnerships* programme, the secretariat will assess 36 community policing forums across all the provinces over the medium term and ensure that all provinces are implementing the secretariat's community policing forum guidelines from 2014/15. The secretariat will also undertake outreach campaigns in all the provinces to promote partnerships on ensuring safety in communities.

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	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Programme 1	14.0	14.0	11.8	34.3	34.3	13.2	34.7	34.7	26.8	28.3	32.4	32.4	75.6%	72.9%
Programme 2	7.4	7.4	6.0	10.6	10.6	8.8	16.5	16.5	10.5	20.4	19.5	19.5	81.5%	82.9%
Programme 3	6.9	6.9	5.0	8.3	8.3	5.1	14.9	14.9	11.6	26.3	28.4	28.4	88.8%	85.6%
Programme 4	13.5	13.5	9.2	10.2	10.2	12.9	18.7	18.7	12.2	24.7	19.5	19.5	79.9%	86.7%
Total	41.8	41.8	31.9	63.4	63.4	39.9	84.8	84.8	61.0	99.8	99.8	99.8	80.3%	80.3%
Economic classification														
Current payments	41.5	41.5	31.8	62.7	62.7	39.3	84.1	84.1	58.9	98.8	98.8	98.8	79.6%	79.6%
Compensation of employees	27.8	27.8	20.2	45.5	45.5	28.3	58.3	58.3	42.9	71.5	69.4	69.4	79.2%	80.0%
Goods and services	13.7	13.7	11.5	17.2	17.2	11.0	25.8	25.8	15.9	27.3	29.4	29.4	80.7%	78.7%
of which:														
Assets less than the capitalisation threshold	0.1	0.1	–	0.2	0.2	0.1	–	–	0.4	2.5	2.8	2.8	113.5%	103.9%
Catering: Departmental activities	1.6	1.6	1.3	2.7	2.7	2.4	2.5	2.5	3.1	3.9	3.4	3.4	94.0%	99.2%
Communication	1.0	1.0	0.9	1.0	1.0	0.7	1.7	1.7	1.0	1.8	2.2	2.2	86.2%	80.6%
Computer services	–	–	–	–	–	–	4.4	4.4	1.0	2.1	3.6	3.6	70.4%	57.4%
Operating leases	0.6	0.6	0.6	0.7	0.7	0.4	0.2	0.2	0.5	–	0.2	0.2	108.9%	95.8%
Travel and subsistence	7.6	7.6	6.3	7.7	7.7	5.1	14.1	14.1	6.1	11.9	11.9	11.9	71.5%	71.4%
Payments for capital assets	0.3	0.3	0.2	0.7	0.7	0.6	0.7	0.7	2.1	0.9	1.0	1.0	153.7%	150.2%
Machinery and equipment	0.3	0.3	0.2	0.7	0.7	0.6	0.7	0.7	2.1	0.9	1.0	1.0	154.9%	151.2%
Software and other intangible assets	–	–	–	–	–	–	–	–	–	0.1	0.1	0.1	100.0%	100.0%
Total	41.8	41.8	31.9	63.4	63.4	39.9	84.8	84.8	61.0	99.8	99.8	99.8	80.3%	80.3%

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 (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme 1	32.4	32.2%	36.2%	36.5	38.2	42.5	9.5%	34.2%
Programme 2	19.5	38.2%	19.2%	22.5	23.8	25.8	9.8%	21.0%
Programme 3	28.4	60.5%	21.5%	23.4	24.7	27.0	-1.7%	23.7%
Programme 4	19.5	13.1%	23.1%	22.7	23.9	25.8	9.8%	21.1%
Total	99.8	33.7%	100.0%	105.1	110.6	121.1	6.6%	100.0%
Economic classification								
Current payments	98.8	33.5%	98.3%	103.2	108.6	119.0	6.4%	98.4%
Compensation of employees	69.4	35.7%	69.1%	68.3	72.1	75.7	3.0%	65.4%
Goods and services	29.4	28.9%	29.2%	34.9	36.5	43.3	13.7%	33.0%
of which:								
Assets less than the capitalisation threshold	2.8	215.1%	1.4%	2.4	2.5	3.6	8.0%	2.6%
Catering: Departmental activities	3.4	29.1%	4.3%	3.5	3.7	3.9	5.3%	3.3%
Communication	2.2	29.7%	2.0%	2.6	2.7	2.8	9.8%	2.4%
Computer services	3.6	–	2.0%	5.2	5.5	6.1	19.0%	4.7%
Operating leases	0.2	-28.9%	0.7%	1.6	1.4	3.5	151.4%	1.6%
Travel and subsistence	11.9	16.4%	12.7%	13.5	13.9	15.4	9.0%	12.6%
Transfers and subsidies	–	18.6%	–	0.2	0.2	0.2	258.8%	0.2%
Departmental agencies and accounts	–	–	–	0.2	0.2	0.2	–	0.1%
Payments for capital assets	1.0	58.0%	1.7%	1.7	1.7	1.8	22.2%	1.4%
Machinery and equipment	1.0	55.0%	1.7%	1.6	1.7	1.8	23.0%	1.4%
Software and other intangible assets	0.1	–	–	0.1	0.1	0.1	8.4%	0.1%
Total	99.8	33.7%	100.0%	105.1	110.6	121.1	6.6%	100.0%

Personnel information

Table 23.15 Departmental personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. Intersectoral Coordination and Strategic Partnerships																			
3. Legislation and Policy Development																			
4. Civilian Oversight, Monitoring and Evaluations																			
Number of posts estimated for 31 March 2015			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 (%)			
			2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
Civilian Secretariat																			
Salary level	120	29	106	42.9	0.4	120	69.4	0.6	120	68.3	0.6	120	72.1	0.6	120	75.7	0.6	–	100.0%
1 – 6	27	4	24	3.5	0.1	27	5.4	0.2	27	4.9	0.2	27	5.1	0.2	27	5.4	0.2	–	22.5%
7 – 10	40	11	39	11.7	0.3	40	16.3	0.4	40	16.4	0.4	40	17.4	0.4	40	18.2	0.5	–	33.3%
11 – 12	26	7	18	8.3	0.5	26	20.4	0.8	26	18.8	0.7	26	19.8	0.8	26	20.6	0.8	–	21.7%
13 – 16	27	7	25	19.4	0.8	27	27.3	1.0	27	28.2	1.0	27	29.8	1.1	27	31.5	1.2	–	22.5%
Programme	120	29	106	42.9	0.4	120	69.4	0.6	120	68.3	0.6	120	72.1	0.6	120	75.7	0.6	–	100.0%
Programme 1	54	9	51	18.6	0.4	54	25.2	0.5	54	26.6	0.5	54	28.1	0.5	54	29.5	0.5	–	45.0%
Programme 2	23	–	18	7.7	0.4	23	13.1	0.6	23	14.2	0.6	23	15.0	0.7	23	15.7	0.7	–	19.2%
Programme 3	23	11	17	8.4	0.5	23	18.1	0.8	23	13.1	0.6	23	13.9	0.6	23	14.5	0.6	–	19.2%
Programme 4	20	9	20	8.2	0.4	20	13.0	0.6	20	14.4	0.7	20	15.2	0.8	20	16.0	0.8	–	16.7%

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

2. Rand million.

Public entities and other agencies

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 **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 security service providers in the public and national interest, and in the interest of the private security industry itself. The authority's total budget for 2015/16 is R199.7 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		
				2011/12	2012/13	2013/14		2014/15	2015/16	2016/17
Departmental infrastructure										
Parow forensic laboratory	Construction of forensic laboratory	Hand over	658.3	111.1	11.0	1.0	2.7	–	–	–
Police stations	New and re-established police stations	Various	4 353.5	376.1	488.6	653.2	655.7	811.5	740.1	777.1
Member and office accommodation	Construction of living quarters and offices	Construction	728.7	85.0	21.8	47.6	145.6	112.2	145.4	152.6
Small infrastructure projects	Repair and renovation of infrastructure	Construction	344.2	–	14.1	136.4	20.0	29.5	103.2	108.3
Forensic science laboratory	Repair and renovation of infrastructure	Hand over	2.2	1.2	–	0.1	0.3	0.4	–	–
Shooting ranges	Construction of facilities to improve shooting competency of police officers	Construction	431.3	–	4.2	–	136.7	40.9	119.7	125.6
Training facilities	Construction of facilities to improve police personnel capabilities	Construction	331.8	93.7	149.2	29.8	23.3	1.5	32.6	34.2
Mobile homes and storage facilities	Basic services for accommodation and storage	Various	54.4	3.9	2.8	–	0.4	2.8	42.4	44.5
Pinetown forensic laboratory	Construction of new forensic laboratory	Design	–	–	–	–	–	–	27.2	28.5
Total			6 904.5	671.1	691.6	868.1	984.9	998.7	1 210.5	1 271.0

Vote 24

Agriculture, Forestry and Fisheries

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	729.9	701.7	17.3	11.0	765.3	802.3
Agricultural Production, Health and Food Safety	2 134.8	579.6	1 553.1	2.0	1 921.8	2 153.8
Food Security and Agrarian Reform	1 930.3	270.8	1 620.4	39.1	1 942.8	2 081.5
Trade Promotion and Market Access	238.2	131.7	106.0	0.4	295.6	263.9
Forestry and Natural Resources Management	906.6	717.8	145.1	43.6	954.0	987.4
Fisheries	443.3	184.6	258.6	–	462.9	488.5
Total expenditure estimates	6 383.0	2 586.3	3 700.5	96.2	6 342.5	6 777.5

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, public entities, donor funding, public private partnerships, conditional allocations 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		
			2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
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	– ¹	4	4	4	4
Number of surveillances on animal diseases conducted per year	Agricultural Production, Health and Food Safety		– ¹	2	2	2	2	2	2
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	– ¹	27	32	18	10	– ²
Number of veterinary graduates deployed for the compulsory veterinary services programme per year	Agricultural Production, Health and Food Safety		– ¹	– ¹	– ¹	– ¹	140	145	150

Table 24.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of subsistence and smallholder producers supported per year	Food Security and Agrarian Reform	Outcome 7: Comprehensive rural development and land reform	238 289	139 671	56 000	156 500	145 000	145 000	145 000
Number of hectares in underutilised areas cultivated in communal areas per year	Food Security and Agrarian Reform		– ¹	105 040ha	154 211ha	107 151ha	120 000ha	120 000ha	120 000ha
Number of jobs created through the comprehensive agricultural support programme and Ilima/Letsema funded projects per year	Trade Promotion and Market Access		– ¹	– ¹	– ¹	10 000	15 000	20 000	25 000
Number of hectares of land restored through reforestation and land rehabilitation per year	Forestry and Natural Resources Management		32 102ha	46 779ha	40 941ha	30 500ha	30 500ha	30 500ha	30 500ha
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	– ¹	12 925	2 300ha	2 300ha	2 300ha	2 300ha
Number of jobs created through 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	1 729	1 719	1 987	2 400	2 400	2 400	2 400
Number of full time equivalent LandCare jobs created per year	Forestry and Natural Resources Management		328	908	1 431	900	800	800	800
Number of sectors allocated fishing rights to SMMEs per year	Fisheries	Outcome 10: Protect and enhance our environmental assets and natural resources	– ¹	8	– ²	– ²	– ²	– ²	– ²
Number of job opportunities in the Working for Fisheries programme per year	Fisheries		– ¹	– ¹	1 431	1 250	535	600	558

1. Historical data is not available, as the indicator was not being measured in this year.

2. Projections are not available, as the indicator has been discontinued.

Expenditure analysis

Over the medium term, the Department of Agriculture, Forestry and Fisheries will focus on increasing food security, creating decent jobs in its sectors, and increasing the contribution of these sectors to the national GDP. The focus is informed by the national development plan's broad vision of eliminating poverty and reducing inequality by 2030, and the activities will contribute 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 government's 2014-2019 medium term strategic framework.

Cabinet approved budget reductions over the medium term of R158 million in 2015/16, R210 million in 2016/17 and R200 million in 2017/18 are to be effected mainly on compensation of employees, goods and services, and conditional allocations to provinces. The reductions are a result of persistent underspending in previous years on the same items and projects, and the build-up of cash reserves and surpluses. The reductions will impact on all three areas of the department's medium term focus. To mitigate any effects on service delivery, the department has embarked on a strategy to fill the most critical service delivery vacancies until the end of 2017/18.

Food security

The department will promote food security by supporting food producers through inputs such as farm equipment, fencing, fertilisers and seedlings. The department will also refurbish and build government irrigation schemes. The aim is to increase irrigated agricultural land from 1.5 million hectares in 2014/15 by at least an additional 750 000 hectares over the medium term. Fetsa Tlala, government's 2012-2017 food security strategy, encourages smallholder farmers to produce food for subsistence consumption. With funds of R834.8 million over the medium term reprioritised to Fetsa Tlala from the infrastructure conditional allocation in the comprehensive agricultural support programme, the department aims to increase the number of hectares of land under productive use to 375 000 hectares by 2017/18. This reprioritisation represents the shift in farmers' needs from infrastructure to production inputs as food security becomes a priority. The allocation of R1.5 billion for Ilima/Letsema over the medium term will also be made available for support to smallholder farmers through Fetsa Tlala. Ilima/Letsema is a conditional allocation intended to boost food production by assisting previously disadvantaged farming communities with agricultural starter packs.

Job creation

The department's agricultural policy action plan promotes job creation in farming, fishing and agro-processing, aiming to create 1 million decent jobs by 2030. The LandCare programme is projected to create 2 400 full time jobs by rehabilitating 90 000 hectares of land over the medium term, and 7 200 jobs by planting 2 300 hectares per year over the period to refurbish industrial plantations and community woodlots. The programme is allocated R209 million over the medium term for this work, which includes reducing the spread of invasive alien plants, fencing agricultural land and protecting it against degradation, conserving water resources, and combating the loss of topsoil.

The expanded public works programme's Working for Fisheries projects, under the Marine Living Resources Fund, are expected to create 1 693 job opportunities in the fisheries sector.

Increasing the contribution to the GDP

The department will provide extension services (farming advice) and financial support to smallholder farmers through a projected R7 billion conditional allocation to provinces over the medium term. Access to financial resources for smallholder farmers will be expanded through an allocation of R50 million in 2016/17 to the Land Bank's retail emerging markets programme, which aims to support 5 593 black emerging farmers through low interest loans.

In addition, the department will introduce the primary animal health care programme to support the health of smallholders' animals. This programme will include compulsory community service for veterinarians, and over the medium term a projected 145 veterinarian graduates per year will be deployed to rural areas. The programme will also include the delivery of 74 mobile clinics, the rehabilitation of fixed clinics, and the provision of veterinary infrastructure in remote rural areas. These activities will be supported by projected spending of R200 million in the *Agricultural Production, Health and Food Safety* programme over the medium term.

The department is involved in numerous small infrastructure projects in various stages of completion, including boreholes for smallholder farmers at a cost of R200 million over the medium term, and fences for foot-and-mouth disease in priority areas at a cost of R250 million. The spending on combating foot-and-mouth disease will help to improve South Africa's foot-and-mouth disease-free status and lift the ban on exporting red meat. It will include providing access to vaccines to increase livestock production and assistance to smallholder farmers to produce healthy livestock suitable for export. Of the department's considerable transfers to public entities, R2.5 billion will be transferred to the Agricultural Research Council over the medium term, including R170 million for upgrading the foot-and-mouth disease vaccine facility, as containing this disease is key to South Africa's red meat market.

Expenditure trends

Table 24.2 Vote expenditure trends by programme and economic classification

Programmes													
1. Administration													
2. Agricultural Production, Health and Food Safety													
3. Food Security and Agrarian Reform													
4. Trade Promotion and Market Access													
5. Forestry and Natural Resources Management													
6. Fisheries													
Programme													
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15
Programme 1	541.4	574.5	582.0	612.9	624.6	644.9	663.9	670.9	681.6	694.6	718.9	718.9	104.6%
Programme 2	1 647.4	1 689.8	1 644.9	1 891.6	1 889.9	1 874.8	2 066.1	2 036.5	2 000.9	2 199.8	2 187.1	2 187.1	98.8%
Programme 3	1 244.2	1 253.9	1 251.6	1 408.6	1 413.3	1 405.2	1 597.7	1 599.3	1 590.1	1 711.1	1 711.7	1 711.7	99.9%
Programme 4	191.8	205.4	190.2	212.0	209.4	212.2	231.6	258.2	256.3	294.2	298.3	298.3	102.9%
Programme 5	747.8	887.3	899.6	1 261.8	1 242.7	1 191.8	1 184.5	1 183.6	1 144.7	1 364.9	1 348.7	1 348.7	100.6%
Programme 6	324.2	345.5	352.0	411.8	489.1	484.3	434.0	433.7	437.7	427.8	427.8	427.8	106.5%
Total	4 696.8	4 956.4	4 920.2	5 798.8	5 868.9	5 813.2	6 178.0	6 182.3	6 111.3	6 692.4	6 692.4	6 692.4	100.7%
Economic classification													
Current payments	2 016.4	2 010.6	1 972.5	2 250.6	2 234.3	2 149.6	2 421.4	2 395.8	2 271.8	2 555.3	2 509.3	2 509.3	96.3%
Compensation of employees	1 273.0	1 296.8	1 320.7	1 502.6	1 473.8	1 419.1	1 656.0	1 603.3	1 525.0	1 697.9	1 698.4	1 698.4	97.3%
Goods and services	741.8	712.0	651.3	746.4	759.0	729.6	763.4	791.4	746.4	856.2	809.5	809.5	94.5%
of which:													
Assets less than the capitalisation threshold	41.8	39.7	2.9	44.3	31.8	2.8	43.8	70.5	6.7	134.3	79.4	79.4	34.7%
Agency and support/ outsourced services	103.3	61.8	69.2	59.1	51.7	69.6	68.7	62.4	53.3	58.1	41.2	41.2	80.7%
Consumable supplies	40.2	47.8	48.9	60.8	89.9	47.3	–	66.5	41.6	41.4	54.6	54.6	135.1%
Operating leases	24.0	33.2	54.9	58.1	66.5	85.9	71.5	71.4	85.7	67.3	53.7	53.7	126.9%
Property payments	46.4	54.4	26.2	37.6	37.2	38.1	37.2	119.0	112.6	64.3	151.5	151.5	177.0%
Travel and subsistence	120.3	128.6	158.3	125.3	119.8	143.1	104.3	114.7	119.3	109.6	118.9	118.9	117.4%
Interest and rent on land	1.7	1.8	0.5	1.6	1.5	0.9	2.1	1.2	0.4	1.2	1.4	1.4	47.6%
Transfers and subsidies	2 567.8	2 800.2	2 815.4	3 419.1	3 488.9	3 493.0	3 658.1	3 639.3	3 637.9	4 035.4	4 047.7	4 047.7	102.3%
Provinces and municipalities	1 487.5	1 667.1	1 667.2	2 066.9	2 067.0	2 062.8	2 148.5	2 152.9	2 149.7	2 390.1	2 390.1	2 390.1	102.2%
Departmental agencies and accounts	994.9	1 007.8	1 006.6	1 271.4	1 311.7	1 310.0	1 313.1	1 269.6	1 266.6	1 354.6	1 354.6	1 354.6	100.1%
Higher education institutions	1.4	2.7	0.1	5.8	5.0	4.7	7.0	5.8	2.8	7.1	7.0	7.0	68.8%
Foreign governments and international organisations	35.2	35.2	31.9	22.5	23.4	32.0	33.7	45.9	46.4	34.7	38.7	38.7	118.2%
Public corporations and private enterprises	33.0	39.9	38.1	37.4	39.7	40.0	137.8	139.4	140.1	220.2	222.0	222.0	102.8%
Non-profit institutions	14.3	12.2	12.0	13.3	13.3	11.2	16.2	20.3	19.0	26.9	26.8	26.8	97.7%
Households	1.6	35.2	59.4	1.8	28.9	32.2	1.8	5.4	13.2	1.9	8.4	8.4	1599.4%
Payments for capital assets	112.5	145.6	132.0	129.1	145.7	169.4	98.5	147.1	200.2	101.6	135.4	135.4	144.2%
Buildings and other fixed structures	42.1	43.0	54.2	36.9	40.4	57.8	38.4	37.7	55.7	42.7	41.3	41.3	130.5%
Machinery and equipment	69.6	102.2	77.6	91.8	104.9	111.3	59.2	107.6	143.0	58.2	93.9	93.9	152.7%
Biological assets	–	–	–	0.3	0.3	–	0.7	0.5	0.1	0.8	0.2	0.2	15.5%
Software and other intangible assets	0.8	0.4	0.2	0.1	–	0.4	0.2	1.3	1.4	–	0.1	0.1	184.3%
Payments for financial assets	–	–	0.3	–	–	1.3	–	–	1.4	–	–	–	–
Total	4 696.8	4 956.4	4 920.2	5 798.8	5 868.9	5 813.2	6 178.0	6 182.3	6 111.3	6 692.4	6 692.4	6 692.4	100.7%

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 (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme 1	718.9	7.8%	11.2%	729.9	765.3	802.3	3.7%	11.5%
Programme 2	2 187.1	9.0%	32.7%	2 134.8	1 921.8	2 153.8	-0.5%	32.1%
Programme 3	1 711.7	10.9%	25.3%	1 930.3	1 942.8	2 081.5	6.7%	29.3%
Programme 4	298.3	13.2%	4.1%	238.2	295.6	263.9	-4.0%	4.2%
Programme 5	1 348.7	15.0%	19.5%	906.6	954.0	987.4	-9.9%	16.0%
Programme 6	427.8	7.4%	7.2%	443.3	462.9	488.5	4.5%	7.0%
Total	6 692.4	10.5%	100.0%	6 383.0	6 342.5	6 777.5	0.4%	100.0%
Economic classification								
Current payments	2 509.3	7.7%	37.8%	2 586.3	2 675.4	2 820.8	4.0%	40.4%
Compensation of employees	1 698.4	9.4%	25.3%	1 737.8	1 837.2	1 959.5	4.9%	27.6%
Goods and services	809.5	4.4%	12.5%	847.0	836.5	859.5	2.0%	12.8%
of which:								
Assets less than the capitalisation threshold	79.4	26.0%	0.4%	67.1	58.1	52.6	-12.9%	1.0%
Agency and support/outourced services	41.2	-12.6%	1.0%	42.7	46.2	47.9	5.2%	0.7%
Consumable supplies	54.6	4.5%	0.8%	59.1	48.9	49.6	-3.2%	0.8%
Operating leases	53.7	17.4%	1.2%	53.3	48.2	40.9	-8.7%	0.7%
Property payments	151.5	40.7%	1.4%	149.8	162.9	175.8	5.1%	2.4%
Travel and subsistence	118.9	-2.6%	2.3%	159.8	149.4	155.4	9.3%	2.2%
Interest and rent on land	1.4	-9.6%	—	1.5	1.7	1.8	10.1%	—
Transfers and subsidies	4 047.7	13.1%	59.5%	3 700.5	3 572.2	3 854.1	-1.6%	57.9%
Provinces and municipalities	2 390.1	12.8%	35.1%	2 189.2	2 263.6	2 405.8	0.2%	35.3%
Departmental agencies and accounts	1 354.6	10.4%	21.0%	1 132.5	1 154.1	1 337.7	-0.4%	19.0%
Higher education institutions	7.0	37.2%	0.1%	7.8	8.5	9.3	9.8%	0.1%
Foreign governments and international organisations	38.7	3.2%	0.6%	29.5	30.6	32.1	-6.0%	0.5%
Public corporations and private enterprises	222.0	77.2%	1.9%	312.9	96.4	48.8	-39.6%	2.6%
Non-profit institutions	26.8	30.0%	0.3%	26.7	17.1	18.4	-11.8%	0.3%
Households	8.4	-37.9%	0.5%	1.9	1.9	2.0	-37.9%	0.1%
Payments for capital assets	135.4	-2.4%	2.7%	96.2	94.9	102.6	-8.8%	1.6%
Buildings and other fixed structures	41.3	-1.3%	0.9%	42.5	42.2	47.0	4.4%	0.7%
Machinery and equipment	93.9	-2.8%	1.8%	53.2	52.2	55.1	-16.3%	1.0%
Biological assets	0.2	—	—	0.5	0.5	0.6	47.5%	—
Software and other intangible assets	0.1	-48.3%	—	—	—	—	-100.0%	—
Total	6 692.4	10.5%	100.0%	6 383.0	6 342.5	6 777.5	0.4%	100.0%

Personnel information

Table 24.4 Vote personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. Agricultural Production, Health and Food Safety																			
3. Food Security and Agrarian Reform																			
4. Trade Promotion and Market Access																			
5. Forestry and Natural Resources Management																			
6. Fisheries																			
Number of posts estimated for 31 March 2015			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 (%)		
		2013/14			2014/15			2015/16			2016/17			2017/18				2014/15 - 2017/18	
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost				Unit Cost
Agriculture, Forestry and Fisheries			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	6 757	257	6 117	1 525.0	0.2	6 757	1 698.4	0.3	6 757	1 737.8	0.3	6 757	1 837.2	0.3	6 757	1 959.5	0.3	–	100.0%
1 – 6	3 901	226	3 682	530.3	0.1	3 901	544.6	0.1	3 901	564.7	0.1	3 901	587.3	0.2	3 901	637.4	0.2	–	57.7%
7 – 10	2 255	3	1 943	659.6	0.3	2 255	741.8	0.3	2 255	756.9	0.3	2 255	797.4	0.4	2 255	839.9	0.4	–	33.4%
11 – 12	471	21	378	222.3	0.6	471	278.8	0.6	471	274.6	0.6	471	303.0	0.6	471	323.1	0.7	–	7.0%
13 – 16	128	7	112	109.0	1.0	128	129.0	1.0	128	137.4	1.1	128	145.0	1.1	128	154.4	1.2	–	1.9%
Other	2	–	2	3.9	2.0	2	4.1	2.0	2	4.2	2.1	2	4.5	2.2	2	4.7	2.4	–	–
Programme	6 757	257	6 117	1 525.0	0.2	6 757	1 698.4	0.3	6 757	1 737.8	0.3	6 757	1 837.2	0.3	6 757	1 959.5	0.3	–	100.0%
Programme 1	1 203	7	1 028	311.6	0.3	1 203	381.8	0.3	1 203	391.8	0.3	1 203	411.2	0.3	1 203	438.0	0.4	–	17.8%
Programme 2	1 510	8	1 363	361.3	0.3	1 510	409.0	0.3	1 510	423.8	0.3	1 510	453.0	0.3	1 510	487.8	0.3	–	22.3%
Programme 3	472	232	417	112.3	0.3	472	129.5	0.3	472	134.3	0.3	472	141.6	0.3	472	150.3	0.3	–	7.0%
Programme 4	170	2	146	79.5	0.5	170	91.4	0.5	170	91.2	0.5	170	95.6	0.6	170	99.3	0.6	–	2.5%
Programme 5	2 850	7	2 667	482.5	0.2	2 850	510.4	0.2	2 850	512.1	0.2	2 850	541.4	0.2	2 850	577.4	0.2	–	42.2%
Programme 6	552	1	496	177.9	0.4	552	176.4	0.3	552	184.6	0.3	552	194.4	0.4	552	206.7	0.4	–	8.2%

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

2. Rand million.

Departmental receipts

Table 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 (%)
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
Departmental receipts	177 368	198 029	809 584	186 116	186 116	1.6%	100.0%	198 398	211 491	225 449	6.6%	100.0%
Sales of goods and services produced by department	128 005	153 648	153 690	150 670	150 670	5.6%	42.7%	160 613	171 212	182 511	6.6%	81.0%
Sales by market establishments	3 774	3 224	2 953	3 285	3 285	-4.5%	1.0%	3 502	3 733	3 979	6.6%	1.8%
of which:												
Dwelling	3 097	2 937	2 452	2 315	2 315	-9.2%	0.8%	2 468	2 631	2 805	6.6%	1.2%
Rental parking:	265	278	289	359	359	10.6%	0.1%	383	408	435	6.6%	0.2%
Covered and open												
Rental other: Machinery and equipment	–	–	–	232	232	–	–	247	263	280	6.5%	0.1%
Wool and skin	412	9	212	379	379	-2.7%	0.1%	404	431	459	6.6%	0.2%
Administrative fees	94 402	110 464	114 491	107 893	107 893	4.6%	31.2%	115 013	122 603	130 694	6.6%	58.0%
of which:												
Farm feeds registration	2 597	9 515	6 295	10 805	10 805	60.8%	2.1%	11 518	12 278	13 088	6.6%	5.8%
Plant breeders right	2 451	2 518	2 543	4 961	4 961	26.5%	0.9%	5 288	5 637	6 009	6.6%	2.7%
Stock remedy	4 754	1 473	1 020	6 402	6 402	10.4%	1.0%	6 825	7 275	7 755	6.6%	3.4%

Table 24.5 Departmental receipts by economic classification

Departmental receipts				Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ total: Average (%)				Average growth rate (%)	Receipt item/ total: Average (%)
Audited outcome												
R thousand	2011/12	2012/13	2013/14	2014/15		2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Inspection fees:	54 689	60 948	70 245	52 203	52 203	-1.5%	17.4%	55 648	59 321	63 236	6.6%	28.0%
Statutory services	29 911	36 010	34 388	33 522	33 522	3.9%	9.8%	35 734	38 092	40 606	6.6%	18.0%
Other	29 829	39 960	36 246	39 492	39 492	9.8%	10.6%	42 098	44 876	47 838	6.6%	21.2%
Other sales												
of which:												
Services rendered:	1 453	1 610	1 687	2 094	2 094	13.0%	0.5%	2 232	2 379	2 536	6.6%	1.1%
Boarding service:												
Private	1 678	1 657	1 368	1 609	1 609	-1.4%	0.5%	1 715	1 828	1 949	6.6%	0.9%
Services rendered:												
Commission	888	1 195	1 079	1 984	1 984	30.7%	0.4%	2 115	2 255	2 404	6.6%	1.1%
insurance												
Services rendered: Course fees	1 120	942	963	2 492	2 492	30.5%	0.4%	2 656	2 831	3 018	6.6%	1.3%
Laboratory services: Plant												
Other	24 690	34 556	31 149	31 313	31 313	8.2%	8.9%	33 380	35 583	37 931	6.6%	16.8%
Sales of scrap, waste, arms and other used current goods	7	41	28	9	9	8.7%	-	10	11	12	10.1%	-
of which:												
Waste paper	7	41	28	9	9	8.7%	-	10	11	12	10.1%	-
Transfers received	3	169	173	127	127	248.5%	-	135	144	154	6.6%	0.1%
Fines, penalties and forfeits	54	44	49	29	29	-18.7%	-	31	33	35	6.5%	-
Interest, dividends and rent on land	9 387	8 871	8 236	16 538	16 538	20.8%	3.1%	17 629	18 792	20 032	6.6%	8.9%
Interest	8 101	8 148	6 992	13 561	13 561	18.7%	2.7%	14 456	15 410	16 427	6.6%	7.3%
Rent on land	1 286	723	1 244	2 977	2 977	32.3%	0.5%	3 173	3 382	3 605	6.6%	1.6%
Sales of capital assets	116	7 018	757	1 103	1 103	111.9%	0.7%	1 176	1 254	1 337	6.6%	0.6%
Transactions in financial assets and liabilities	39 796	28 238	646 651	17 640	17 640	-23.8%	53.4%	18 804	20 045	21 368	6.6%	9.5%
Total	177 368	198 029	809 584	186 116	186 116	1.6%	100.0%	198 398	211 491	225 449	6.6%	100.0%

Programme 1: Administration

Programme purpose

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

Table 24.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome							2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		
Ministry	34.5	28.4	28.6	34.4	-0.1%	4.8%	33.8	35.4	37.3	2.8%	4.7%
Department Management	17.3	24.6	18.9	23.8	11.3%	3.2%	23.4	24.6	26.0	2.9%	3.2%
Financial Administration	124.9	122.6	133.1	169.5	10.7%	20.9%	170.7	177.9	188.2	3.6%	23.4%
Internal Audit	3.6	6.1	5.0	8.5	33.1%	0.9%	8.0	8.2	8.6	0.2%	1.1%
Corporate Services	119.0	148.4	170.3	156.4	9.5%	22.6%	163.8	170.2	180.6	4.9%	22.2%
Stakeholder Relations, Communication and Legal Services	50.0	76.1	92.8	75.8	14.9%	11.2%	72.8	75.6	79.9	1.7%	10.1%
Policy, Planning, Monitoring and Evaluation	98.4	72.6	65.9	83.2	-5.4%	12.2%	78.5	86.7	87.3	1.7%	11.1%
Office Accommodation	134.4	166.1	167.1	167.2	7.6%	24.2%	179.0	186.8	194.3	5.1%	24.1%
Total	582.0	644.9	681.6	718.9	7.3%	100.0%	729.9	765.3	802.3	3.7%	100.0%
Change to 2014 Budget estimate				24.3			4.4	1.4	(14.9)		

Table 24.6 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome							2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Current payments	553.1	620.6	657.2	690.1	7.7%	96.0%	701.7	737.3	770.2	3.7%	96.1%
Compensation of employees	262.5	281.6	311.6	381.8	13.3%	47.1%	391.8	411.2	438.0	4.7%	53.8%
Goods and services	290.4	339.0	345.7	308.4	2.0%	48.9%	309.9	326.0	332.2	2.5%	42.3%
of which:											
Audit costs: External	8.6	8.6	9.9	13.4	16.1%	1.5%	14.4	15.4	14.3	2.1%	1.9%
Communication	13.9	15.6	15.4	11.4	-6.4%	2.1%	12.4	11.4	11.9	1.5%	1.6%
Computer services	21.3	36.7	42.7	19.7	-2.7%	4.6%	19.6	20.4	21.4	2.8%	2.7%
Operating leases	50.9	80.3	76.8	47.2	-2.5%	9.7%	48.1	43.2	35.6	-8.9%	5.8%
Property payments	16.8	26.2	92.7	125.8	95.5%	10.0%	131.3	145.1	157.2	7.7%	18.5%
Travel and subsistence	47.8	37.0	26.7	30.6	-13.8%	5.4%	33.3	36.2	36.8	6.3%	4.5%
Interest and rent on land	0.2	—	—	—	-100.0%	—	—	—	—	—	—
Transfers and subsidies	2.1	7.9	9.2	17.0	101.5%	1.4%	17.3	18.2	19.1	4.0%	2.4%
Provinces and municipalities	—	—	0.1	—	2.5%	—	—	—	—	3.1%	—
Departmental agencies and accounts	1.3	1.6	8.7	16.8	136.2%	1.1%	17.2	18.2	19.0	4.3%	2.4%
Public corporations and private enterprises	0.2	0.2	0.2	—	-100.0%	—	—	—	—	—	—
Non-profit institutions	—	0.1	—	—	—	—	—	—	—	—	—
Households	0.6	6.1	0.3	0.2	-32.9%	0.3%	—	—	—	-62.2%	—
Payments for capital assets	26.7	16.4	15.0	11.8	-23.8%	2.7%	11.0	9.9	13.0	3.3%	1.5%
Buildings and other fixed structures	15.8	3.5	3.5	2.5	-45.9%	1.0%	7.0	6.0	9.0	53.3%	0.8%
Machinery and equipment	10.8	12.5	10.5	9.3	-4.9%	1.6%	4.0	3.9	4.0	-24.5%	0.7%
Software and other intangible assets	0.1	0.4	1.1	—	-100.0%	0.1%	—	—	—	—	—
Payments for financial assets	0.1	—	0.1	—	-100.0%	—	—	—	—	—	—
Total	582.0	644.9	681.6	718.9	7.3%	100.0%	729.9	765.3	802.3	3.7%	100.0%
Proportion of total programme expenditure to vote expenditure	11.8%	11.1%	11.2%	10.7%	—	—	11.4%	12.1%	11.8%	—	—
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	—	4.7	—	—	-100.0%	0.2%	—	—	—	—	—
Claims against the state	—	4.7	—	—	-100.0%	0.2%	—	—	—	—	—
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1.3	1.6	8.7	16.8	136.2%	1.1%	17.2	18.2	19.0	4.3%	2.4%
Communication	—	0.1	—	—	—	—	—	—	—	-10.6%	—
Primary Agriculture Sector Education and Training Authority	1.3	1.5	1.7	0.9	-10.9%	0.2%	0.9	1.0	1.1	5.5%	0.1%
National Research Foundation	—	—	7.0	15.0	—	0.8%	15.8	16.7	17.5	5.2%	2.2%
Public Service Sector Education and Training Authority	—	—	—	0.4	—	—	—	—	—	-100.0%	—
Fibre Processing and Manufacturing Sector Education and Training Authority	—	—	—	0.4	—	—	0.4	0.5	0.5	2.8%	0.1%

Programme 2: Agricultural Production, Health and Food Safety

Programme purpose

Manage the risks 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 areas through:
 - the implementation of 2 animal improvement schemes (the Kaonafatso ya dikgomo and the poultry scheme) by 2017
 - the provision of 2 certificates that legalise plants and 2 plant improvement schemes by 2017.
- Enforce an agricultural animal disease regulatory framework to reduce the level of disease outbreaks and reduce interception at export channels by conducting:
 - 1 planned surveillance of plant diseases and the risk of pests in relation to the exotic fruit fly by 2017

- 2 planned animal disease surveillances on pestes des petits ruminants (goat plague) and the avian influenza by 2017.
- Ensure access to primary animal health care services over the medium term through the implementation of a compulsory community service by:
 - deploying 435 veterinary graduates to rural areas
 - providing primary health care equipment to provinces.
- Promote animal and plant conservation by implementing national plans to conserve the diversity of genetic resources of plants and animals for food and agricultural production by 2019.

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 resource management.
- *Agriculture Research* manages monthly transfers to the 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	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
R million											
Management	2.1	1.0	2.4	2.9	10.5%	0.1%	2.8	2.8	2.6	-2.8%	0.1%
Inspection and Laboratory Services	263.2	272.6	296.6	314.8	6.2%	14.9%	321.6	336.9	360.5	4.6%	15.9%
Plant Production and Health	473.1	488.9	507.0	543.6	4.7%	26.1%	549.6	575.0	611.2	4.0%	27.1%
Animal Production and Health	150.9	169.3	244.7	296.6	25.3%	11.2%	456.9	194.1	204.9	-11.6%	13.7%
Agriculture Research	755.5	943.0	950.3	1 029.2	10.9%	47.7%	803.9	813.0	974.6	-1.8%	43.1%
Total	1 644.9	1 874.8	2 000.9	2 187.1	10.0%	100.0%	2 134.8	1 921.8	2 153.8	-0.5%	100.0%
Change to 2014				(12.7)			(117.9)	(167.6)	(46.4)		
Budget estimate											
Economic classification	445.7	474.1	461.3	536.4	6.4%	24.9%	579.6	605.4	643.9	6.3%	28.2%
Current payments											
Compensation of employees	324.5	347.5	361.3	409.0	8.0%	18.7%	423.8	453.0	487.8	6.0%	21.1%
Goods and services	121.1	126.7	100.0	127.4	1.7%	6.2%	155.8	152.4	156.1	7.0%	7.0%
of which:											
Assets less than the capitalisation threshold	1.3	0.5	1.0	32.5	190.1%	0.5%	57.7	50.4	44.3	10.8%	2.2%
Computer services	2.0	2.8	0.1	1.8	-3.7%	0.1%	9.1	9.5	9.9	78.2%	0.4%
Inventory: Medical supplies	–	–	–	–	–	–	9.0	9.7	11.5	1464.7%	0.4%
Inventory: Medicine	0.6	6.0	6.1	1.6	39.5%	0.2%	14.3	14.3	13.5	102.7%	0.5%
Consumable supplies	12.9	12.5	7.4	12.9	0.1%	0.6%	6.9	7.8	8.1	-14.4%	0.4%
Travel and subsistence	45.1	32.0	27.7	28.7	-14.1%	1.7%	24.4	25.1	27.6	-1.2%	1.3%
Interest and rent on land	0.2	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies	1 186.2	1 368.7	1 494.9	1 627.4	11.1%	73.7%	1 553.1	1 314.4	1 507.7	-2.5%	71.5%
Provinces and municipalities	405.1	415.9	438.6	460.7	4.4%	22.3%	470.8	491.4	522.2	4.3%	23.2%
Departmental agencies and accounts	755.5	943.1	950.3	1 029.2	10.9%	47.7%	803.9	813.0	974.6	-1.8%	43.1%
Public corporations and private enterprises	0.5	0.3	97.6	127.5	518.5%	2.9%	268.4	–	–	-100.0%	4.7%
Non-profit institutions	6.9	7.3	7.6	10.0	13.1%	0.4%	10.0	10.0	11.0	3.2%	0.5%
Households	18.1	2.2	0.8	0.1	-82.6%	0.3%	–	–	–	-100.0%	–
Payments for capital assets	12.9	30.8	43.5	23.3	21.8%	1.4%	2.0	2.1	2.1	-54.9%	0.4%
Machinery and equipment	12.8	30.8	43.4	23.3	22.1%	1.4%	2.0	2.1	2.1	-54.9%	0.4%
Software and other intangible assets	0.1	–	0.1	–	-100.0%	–	–	–	–	–	–
Payments for financial assets	0.1	1.1	1.2	–	-100.0%	–	–	–	–	–	–
Total	1 644.9	1 874.8	2 000.9	2 187.1	10.0%	100.0%	2 134.8	1 921.8	2 153.8	-0.5%	100.0%
Proportion of total programme expenditure to vote expenditure	33.4%	32.3%	32.7%	32.7%	–	–	33.4%	30.3%	31.8%	–	–

Table 24.7 Agricultural Production, Health and Food Safety expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies												
	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18			
Households												
Social benefits												
Current	1.6	2.2	0.8	0.1	-61.1%	0.1%	-	-	-	-100.0%	-	
Employee social benefits	1.6	2.2	0.8	0.1	-61.1%	0.1%	-	-	-	-100.0%	-	
Households												
Other transfers to households												
Current	16.5	-	-	-	-100.0%	0.2%	-	-	-	-	-	
Avian influenza	16.5	-	-	-	-100.0%	0.2%	-	-	-	-	-	
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	543.5	726.8	848.7	921.5	19.2%	39.4%	691.3	694.4	850.0	-2.7%	37.6%	
Agricultural Research Council	543.5	726.7	848.7	921.5	19.2%	39.4%	691.3	694.4	850.0	-2.7%	37.6%	
Capital	212.0	216.3	101.6	107.7	-20.2%	8.3%	112.6	118.6	124.6	5.0%	5.5%	
Agricultural Research Council	212.0	216.3	101.6	107.7	-20.2%	8.3%	112.6	118.6	124.6	5.0%	5.5%	
Non-profit institutions												
Current	6.9	7.3	7.6	10.0	13.1%	0.4%	10.0	10.0	11.0	3.2%	0.5%	
Deciduous Fruit Producers' Trust	6.9	7.3	7.6	10.0	13.1%	0.4%	10.0	10.0	11.0	3.2%	0.5%	
Public corporations and private enterprises												
Public corporations												
Other transfers to public corporations												
Capital	-	-	96.5	127.5	-	2.9%	268.4	-	-	-100.0%	4.7%	
Onderstepoort Biological Products	-	-	96.5	127.5	-	2.9%	268.4	-	-	-100.0%	4.7%	
Provinces and municipalities												
Provinces												
Provincial revenue funds												
Current	405.0	415.8	438.5	460.6	4.4%	22.3%	470.8	491.4	522.1	4.3%	23.2%	
Ilama/Letsema projects grant	405.0	415.8	438.5	460.6	4.4%	22.3%	470.8	491.4	522.1	4.3%	23.2%	

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:
 - coordinating government food and nutrition security initiatives such as Fetsa Tlala and country livelihood zone maps
 - profiling food security baselines in 4 provinces.
- Enhance capacity for efficient service delivery in the sector through the implementation of the agriculture, forestry and fisheries national education and training strategy and the national extension and advisory policy, by 2019/20.
- Provide strategic leadership in the sector to ensure the effective and efficient utilisation of all farmer development support 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 through improving the production systems of subsistence and smallholder producers in the agriculture, forestry and fisheries 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 through implementing the agriculture, forestry and fisheries national education and training strategy; promoting the development of agricultural training institutes as centres of excellence; and implementing 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 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 (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	Expenditure/ Total: Average (%)	2015/16	2016/17	2017/18	2014/15 - 2017/18	Expenditure/ Total: Average (%)
R million											
Management	0.8	2.2	4.8	2.8	54.4%	0.2%	2.8	2.9	3.0	2.6%	0.1%
Food Security	780.1	868.1	1 025.4	1 072.7	11.2%	62.9%	1 298.0	1 322.6	1 426.0	10.0%	66.8%
Sector Capacity Development	141.6	185.9	191.0	246.9	20.3%	12.8%	255.7	232.1	248.2	0.2%	12.8%
National Extension Support Services	329.1	349.0	368.8	389.3	5.8%	24.1%	373.8	385.2	404.3	1.3%	20.3%
Total	1 251.6	1 405.2	1 590.1	1 711.7	11.0%	100.0%	1 930.3	1 942.8	2 081.5	6.7%	100.0%
Change to 2014				0.6			211.5	174.2	227.3		
Budget estimate											
Economic classification											
Current payments	151.3	183.1	199.4	263.6	20.3%	13.4%	270.8	247.8	259.7	-0.5%	13.6%
Compensation of employees	91.3	100.3	112.3	129.5	12.4%	7.3%	134.3	141.6	150.3	5.1%	7.2%
Goods and services	60.0	82.8	87.1	134.2	30.8%	6.1%	136.5	106.2	109.4	-6.6%	6.3%
of which:											
Communication	1.5	1.4	1.6	1.8	6.8%	0.1%	3.3	3.8	4.7	38.4%	0.2%
Consultants and professional services:	–	2.2	19.9	10.3	645.0%	0.5%	4.1	3.9	4.1	-26.4%	0.3%
Business and advisory services											
Consumable supplies	4.4	3.4	4.8	9.1	27.9%	0.4%	26.4	16.3	16.1	21.0%	0.9%
Consumables: Stationery, printing and office supplies	0.9	1.0	0.6	1.5	21.0%	0.1%	9.4	5.8	7.2	67.3%	0.3%
Travel and subsistence	12.1	15.9	18.3	15.1	7.8%	1.0%	45.6	30.8	29.8	25.5%	1.6%
Training and development	22.0	24.4	23.9	34.6	16.4%	1.8%	25.4	25.0	26.3	-8.7%	1.5%
Transfers and subsidies	1 060.0	1 160.2	1 326.9	1 398.9	9.7%	83.0%	1 620.4	1 655.3	1 780.3	8.4%	84.2%
Provinces and municipalities	1 039.7	1 137.1	1 301.4	1 367.1	9.6%	81.3%	1 592.6	1 625.3	1 748.7	8.6%	82.6%
Departmental agencies and accounts	12.6	14.6	15.3	16.5	9.4%	1.0%	15.1	16.5	17.3	1.4%	0.9%
Higher education institutions	0.1	0.7	0.6	4.7	218.3%	0.1%	5.3	5.8	6.4	11.0%	0.3%
Public corporations and private enterprises	4.3	5.0	5.3	5.4	7.9%	0.3%	3.8	4.0	4.2	-8.0%	0.2%
Non-profit institutions	1.7	0.4	1.5	2.7	16.7%	0.1%	2.0	2.0	2.1	-8.2%	0.1%
Households	1.6	2.5	2.7	2.5	17.7%	0.2%	1.6	1.6	1.7	-11.7%	0.1%
Payments for capital assets	40.3	61.9	63.9	49.2	6.9%	3.6%	39.1	39.7	41.5	-5.5%	2.2%
Buildings and other fixed structures	36.0	54.1	46.6	38.1	1.9%	2.9%	35.4	36.1	37.9	-0.2%	1.9%
Machinery and equipment	4.2	7.8	17.0	11.0	37.6%	0.7%	3.7	3.6	3.6	-31.4%	0.3%
Biological assets	–	–	0.1	–	-100.0%	–	–	–	–	–	–
Software and other intangible assets	–	–	0.3	–	–	–	–	–	–	-100.0%	–
Total	1 251.6	1 405.2	1 590.1	1 711.7	11.0%	100.0%	1 930.3	1 942.8	2 081.5	6.7%	100.0%
Proportion of total programme expenditure to vote expenditure	25.4%	24.2%	26.0%	25.6%	–	–	30.2%	30.6%	30.7%	–	–

Table 24.8 Food Security and Agrarian Reform 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											
R million	2011/12	2012/13	2013/14	2014/15	2011/12	2014/15	2015/16	2016/17	2017/18	2014/15	2017/18
Households											
Other transfers to households											
Current	1.3	2.1	2.4	2.1	18.3%	0.1%	1.5	1.5	1.6	-8.5%	0.1%
Bursaries for non-employees	1.3	1.3	1.3	1.4	3.3%	0.1%	1.4	1.4	1.5	2.5%	0.1%
Female entrepreneur of the year awards	–	0.8	1.1	0.7	–	–	0.1	0.1	0.1	-47.7%	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	12.6	14.6	15.3	16.5	9.4%	1.0%	15.1	16.5	17.3	1.4%	0.9%
National Student Financial Aid Scheme	12.0	14.0	14.7	15.9	9.8%	1.0%	14.5	15.9	16.7	1.5%	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	1.7	0.4	1.5	2.7	16.7%	0.1%	2.0	2.0	2.1	-8.2%	0.1%
Agricultural colleges	1.7	0.4	1.5	2.7	16.7%	0.1%	2.0	2.0	2.1	-8.2%	0.1%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	4.3	5.0	5.0	5.4	8.1%	0.3%	3.8	4.0	4.2	-8.0%	0.2%
Ncera Farms (Pty) Limited	4.3	5.0	5.0	5.4	8.1%	0.3%	3.8	4.0	4.2	-8.0%	0.2%
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	1 039.4	1 136.8	1 301.1	1 366.8	9.6%	81.3%	1 592.4	1 625.1	1 748.4	8.6%	82.6%
Comprehensive agricultural support programme grant: Infrastructure	680.5	762.1	905.7	949.6	11.7%	55.3%	1 179.0	1 199.1	1 295.7	10.9%	60.3%
Comprehensive agricultural support programme grant: Extension recovery plan	308.9	322.2	339.9	358.5	5.1%	22.3%	343.9	355.1	372.9	1.3%	18.7%
Comprehensive agricultural support programme grant: Upgrading of provincial agricultural colleges	50.0	52.5	55.4	58.7	5.5%	3.6%	69.5	70.8	79.8	10.8%	3.6%
Higher education institutions											
Current	0.1	0.7	0.6	4.7	218.3%	0.1%	5.3	5.8	6.4	11.0%	0.3%
University of KwaZulu-Natal	0.1	0.7	0.6	0.7	67.2%	–	0.8	0.8	0.9	9.9%	–
University of Fort Hare	–	–	–	4.0	–	0.1%	4.5	5.0	5.5	11.2%	0.2%

Programme 4: Trade Promotion and Market Access

Programme purpose

Promote economic development, trade and market access for agriculture, forestry and fisheries products; and foster international relations for the sector.

Objectives

- Increase market access to the processing of agriculture, forestry and fisheries products by:
 - ensuring that the South African good agricultural practice certification programme is implemented for smallholder producers of fresh produce by 2019/20
 - establishing 1 new poultry value chain network, and 1 functional aquaculture and fruit industry value chain forum by 2019/20
 - mobilising smallholder producers to establish 52 additional commodity based cooperatives and providing training to 325 existing cooperatives by 2019/20
 - facilitating trade and international relations and implementing initiatives to support producers' access to international markets by 2019/20.

Subprogrammes

- *Management* oversees and manages the programme.
- *International Relations and Trade* facilitates, coordinates and supports 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 (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	Expenditure/ Total: Average (%)	2015/16	2016/17	2017/18	2014/15 - 2017/18	Expenditure/ Total: Average (%)
R million											
Management	1.8	1.8	1.4	2.8	14.8%	0.8%	2.7	2.8	3.0	2.0%	1.0%
International Relations and Trade	89.8	103.6	134.5	122.1	10.8%	47.0%	112.4	115.8	122.1	–	43.1%
Cooperatives and Rural Enterprise Development	50.4	61.5	60.5	117.1	32.4%	30.3%	68.2	121.0	74.7	-13.9%	34.8%
Agro-processing and Marketing	48.1	45.3	60.0	56.3	5.3%	21.9%	54.8	56.0	64.1	4.5%	21.1%
Total	190.2	212.2	256.3	298.3	16.2%	100.0%	238.2	295.6	263.9	-4.0%	100.0%
Change to 2014				4.0			(9.3)	(14.3)	(8.9)		
Budget estimate											
Economic classification											
Current payments	90.9	113.1	135.3	131.7	13.1%	49.2%	131.7	137.2	144.8	3.2%	49.8%
Compensation of employees	58.5	67.5	79.5	91.4	16.0%	31.0%	91.2	95.6	99.3	2.8%	34.4%
Goods and services	32.4	45.7	55.8	40.3	7.5%	18.2%	40.6	41.6	45.5	4.2%	15.3%
of which:											
Consultants and professional services:	3.3	4.3	0.9	0.1	-70.6%	0.9%	2.0	1.5	2.6	212.9%	0.6%
Business and advisory services											
Consultants and professional services:	9.0	9.7	11.2	9.0	–	4.1%	10.7	10.7	11.2	7.5%	3.8%
Infrastructure and planning											
Operating leases	3.7	5.4	8.7	5.6	15.0%	2.4%	4.5	4.5	4.7	-6.1%	1.8%
Travel and subsistence	8.2	11.9	10.9	12.2	14.0%	4.5%	14.5	15.3	16.6	10.8%	5.4%
Training and development	0.2	0.8	0.8	1.4	108.0%	0.3%	1.5	1.4	1.5	3.9%	0.5%
Operating payments	1.2	3.8	2.7	3.7	47.7%	1.2%	2.3	2.3	2.6	-11.2%	1.0%
Transfers and subsidies	98.2	98.0	119.2	166.0	19.1%	50.3%	106.0	158.1	118.7	-10.6%	50.1%
Departmental agencies and accounts	36.0	31.4	35.8	37.8	1.6%	14.7%	34.6	35.0	41.9	3.5%	13.6%
Higher education institutions	–	–	–	–	–	–	0.1	0.1	0.1	–	–
Foreign governments and international organisations	31.9	32.0	46.4	38.7	6.7%	15.6%	29.5	30.6	32.1	-6.0%	12.0%
Public corporations and private enterprises	30.0	34.5	36.9	89.1	43.7%	19.9%	40.7	92.4	44.6	-20.6%	24.3%
Non-profit institutions	–	–	–	–	–	–	1.0	–	–	–	0.1%
Households	0.2	0.1	–	0.4	16.4%	0.1%	–	–	–	-100.0%	–
Payments for capital assets	1.0	1.0	1.8	0.6	-18.1%	0.5%	0.4	0.4	0.4	-14.2%	0.2%
Machinery and equipment	1.0	1.0	1.8	0.5	-19.3%	0.5%	0.4	0.4	0.4	-12.9%	0.2%
Total	190.2	212.2	256.3	298.3	16.2%	100.0%	238.2	295.6	263.9	-4.0%	100.0%
Proportion of total programme expenditure to vote expenditure	3.9%	3.6%	4.2%	4.5%	–	–	3.7%	4.7%	3.9%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	36.0	31.4	35.8	37.8	1.6%	14.7%	34.6	35.0	41.9	3.5%	13.6%
National Agricultural Marketing Council	36.0	31.4	33.8	36.0	–	14.3%	34.6	35.0	41.9	5.2%	13.5%
Small Enterprise Development Agency	–	–	2.0	1.8	–	0.4%	–	–	–	-100.0%	0.2%

Table 24.9 Trade Promotion and Market Access 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	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	30.0	34.3	36.9	89.1	43.7%	19.9%	40.7	92.4	44.6	-20.6%	24.3%
Land and Agricultural Development Bank of South Africa	30.0	31.1	33.3	85.3	41.7%	18.8%	36.8	88.2	40.2	-22.2%	22.9%
Forest Sector Charter Council	–	3.2	3.5	3.7	–	1.1%	3.9	4.2	4.4	6.0%	1.5%
Foreign governments and international organisations											
Current	31.9	32.0	46.4	38.7	6.7%	15.6%	29.5	30.6	32.1	-6.0%	12.0%
Consultative Group on International Agricultural Research	3.4	4.5	4.0	7.7	31.1%	2.0%	5.0	5.1	6.0	-7.9%	2.2%
International Union for the Protection of New Varieties of Plants	0.4	0.5	0.5	0.6	12.6%	0.2%	0.6	0.6	0.7	3.1%	0.2%
Commonwealth Agricultural Bureau International	0.1	0.2	0.2	0.3	24.3%	0.1%	0.3	0.3	0.3	0.9%	0.1%
International Commission of Agricultural Engineering	–	0.1	–	0.1	–	–	–	–	–	-39.6%	–
Food and Agriculture Organisation of the United Nations	23.7	23.6	31.0	23.8	0.2%	10.7%	20.0	21.1	21.3	-3.7%	7.9%
Foreign rates and taxes	0.1	0.1	0.3	0.6	91.9%	0.1%	0.4	0.4	0.4	-10.2%	0.2%
International Fund for Agricultural Development	2.8	–	3.0	2.0	-9.8%	0.8%	–	–	–	-100.0%	0.2%
International Cotton Advisory Council	0.1	0.2	0.2	0.7	73.4%	0.1%	0.2	0.2	0.2	-31.1%	0.1%
International Dairy Federation	0.1	0.1	0.1	0.1	–	–	0.1	0.1	0.1	1.3%	–
International Grains Council	0.1	0.2	0.2	0.2	16.7%	0.1%	0.2	0.2	0.2	1.6%	0.1%
International Seed Testing Association	0.1	0.1	0.1	0.1	15.9%	–	0.2	0.2	0.2	28.2%	0.1%
International Organisation of Vine and Wine	0.6	0.6	0.6	0.8	12.0%	0.3%	0.7	0.7	0.7	-3.7%	0.3%
World Organisation for Animal Health	–	2.0	1.2	1.4	666.3%	0.5%	1.5	1.3	1.5	3.6%	0.5%
Organisation for Economic Cooperation and Development	0.4	0.1	0.1	0.4	-2.1%	0.1%	0.4	0.4	0.5	7.6%	0.2%
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

- Increase productivity in prioritised areas and value chains by:
 - conducting an environmental impact assessment in KwaZulu-Natal and Eastern Cape to enable SMMEs to obtain afforestation licences
 - replanting 6 900 hectares in temporary unplanted areas that have been subjected to felling operations and other factors, such as fire damage, by 2017.
- Coordinate government food security initiatives by revitalising 750 hectares of land to expand the irrigation schemes by 2017/18.
- Ensure the conservation, protection, rehabilitation and recovery of depleted and degraded natural resources by rehabilitating 480 000 hectares of agricultural land and 1 500 hectares of woodlands and indigenous forests by 2017.
- Ensure adaption to climate change by implementing a climate change programme on biogas production and an integrated crop livestock system by 2019.

Subprogrammes

- *Management* oversees and manages the programme.
- *Forestry Operations* ensures the 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, and 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	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Management	4.7	2.0	4.3	6.6	12.3%	0.4%	6.5	3.9	3.8	-17.0%	0.5%
Forestry Operations	404.3	429.4	468.2	468.4	5.0%	38.6%	469.5	488.0	516.1	3.3%	46.3%
Forestry Oversight and Regulation	38.1	46.2	48.4	56.5	14.0%	4.1%	55.1	58.0	61.1	2.7%	5.5%
Natural Resources Management	452.6	714.2	623.8	817.2	21.8%	56.9%	375.4	404.1	406.5	-20.8%	47.7%
Total	899.6	1 191.8	1 144.7	1 348.7	14.4%	100.0%	906.6	954.0	987.4	-9.9%	100.0%
Change to 2014				(16.3)			(326.8)	(325.3)	(358.7)		
Budget estimate											
Economic classification											
Current payments	581.3	591.9	640.7	711.1	7.0%	55.1%	717.8	753.4	795.5	3.8%	71.0%
Compensation of employees	433.8	455.6	482.5	510.4	5.6%	41.1%	512.1	541.4	577.4	4.2%	51.0%
Goods and services	147.3	135.5	157.8	199.3	10.6%	14.0%	204.2	210.3	216.3	2.8%	19.8%
of which:											
Contractors	2.6	2.8	19.0	23.7	109.6%	1.0%	25.4	25.5	22.8	-1.3%	2.3%
Agency and support/outsourced services	27.6	15.5	15.7	30.0	2.9%	1.9%	33.4	35.6	36.9	7.2%	3.2%
Inventory: Farming supplies	–	–	9.8	10.0	–	0.4%	15.6	14.3	16.4	17.9%	1.3%
Consumable supplies	29.8	28.3	28.0	28.8	-1.1%	2.5%	24.1	23.0	23.3	-6.9%	2.4%
Property payments	5.1	8.9	15.4	20.8	60.0%	1.1%	16.1	16.0	17.3	-6.1%	1.7%
Travel and subsistence	45.1	46.3	35.6	32.3	-10.5%	3.5%	42.0	42.0	44.6	11.3%	3.8%
Interest and rent on land	0.2	0.9	0.4	1.4	104.4%	0.1%	1.5	1.7	1.8	10.1%	0.2%
Transfers and subsidies	267.2	540.5	433.6	586.9	30.0%	39.9%	145.1	157.7	146.3	-37.1%	24.7%
Provinces and municipalities	222.4	509.8	409.7	562.3	36.2%	37.2%	125.7	146.8	134.9	-37.9%	23.1%
Departmental agencies and accounts	–	3.0	3.0	3.0	–	0.2%	3.0	3.0	3.0	–	0.3%
Higher education institutions	–	4.0	2.2	2.3	–	0.2%	2.5	2.6	2.8	6.0%	0.2%
Public corporations and private enterprises	3.1	0.1	0.1	–	-100.0%	0.1%	–	–	–	–	–
Non-profit institutions	3.4	3.5	9.9	14.2	60.9%	0.7%	13.7	5.1	5.4	-27.6%	0.9%
Households	38.3	20.1	8.8	5.1	-48.8%	1.6%	0.2	0.3	0.3	-62.5%	0.1%
Payments for capital assets	51.1	59.3	70.3	50.7	-0.3%	5.0%	43.6	42.9	45.7	-3.4%	4.4%
Buildings and other fixed structures	2.4	0.1	–	0.7	-33.5%	0.1%	0.1	0.1	0.1	-55.9%	–
Machinery and equipment	48.7	59.1	70.3	49.8	0.7%	5.0%	43.0	42.3	45.0	-3.3%	4.3%
Biological assets	–	–	–	0.2	–	–	0.5	0.5	0.6	47.5%	–
Payments for financial assets	0.1	0.1	0.1	–	-100.0%	–	–	–	–	–	–
Total	899.6	1 191.8	1 144.7	1 348.7	14.4%	100.0%	906.6	954.0	987.4	-9.9%	100.0%
Proportion of total programme expenditure to vote expenditure	18.3%	20.5%	18.7%	20.2%	–	–	14.2%	15.0%	14.6%	–	–

Table 24.10 Forestry and Natural Resources 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	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Households											
Social benefits											
Current	5.4	6.2	8.7	5.1	-1.9%	0.6%	0.2	0.3	0.3	-62.5%	0.1%
Employee social benefits	5.4	6.2	8.7	5.1	-1.9%	0.6%	0.2	0.3	0.3	-62.5%	0.1%
Households											
Other transfers to households											
Current	32.9	13.8	–	–	-100.0%	1.0%	–	–	–	–	–
Avian influenza	32.9	13.8	–	–	-100.0%	1.0%	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	–	3.0	3.0	3.0	–	0.2%	3.0	3.0	3.0	–	0.3%
Water Research Commission	–	3.0	3.0	3.0	–	0.2%	3.0	3.0	3.0	–	0.3%
Non-profit institutions											
Current	3.4	3.5	9.9	14.2	60.9%	0.7%	13.7	5.1	5.4	-27.6%	0.9%
International wildland fire conference	0.1	–	–	–	-100.0%	–	–	–	–	–	–
Forestry South Africa	3.2	3.5	5.8	6.0	23.5%	0.4%	4.4	4.7	5.0	-6.2%	0.5%
Food and Trees for Africa	–	–	–	0.2	–	–	0.4	0.4	0.4	26.0%	–
Lima Rural Development Foundation	–	–	4.1	7.8	–	0.3%	8.9	–	–	-100.0%	0.4%
Centre for International Forestry Research	0.1	–	–	0.1	–	–	–	–	–	-100.0%	–
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	3.0	–	–	–	-100.0%	0.1%	–	–	–	–	–
Forest Sector Charter Council	3.0	–	–	–	-100.0%	0.1%	–	–	–	–	–
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	222.2	509.8	409.1	561.6	36.2%	37.1%	125.0	146.0	133.9	-38.0%	23.0%
LandCare programme grant: Poverty relief and infrastructure development	57.8	111.6	105.8	67.8	5.5%	7.5%	66.4	69.3	73.6	2.8%	6.6%
Comprehensive agricultural support programme grant: Agricultural disaster management grant	149.6	–	–	–	-100.0%	3.3%	–	–	–	–	–
Comprehensive agricultural support programme grant: Disasters: Flood damaged infrastructure	14.9	398.2	303.3	493.8	221.2%	26.4%	58.6	76.7	60.3	-50.4%	16.4%
Higher education institutions											
Current	–	4.0	2.2	2.3	–	0.2%	2.5	2.6	2.8	6.0%	0.2%
University of Pretoria	–	4.0	2.2	2.3	–	0.2%	2.5	2.6	2.8	6.0%	0.2%

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 by:
 - supporting 16 Operation Phakisa fisheries projects by 2017/18
 - developing the aquaculture bill to create an enabling environment for the sector's growth by 2019
 - conducting 2 aquaculture research projects annually to support sustainable development of the aquaculture sector by 2019/20.

- Ensure the sustainable utilisation of and equitable access to marine living resources by developing and implementing the fishing rights allocation process framework for the allocation of fishing rights to commercial fishing sectors by 2019.
- 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 fishery 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 for the abalone and West Coast rock lobster fisheries sectors by 2019/20
 - conducting research to indicate fish stock levels to ensure resource and industry sustainability by 2019/20
 - enforcing compliance with the integrated fisheries security strategy by the 4 prioritised fisheries sectors (hake, abalone, rock lobster and line fish) by 2019/20.

Subprogrammes

- *Management* oversees and manages the programme.
- *Aquaculture* ensures growth and the 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 the 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 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		Average growth rate (%)		Expenditure/ Total: Average (%)			Medium-term expenditure estimate			Average growth rate (%)		Expenditure/ Total: Average (%)	
	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2014/15 - 2017/18	2015/16	2016/17	2017/18	2014/15 - 2017/18	2014/15 - 2017/18	2014/15 - 2017/18	2014/15 - 2017/18
R million																		
Management	0.1	0.9	0.7	2.1	170.8%	0.2%	2.2	2.3	2.4	5.5%	0.5%							
Aquaculture	25.0	28.7	35.8	30.8	7.3%	7.1%	32.3	34.0	36.2	5.4%	7.3%							
Monitoring Control and Surveillance	64.0	68.2	72.6	69.3	2.7%	16.1%	73.0	76.8	81.7	5.6%	16.5%							
Marine Resources Management	15.1	17.4	18.0	19.1	8.3%	4.1%	19.7	20.7	22.0	4.8%	4.5%							
Fisheries Research and Development	46.7	52.7	57.0	55.1	5.7%	12.4%	57.6	60.6	64.4	5.4%	13.0%							
Marine Living Resources Fund	201.2	316.4	253.5	251.3	7.7%	60.1%	258.6	268.4	281.9	3.9%	58.2%							
Total	352.0	484.3	437.7	427.8	6.7%	100.0%	443.3	462.9	488.5	4.5%	100.0%							
Economic classification																		
Current payments	150.3	166.7	177.9	176.4	5.5%	39.4%	184.6	194.4	206.7	5.4%	41.8%							
Compensation of employees	150.3	166.7	177.9	176.4	5.5%	39.4%	184.6	194.4	206.7	5.4%	41.8%							
Transfers and subsidies	201.7	317.7	254.1	251.4	7.6%	60.2%	258.6	268.4	281.9	3.9%	58.2%							
Departmental agencies and accounts	201.2	316.4	253.5	251.3	7.7%	60.1%	258.6	268.4	281.9	3.9%	58.2%							
Households	0.5	1.3	0.6	0.1	-43.8%	0.1%	-	-	-	-100.0%	-							
Payments for capital assets	-	-	5.7	-	-	0.3%	-	-	-	-	-							
Buildings and other fixed structures	-	-	5.7	-	-	0.3%	-	-	-	-	-							
Total	352.0	484.3	437.7	427.8	6.7%	100.0%	443.3	462.9	488.5	4.5%	100.0%							
Proportion of total programme expenditure to vote expenditure	7.2%	8.3%	7.2%	6.4%	-	-	6.9%	7.3%	7.2%	-	-							

Table 24.11 Fisheries 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											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	201.2	316.4	253.5	251.3	7.7%	60.1%	258.6	268.4	281.9	3.9%	58.2%
Marine Living Resources Fund	201.2	316.4	253.5	251.3	7.7%	60.1%	258.6	268.4	281.9	3.9%	58.2%

Public entities and other agencies

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		
			2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
Number of peer-reviewed scientific publications per year	Crop production, improvement and protection	Outcome 7: Comprehensive rural development and land reform	73	87	90	110	91	100	103
Number of cultivators registered per year	Crop production, improvement and protection		15	12	13	12	8	11	7
Number of diagnostic and analytical services rendered to farmers per year	Crop production, improvement and protection		— ¹	1 262	833	550	500	520	530
Number of peer-reviewed scientific publications per year	Animal health, improvement and protection		51	84	75	92	105	81	82
Number of scientific services rendered (invoices) to livestock farmers per year	Animal health, improvement and protection		— ¹	18 497	20 472	22 500	18 500	20 000	22 000
Number of peer-reviewed scientific publications per year	Natural resource management	Outcome 10: Protect and enhance our environmental assets and natural resources	21	65	54	79	59	65	74
Number of peer-reviewed scientific publications per year	Agro-processing, food technology and safety	Outcome 7: Comprehensive rural development and land reform	12	24	22	15	20	25	38
Number of smallholder farmers supported per year	Smallholder agricultural development		— ¹	6 107	6 248	7 000	3 900	3 900	3 900
Number of farmer workshops held per year	Smallholder agricultural development		— ²	— ²	— ²	— ²	100	130	146
Number of farmers trained per year	Training and extension	Outcome 4: Decent employment through inclusive economic growth	1 480	5 389	9 189	8 500	9 000	9 000	9 000

1. Historical data is not available, as the indicator was introduced in 2012/13.

2. Historical data is not available, as the indicator will be 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 of animal and crop production; national biodiversity and the integrity of the ecosystem; and an increased number of smallholder farmers that 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 is also linked to outcome 4 (decent employment through inclusive economic growth) and outcome 10 (protect and enhance our environmental assets and natural resources) of government's 2014-2019 medium term strategic framework.

The council's main revenue stream is transfers from the Department of Agriculture, Forestry and Fisheries. Transfers from the department will decrease from R1 billion in 2014/15 to R915 million over the medium term due to projects funded through the economic competitiveness support package coming to an end, as well as Cabinet approved budget reductions of R76.8 million in 2015/16, R116.6 million in 2016/17 and R1.5 million in 2017/18 that will be effected on the council's allocation. The council will, however, receive a further allocation from the Department of Science and Technology of R173 million over the MTEF period.

External income generated from research and development contracts, the sale of farm products, and royalties is projected to increase over the medium term from R391.2 million in 2014/15 to R462.5 million, an estimated 33.3 per cent of total revenue over the MTEF period. This projected growth in revenue is due to an expected increase in the number of research studies conducted for clients such as the Department of Rural Development and Land Reform over the medium term.

The council plans to spend its medium term budget of R3.5 billion on conducting approximately 26 research studies into new crop cultivars and registering them; completing the production facility for the foot-and-mouth disease vaccine; providing extension services; and providing support to more than 11 700 smallholder farmers by 2017/18 to ensure production efficiencies and vibrant, equitable and sustainable rural communities. All of these outputs will contribute to government's 2014-2019 medium term strategic framework priority of food security for all.

The council's research and technology development is expected to support the publication of 645 scientific reports. This will mainly be funded through the transfer from government, which constitutes R2.4 billion (66.7 per cent) of the council's projected total revenue over the medium term.

Work will be done through the agro-processing, food technology and safety, natural resources management, animal health improvement and protection, and crop production, improvement and protection programmes. This work will assist the council in performing an estimated 1 550 crop and animal disease diagnostic and analytical services, as well as collaborating with universities on the training of smallholder farmers.

Programmes/objectives/activities

Table 24.13 Agricultural Research Council expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2014/15	Average growth rate (%)		Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2014/15 - 2017/18		2015/16	2016/17	2017/18		
Administration	115.3	188.5	144.4	155.7	10.5%	14.0%		168.6	170.2	190.5	7.0%	14.3%
Crop production, improvement and protection	162.3	216.1	287.2	268.6	18.3%	21.1%		282.3	292.9	324.3	6.5%	24.4%
Animal health, improvement and protection	169.2	226.3	283.9	280.8	18.4%	21.8%		227.6	234.1	288.8	0.9%	21.4%
Natural resource management	119.6	169.0	213.0	209.9	20.6%	16.1%		140.3	144.9	163.3	-8.0%	13.6%
Mechanisation and engineering	–	–	14.9	14.7	–	0.6%		15.9	16.4	18.8	8.6%	1.4%
Agro-processing, food technology and safety	172.4	171.1	60.6	59.7	-29.8%	11.7%		47.8	49.2	56.5	-1.8%	4.4%
Smallholder agricultural development	–	–	59.2	58.3	–	2.3%		139.7	143.7	164.9	41.4%	10.7%
Agricultural economics and commercialisation	115.3	–	32.4	32.0	-34.8%	4.7%		44.6	45.9	52.7	18.1%	3.7%
Training and extension	–	–	18.5	18.2	–	0.7%		23.3	24.0	27.5	14.7%	2.0%
Other projects	–	44.3	92.2	215.4	–	7.1%		–	–	–	-100.0%	4.1%
Total	854.1	1 015.3	1 206.3	1 313.4	15.4%	100.0%		1 090.3	1 121.3	1 287.3	-0.7%	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									
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/Budget Average (%)
R million	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15
Revenue									
Non-tax revenue	296.7	312.1	323.6	356.5	356.8	496.9	391.2	391.2	113.8%
Sale of goods and services other than capital assets	283.9	275.7	308.1	317.9	332.0	447.3	364.8	364.8	109.1%
<i>of which:</i>									
<i>Sales by market establishment</i>	283.9	275.7	308.1	317.9	332.0	447.3	364.8	364.8	109.1%
Other non-tax revenue	12.9	36.4	15.4	38.7	24.8	49.5	26.4	26.4	190.0%
Transfers received	709.4	666.0	869.6	747.4	888.4	865.8	956.8	1 001.1	95.8%
Total revenue	1 006.1	978.1	1 193.1	1 103.9	1 245.3	1 362.6	1 348.0	1 392.3	100.9%
Expenses									
Current expenses	891.5	854.1	1 014.5	1 015.3	1 128.6	1 206.3	1 269.1	1 313.4	102.0%
Compensation of employees	537.9	518.3	586.0	611.8	663.5	685.2	738.9	765.0	102.1%
Goods and services	316.5	313.9	403.7	379.8	431.6	490.6	496.7	514.8	103.1%
Depreciation	37.1	21.8	24.8	23.8	33.5	30.4	33.5	33.5	84.9%
Interest, dividends and rent on land	—	—	—	—	—	0.1	—	—	537.1%
Total expenses	891.5	854.1	1 014.5	1 015.3	1 128.6	1 206.3	1 269.1	1 313.4	102.0%
Surplus/(Deficit)	115.0	124.0	179.0	89.0	117.0	156.0	79.0	79.0	—
Statement of financial position									
Carrying value of assets	934.1	729.0	896.6	783.8	1 116.0	898.6	992.3	944.3	85.2%
<i>of which:</i>									
<i>Acquisition of assets</i>	254.0	90.5	146.2	111.0	99.8	146.4	150.4	150.4	76.6%
Investments	2.3	2.4	2.2	3.8	2.0	4.3	2.0	2.0	149.2%
Inventory	15.0	11.8	12.4	10.4	13.2	18.9	13.9	13.9	101.1%
Receivables and prepayments	80.5	72.0	78.5	77.0	86.8	122.2	93.6	93.6	107.5%
Cash and cash equivalents	33.3	457.4	250.2	496.7	128.0	480.2	401.5	449.5	231.7%
Non-current assets held for sale	—	0.2	—	0.5	—	0.5	—	—	—
Total assets	1 065.1	1 272.8	1 239.9	1 372.3	1 346.1	1 524.7	1 503.4	1 503.4	110.1%
Accumulated surplus/(deficit)	622.0	631.0	865.1	720.0	917.2	876.3	875.8	875.8	94.6%
Capital and reserves	111.5	2.4	111.0	2.4	111.3	2.4	2.4	2.4	2.8%
Capital reserve fund	—	109.6	—	109.6	—	109.6	109.6	109.6	400.0%
Accrued interest	—	—	—	—	—	—	—	—	—
Deferred income	48.8	87.3	43.9	192.6	74.3	192.6	192.6	192.6	185.0%
Trade and other payables	185.4	368.7	128.3	226.7	174.1	226.9	248.0	248.0	145.4%
Taxation	—	—	—	14.0	—	7.8	—	—	—
Provisions	97.5	73.9	74.5	107.2	69.1	109.1	75.0	75.0	115.5%
Total equity and liabilities	1 065.1	1 272.8	1 222.9	1 372.3	1 346.1	1 524.7	1 503.4	1 503.4	110.4%

Statements of estimates of financial performance and position

Table 24.15 Agricultural Research 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 (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Revenue								
Non-tax revenue	391.2	7.8%	32.2%	413.6	437.4	462.5	5.7%	33.3%
Sale of goods and services other than capital assets	364.8	9.8%	29.0%	386.7	409.9	434.5	6.0%	31.2%
<i>of which:</i>								
<i>Sales by market establishment</i>	364.8	9.8%	29.0%	386.7	409.9	434.5	6.0%	31.2%
Other non-tax revenue	26.4	-10.1%	3.2%	27.0	27.5	28.0	2.0%	2.1%
Transfers received	1 001.1	14.6%	67.8%	760.1	770.7	915.4	-2.9%	66.7%
Total revenue	1 392.3	12.5%	100.0%	1 173.7	1 208.1	1 377.9	-0.3%	100.0%
Expenses								
Current expenses	1 313.4	15.4%	100.0%	1 090.3	1 121.3	1 287.3	-0.7%	100.0%
Compensation of employees	765.0	13.9%	59.0%	779.3	818.3	859.2	3.9%	67.4%
Goods and services	514.8	17.9%	38.5%	276.0	266.1	389.2	-8.9%	29.6%
Depreciation	33.5	15.4%	2.5%	35.0	37.0	39.0	5.2%	3.0%
Total expenses	1 313.4	15.4%	100.0%	1 090.3	1 121.3	1 287.3	-0.7%	100.0%
Surplus/(Deficit)	79.0	-14.0%	—	83.0	87.0	91.0	4.8%	—

Table 24.15 Agricultural Research Council statements of estimates of financial performance and position

Statement of financial position		Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	Revised estimate							
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Carrying value of assets	944.3	9.0%	59.0%	991.8	1 041.8	1 094.3	5.0%	70.2%
of which:								
Acquisition of assets	150.4	18.4%	8.7%	82.6	87.0	91.3	-15.3%	7.0%
Investments	2.0	-5.8%	0.2%	4.3	4.3	4.3	28.7%	0.3%
Inventory	13.9	5.5%	1.0%	14.7	15.4	16.5	5.8%	1.0%
Receivables and prepayments	93.6	9.2%	6.4%	98.8	103.3	116.0	7.4%	7.1%
Cash and cash equivalents	449.5	-0.6%	33.4%	316.9	247.7	231.4	-19.9%	21.4%
Total assets	1 503.4	5.7%	100.0%	1 426.4	1 412.6	1 462.5	-0.9%	100.0%
Accumulated surplus/(deficit)	875.8	11.6%	54.4%	876.3	876.3	876.3	-	60.4%
Capital and reserves	2.4	-	0.2%	2.4	2.4	2.4	-	0.2%
Capital reserve fund	109.6	-	7.8%	109.6	109.6	109.6	-	7.6%
Deferred income	192.6	30.2%	11.6%	192.6	192.6	192.6	-	13.3%
Trade and other payables	248.0	-12.4%	19.2%	176.5	163.7	209.7	-5.4%	13.7%
Provisions	75.0	0.5%	6.4%	69.1	68.1	71.9	-1.4%	4.9%
Total equity and liabilities	1 503.4	5.7%	100.0%	1 426.4	1 412.6	1 462.5	-6.8%	100.0%

Personnel information

Table 24.16 Agricultural Research Council personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015			Number and cost ¹ 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 (%)						
		2013/14			2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18					
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost						
Agricultural Research Council			3 426			3 270	685.2	0.2	3 426	765.0	0.2	3 297	779.3	0.2	3 297	818.3	0.2	3 297	859.2	0.3	3.9%	100.0%
Salary level	3 426	3 426	3 270	685.2	0.2	3 426	765.0	0.2	3 297	779.3	0.2	3 297	818.3	0.2	3 297	859.2	0.3	3.9%	100.0%			
1 – 6	2 060	2 060	1 894	165.4	0.1	2 060	207.7	0.1	1 974	214.9	0.1	1 974	226.4	0.1	1 974	237.7	0.1	4.6%	59.9%			
7 – 10	759	759	779	192.6	0.2	759	200.1	0.3	759	210.5	0.3	759	221.9	0.3	759	233.0	0.3	5.2%	22.8%			
11 – 12	527	527	519	253.6	0.5	527	277.1	0.5	484	269.5	0.6	484	281.1	0.6	484	295.2	0.6	2.1%	14.9%			
13 – 16	77	77	75	67.6	0.9	77	73.7	1.0	77	77.6	1.0	77	81.7	1.1	77	85.8	1.1	5.2%	2.3%			
17 – 22	3	3	3	6.0	2.0	3	6.4	2.1	3	6.8	2.3	3	7.1	2.4	3	7.5	2.5	5.2%	0.1%			

1. Rand million.

Other public entities and agencies

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 2015/16 is R258.6 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 these statutory measures; and, if necessary, propose alternatives to the establishment, continuation, amendment or repeal of statutory measures, and to report to and advise the minister accordingly. The council's total budget for 2015/16 is R34.6 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 an 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 2015/16 is R3.8 million.
- **Onderstepoort Biological Products** was established as a public company in terms of the Onderstepoort Biological Products Incorporation Act (1999), with government as the shareholder. The company's mandate is to prevent and control animal diseases that impact on food security, human health and livelihood. The entity's total budget for 2015/16 is R268.4 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 board's total budget for 2015/16 is R600 thousand.

Additional table: Summary of expenditure on infrastructure

Project name		Service delivery outputs	Current project stage	Total project cost	Audited outcome		Adjusted appropriation 2014/15	Medium-term expenditure estimate		
R million					2011/12	2012/13		2013/14	2015/16	2016/17
Departmental infrastructure										
Drilling of boreholes		Siting, drilling and testing of boreholes for small scale farmers identified in priority projects by provinces	Various	200.0	7.2	8.3	10.4	9.4	10.3	11.0
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	24.0	21.9	23.7	27.3	30.0	32.0
KwaZulu-Natal: Durban		Site clearance	Feasibility	17.7	0.2	0.1	0.1	-	-	-
Western Cape: Stellenbosch		Construction of additional office accommodation	Handed over	16.3	0.7	0.2	-	-	-	-
Northern Cape: Upington		Upgrading of offices, storeroom and construction of evaporation pan and laboratory	Feasibility	5.2	-	-	0.4	0.5	1.3	2.5
Western Cape: Stellenbosch		Construction of agrochemical store	Handed over	44.0	0.6	0.4	-	-	-	-
Grootefontein Agricultural Development Institute		Minor upgrading and repairs	Handed over	1.9	-	1.3	0.9	-	-	-
Western Cape: Cape Town		Sniffer dog kennels	Feasibility	5.1	-	-	-	0.7	2.6	0.6
Gauteng: Pretoria		Upgrading of reception areas: Agriculture Place, Harvest House and Sefala	Design	2.1	-	-	0.8	0.6	0.9	0.1
Limpopo: Mutale municipal district		Construction of a seed bank Mutale (Project on hold pending the finalisation of site clearance for construction)	On hold	1.2	-	-	-	0.4	0.6	0.4
Eastern Cape: Sterkspruit		Construction of a seed bank: Mthatha (Project on hold pending the finalisation of site clearance for construction)	On hold	1.2	-	-	-	0.4	0.8	0.4
Western Cape: Stellenbosch (plant health laboratory)		Alterations to Polka Draai Road entrance in terms of traffic regulations	On hold	0.6	-	-	-	-	0.3	0.3
Mpumalanga: Skukuza (alterations to offices/laboratories)		Upgrading of existing buildings and laboratories	Design	2.3	-	0.2	0.3	0.8	0.2	-
Western Cape: Stellenbosch		Upgrading of electrical substation	Construction	2.7	-	-	-	0.8	0.7	-
Gauteng: Pretoria		Revamping of parking area at Harvest House	Design	2.9	-	-	-	0.1	2.4	1.3
Western Cape: Cape Town		Minor capital projects along South Africa's coastline	Design	0.9	-	-	-	0.3	0.6	0.3
KwaZulu-Natal: Durban		Construction of animal quarantine station	Design	58.7	-	-	-	1.8	1.0	2.2
Western Cape: Stellenbosch (plant health laboratory)		Upgrade and maintenance of building and laboratory facility (glasshouses and tunnels)	Design	54.6	-	-	-	22.5	21.9	20.8
Gauteng: Roodeplaat		Repair and installation of the infrastructure at the Plant Genetic Resources Centre	Design	6.7	-	0.3	0.3	1.0	2.5	2.7
Western Cape: Cape Town		Repair and maintenance of fisheries harbours along the coastline	Design	1.4	-	-	-	-	1.6	0.9
Western Cape: Cape Town		Upgrade of student centre and laboratories at Sea Point	Pre-feasibility	1.3	-	-	-	-	1.1	0.4
Mutale		Site clearance and acquisition of land for the construction of a seed bank at Mutale	Feasibility	0.5	-	-	-	0.5	0.5	-
Gauteng: Pretoria		Repair and maintenance of Sefala building	Handed over	-	-	1.1	-	-	-	-
Gauteng: Pretoria		Repair and maintenance of Harvest House	Complete	-	-	0.1	-	-	-	-

Additional table: Summary of expenditure on infrastructure

Annual report: Summary of expenditure on infrastructure											
Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate				
				2011/12	2012/13		2013/14	2014/15	2015/16	2016/17	2017/18
R million											
Gauteng: Pretoria	Repair and maintenance of Agriculture Place	Complete	-	-	0.7	-	-	-	-	-	-
Pretoria: 110 Hamilton building	Repair and maintenance	Complete	-	-	1.1	-	-	-	-	-	-
Gauteng: Pretoria Multilocking systems	Installation of multilocking systems in various forestry offices	Various	-	-	2.3	-	-	-	-	-	-
Various maintenance and repair projects	Various maintenance and repair projects	Identification	-	-	-	1.9	0.2	-	-	-	-
Spitskop Conservation Area	Maintenance and repair of existing soil conservation structures	Various	6.4	5.5	-	8.4	-	-	-	-	-
Western Cape: Stellenbosch	Upgrading of existing buildings	Tender	2.8	2.8	-	-	-	-	-	-	-
Mpumalanga: Middelburg	Upgrading of existing buildings	Complete	11.7	8.2	-	-	-	-	-	-	-
Gauteng: Pretoria	Various capital works projects	Complete	4.7	2.5	-	-	1.3	0.2	0.3	-	-
Gauteng: Pretoria	Upgrading of Sefala building	Construction	7.1	2.1	-	-	-	-	-	-	-
Gauteng: Pretoria	Upgrading of offices/laboratories at Roodeplaat	Complete	0.2	0.2	-	-	-	-	-	-	-
Gauteng: Kempton Park	Repairs and maintenance of animal quarantine station	Feasibility	14.1	0.1	-	-	0.6	0.2	4.2	3.9	-
Western Cape: Milnerton	Upgrading of animal quarantine station	Complete	7.0	0.1	-	-	-	-	-	-	-
Grootfontein Agricultural Development Institute	Upgrading of Infrastructure of Grootfontein Agriculture Development Institute	Feasibility	6.0	-	-	-	0.6	0.4	3.3	1.3	-
Eastern Cape: Sterkspruit	Site clearance of seed bank at Sterkspruit	Feasibility	0.5	-	-	-	0.5	0.8	-	-	-
Infrastructure transfers to other spheres, agencies and departments											
Animal production, health and improvement	Vaccine for foot and mouth disease	Complete	149.1	43.9	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	318.4	318.1	338.1	-
Onderstepoort Biological Products	Building and facility for vaccine production	Various	492.4	-	-	96.5	127.5	268.4	-	-	-
Agriculture Research Council: Maintenance of infrastructure	Research and development	Various	84.1	-	13.9	14.6	15.5	16.2	17.1	17.9	-
Crop production, improvement and protection	Research and development	Complete	63.0	46.5	-	-	-	-	-	-	-
Animal production, health and improvement	Research and development	Complete	58.8	38.4	-	-	-	-	-	-	-
Natural resources management	Research and development	Complete	26.3	22.1	-	-	-	-	-	-	-
Mechanisation and engineering	Research and development	Complete	16.1	14.8	-	-	-	-	-	-	-
Agro-processing, food technology and safety	Research and development	Complete	6.5	6.5	-	-	-	-	-	-	-
Administration and corporate affairs	Research and development	Complete	56.3	36.1	-	-	-	-	-	-	-
Total			3 535.1	262.2	555.2	461.5	706.9	675.5	416.9	442.6	-

Vote 25

Economic Development

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	83.2	81.0	–	2.2	87.6	89.9
Growth Path and Social Dialogue	27.9	27.9	–	–	30.0	32.6
Investment, Competition and Trade	774.7	41.4	733.2	–	568.0	605.3
Total expenditure estimates	885.8	150.3	733.2	2.2	685.7	727.9

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, public entities, donor funding, public private partnerships, conditional allocations 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 growth, including the implementation 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 Industrial Development Corporation, the International Trade Administration Commission of South Africa and the Small Enterprise Finance Agency.

In line with these responsibilities, the department's mandate includes administration of the following legislation:

- the Industrial Development Corporation 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		
			2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
Number of initiatives/projects to strengthen the implementation of the new growth path per year	Growth Path and Social Dialogue	Outcome 4: Decent employment through inclusive economic growth	– ¹	– ¹	– ¹	4	4	4	4
Number of spatial, local and provincial initiatives completed per year	Growth Path and Social Dialogue		– ¹	– ¹	– ¹	6	8	10	10

Table 25.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of quarterly Cabinet level progress reports on strategic integrated projects per year	Investment, Competition and Trade	Outcome 6: An efficient, competitive and responsive economic infrastructure network	— ²	— ²	71	60	60	60	60
Number of infrastructure projects unblocked, fast-tracked or facilitated per year	Investment, Competition and Trade		— ²	— ²	8	8	8	8	10
Number of Cabinet and Presidential Infrastructure Coordinating Committee strategic decisions on infrastructure implemented per year	Investment, Competition and Trade		— ¹	— ¹	— ¹	— ¹	4	4	4
Number of investment initiatives facilitated, fast tracked and/or unblocked per year	Investment, Competition and Trade		— ¹	— ¹	— ¹	18	10	12	14
Number of strategic engagements with development finance institutions to improve efficiency per year ³	Investment, Competition and Trade	Outcome 4: Decent employment through inclusive economic growth	19	8	6	6	5	4	4
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	— ¹	4	4	4	4
Number of strategic engagements with trade and competition authorities to increase administrative efficiency per year	Investment, Competition and Trade		— ¹	— ¹	— ¹	— ¹	3	4	5

1. Historical data is not available, as the annual performance plan was revised in the new administration and includes new indicators.

2. Historical data is not available, as this indicator was introduced in 2013/14.

3. Quarterly engagements have been reduced to 4 per year and 1 per quarter.

Expenditure analysis

Outcome 4 of government's 2014-2019 medium term strategic framework (decent employment through inclusive economic growth) is a pillar of the national development plan's vision to eradicate poverty and reduce inequality. Decent employment through inclusive economic growth depends on a coordinated government strategy of cross-cutting policies, and over the medium term the Economic Development Department will work with other departments and government entities, particularly to support efforts to meet South Africa's long term infrastructure needs, in line with outcome 6 (an efficient, competitive and responsive infrastructure network). The department will also work with development finance institutions and economic regulators to improve their efficiency and facilitate investment.

The department's personnel will grow from 117 at 30 September 2014 to 149 by 2017/18. The additional capacity will allow the department to strengthen its secretariat support to the Presidential Infrastructure Coordinating Commission and its oversight of the development finance institutions and economic regulators, among other coordinating functions. Cabinet approved reductions of R41.5 million over the medium term on compensation of employees are due to vacancies between 2011/12 and 2013/14. However, compensation of employees remains the department's main cost driver over the medium term, accounting for 12.5 per cent of the department's total expenditure, excluding transfers to the entities over which the department has oversight. The department has addressed underspending on compensation of employees by reviewing its organisational structure and improving recruitment and selection processes to enable it to fill vacancies over the medium term.

The department provides secretariat support to the Presidential Infrastructure Coordinating Commission. The commission was established to forge partnerships between departments across all spheres of government to ensure that infrastructure investment is rolled out without unnecessary delays. The department is responsible for producing Cabinet level progress reports on strategic integrated infrastructure projects and monitoring the implementation of Cabinet and Presidential Infrastructure Coordinating Committee decisions on infrastructure.

Over the medium term, the department will engage with the development finance institutions to improve their efficiency. The engagements are expected to put measures in place to improve turnaround times for project decisions and disbursements as well as measures for evaluating the spread of spending in terms of how it meets government's developmental objectives. The department is also set to facilitate 36 investment initiatives by 2017/18. This facilitation includes assisting potential investors to approach government departments and agencies to access funding options, and unblocking regulatory bottlenecks. The department expects to improve administrative efficiency in the economic regulatory bodies to foster a regulatory environment that is conducive to competition and trade.

To expand the availability of financing for small enterprises and to support the regulation work of the Competition Commission, the department makes transfers through the *Investment, Competition and Trade* programme to the Small Enterprise Finance Agency and the Competition Commission. Over the medium term, these transfers account for 80 per cent of the department's budget.

Additional funding of R25 million is provided to the Competition Commission in 2015/16 to support the inquiry into competition in the private health care sector.

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	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	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Programme 1	55.0	56.3	50.8	60.1	52.3	55.4	63.6	95.8	91.3	79.5	94.9	94.9	113.3%	97.7%
Programme 2	39.6	40.0	25.8	47.2	31.2	20.6	44.1	36.3	35.6	38.3	20.9	20.9	60.7%	80.1%
Programme 3	499.9	502.1	501.0	565.5	613.0	597.5	663.8	639.4	644.5	579.1	581.1	581.1	100.7%	99.5%
Total	594.5	598.4	577.6	672.7	696.5	673.5	771.5	771.5	771.4	696.9	696.9	696.9	99.4%	98.4%
Economic classification														
Current payments	123.2	125.0	88.3	141.8	161.3	120.6	151.0	157.0	137.2	160.8	132.0	131.1	82.7%	82.9%
Compensation of employees	79.2	79.7	48.3	91.6	63.9	62.1	98.0	72.4	70.9	107.8	76.9	76.9	68.6%	88.2%
Goods and services	44.0	45.3	40.0	50.2	97.5	58.5	53.0	84.5	66.2	53.0	55.0	54.2	109.4%	77.5%
of which:														
Advertising	1.6	1.6	0.3	1.6	1.5	16.1	1.7	32.3	17.7	11.8	16.5	15.6	299.8%	96.0%
Consultants and professional services: Legal costs	0.3	1.6	4.5	0.3	0.3	1.0	3.3	3.3	6.8	3.5	4.0	4.0	221.7%	177.2%
Operating leases	6.6	6.6	2.8	7.5	4.4	3.7	4.9	9.1	9.2	7.4	9.9	9.9	97.0%	85.4%
Travel and subsistence	14.1	14.1	12.0	16.4	15.7	13.0	17.3	15.9	11.8	13.6	10.4	10.4	76.8%	84.3%
Operating payments	3.5	3.5	1.4	4.1	59.1	1.6	13.9	5.6	1.5	4.4	1.2	1.2	21.8%	8.2%
Venues and facilities	7.9	7.9	2.1	9.2	6.8	4.4	5.7	6.2	1.4	5.0	0.7	0.7	30.7%	39.6%
Transfers and subsidies	464.8	466.8	488.0	523.5	529.7	551.0	612.6	612.6	628.1	533.9	560.5	560.5	104.3%	102.7%
Departmental agencies and accounts	301.9	301.9	211.4	339.5	247.4	249.2	381.6	381.6	273.6	291.3	291.6	291.6	78.0%	83.9%
Higher education institutions	—	2.0	5.5	—	2.3	12.3	—	—	—	—	—	—	—	415.7%
Public corporations and private enterprises	162.9	162.9	271.0	183.9	280.0	289.3	231.0	231.0	354.0	242.6	268.8	268.8	144.2%	125.5%
Households	—	—	0.1	—	—	0.2	—	—	0.5	—	—	—	—	—
Payments for capital assets	6.5	6.5	1.3	7.5	5.5	1.8	7.9	1.9	6.1	2.2	4.4	5.3	60.3%	79.1%
Machinery and equipment	5.2	5.2	1.2	6.0	4.0	1.7	6.3	1.9	5.0	1.7	4.0	4.0	61.6%	78.7%
Software and other intangible assets	1.3	1.3	0.1	1.5	1.5	0.1	1.6	—	1.1	0.5	0.5	1.3	55.0%	80.8%
Total	594.5	598.4	577.6	672.7	696.5	673.5	771.5	771.5	771.4	696.9	696.9	696.9	99.4%	98.4%

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 (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme 1	94.9	19.0%	10.8%	83.2	87.6	89.9	-1.8%	11.9%
Programme 2	20.9	-19.5%	3.8%	27.9	30.0	32.6	16.0%	3.7%
Programme 3	581.1	5.0%	85.5%	774.7	568.0	605.3	1.4%	84.4%
Total	696.9	5.2%	100.0%	885.8	685.7	727.9	1.5%	100.0%
Change to 2014				0.4	(31.6)	(26.7)		
Budget estimate								
Economic classification								
Current payments	131.1	1.6%	17.5%	150.3	153.0	162.8	7.5%	19.9%
Compensation of employees	76.9	-1.2%	9.5%	96.1	97.8	103.5	10.4%	12.5%
Goods and services	54.2	6.1%	8.1%	54.2	55.2	59.3	3.0%	7.4%
of which:								
Advertising	15.6	112.9%	1.8%	0.8	5.0	5.2	-30.7%	0.9%
Consultants and professional services: Legal costs	4.0	37.2%	0.6%	3.6	3.8	4.0	0.0%	0.5%
Operating leases	9.9	14.2%	0.9%	18.2	17.2	18.9	24.1%	2.1%
Travel and subsistence	10.4	-9.7%	1.7%	14.0	13.4	12.2	5.6%	1.7%
Operating payments	1.2	-31.0%	0.2%	4.2	4.2	2.0	19.0%	0.4%
Venues and facilities	0.7	-56.2%	0.3%	5.0	2.4	1.9	40.8%	0.3%
Transfers and subsidies	560.5	6.3%	81.9%	733.2	528.8	562.9	0.1%	79.6%
Departmental agencies and accounts	291.6	-1.2%	37.7%	326.8	315.7	339.2	5.2%	42.5%
Public corporations and private enterprises	268.8	18.2%	43.5%	406.4	213.1	223.8	-5.9%	37.1%
Payments for capital assets	5.3	-6.6%	0.5%	2.2	3.9	2.2	-25.9%	0.5%
Machinery and equipment	4.0	-8.3%	0.4%	1.8	3.8	1.8	-23.0%	0.4%
Software and other intangible assets	1.3	-0.1%	0.1%	0.5	0.1	0.3	-36.9%	0.1%
Total	696.9	5.2%	100.0%	885.8	685.7	727.9	1.5%	100.0%

Personnel information

Table 25.4 Vote personnel numbers and cost by salary level and programme¹

Programmes																		
1. Administration																		
2. Growth Path and Social Dialogue																		
3. Investment, Competition and Trade																		
Number of posts estimated for 31 March 2015			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 (%)
		2013/14			2014/15			2015/16			2016/17			2017/18				
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Economic Development			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	
Salary level	166	–	129	70.9	0.5	149	76.9	0.5	149	96.1	0.6	149	97.8	0.7	149	103.5	0.7	– 100.0%
1 – 6	23	–	21	4.0	0.2	23	4.3	0.2	23	5.3	0.2	23	5.0	0.2	23	5.2	0.2	– 15.4%
7 – 10	36	–	36	12.2	0.3	36	10.8	0.3	36	13.1	0.4	36	13.1	0.4	36	13.8	0.4	– 24.2%
11 – 12	39	–	35	18.7	0.5	33	15.3	0.5	33	17.5	0.5	33	17.2	0.5	33	19.5	0.6	– 22.1%
13 – 16	66	–	35	32.3	0.9	55	42.5	0.8	55	57.3	1.0	55	59.6	1.1	55	61.8	1.1	– 36.9%
Other	2	–	2	3.7	1.8	2	4.0	2.0	2	2.9	1.5	2	3.0	1.5	2	3.2	1.6	– 1.3%
Programme	166	–	129	70.9	0.5	149	76.9	0.5	149	97.8	0.6	149	97.8	0.7	149	103.5	0.7	– 100.0%
Programme 1	82	–	73	38.1	0.5	81	41.2	0.5	81	44.6	0.6	81	40.7	0.5	81	43.3	0.5	– 54.4%
Programme 2	41	–	32	17.7	0.6	35	18.5	0.5	35	18.1	0.5	35	22.7	0.6	35	23.6	0.7	– 23.5%
Programme 3	43	–	24	15.1	0.6	33	17.3	0.5	33	33.4	1.0	33	34.4	1.0	33	36.6	1.1	– 22.1%

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

2. Rand million.

Departmental receipts

Table 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 (%)
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
	2011/12	2012/13	2013/14	2014/15	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Departmental receipts	592 904	668 662	1 097 542	900 221	900 221	14.9%	100.0%	867 313	908 179	951 088	1.8%	100.0%
Sales of goods and services produced by department	16	21	23	18	18	4.0%	–	19	20	21	5.3%	–
Sales by market establishments	16	21	23	18	18	4.0%	–	19	20	21	5.3%	–
of which:												
Rental: Parking	16	21	23	18	18	4.0%	–	19	20	21	5.3%	–
Fines, penalties and forfeits	538 285	617 344	1 037 454	849 873	849 873	16.4%	93.4%	817 294	858 159	901 067	2.0%	94.5%
Interest, dividends and rent on land	50 263	50 106	50 229	50 250	50 250	–	6.2%	50 000	50 000	50 000	-0.2%	5.5%
Interest	263	–	229	250	250	-1.7%	–	–	–	–	-100.0%	–
Dividends	50 000	50 106	50 000	50 000	50 000	–	6.1%	50 000	50 000	50 000	–	5.5%
of which:												
Industrial Development Corporation dividends	50 000	50 106	50 000	50 000	50 000	–	6.1%	50 000	50 000	50 000	–	5.5%
Transactions in financial assets and liabilities	4 340	1 191	9 836	80	80	-73.6%	0.5%	–	–	–	-100.0%	–
Total	592 904	668 662	1 097 542	900 221	900 221	14.9%	100.0%	867 313	908 179	951 088	1.8%	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	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Ministry	18.4	16.3	21.0	21.7	5.7%	26.5%	20.2	26.2	27.3	8.0%	26.8%
Office of the Director General	9.6	11.0	10.8	15.7	18.0%	16.1%	13.9	7.2	7.4	-22.1%	12.4%
Corporate Management Services	9.2	12.6	37.1	35.0	56.3%	32.1%	37.6	38.2	40.6	5.1%	42.6%
Financial Management	13.7	15.5	22.4	22.5	17.8%	25.4%	11.5	16.1	14.6	-13.4%	18.2%
Total	50.8	55.4	91.3	94.9	23.1%	100.0%	83.2	87.6	89.9	-1.8%	100.0%
Change to 2014 Budget estimate				15.4			(0.8)	0.9	(1.6)		
Current payments	49.4	53.5	88.7	89.5	21.9%	96.1%	81.0	83.8	87.8	-0.6%	96.2%
Compensation of employees	27.9	30.9	38.1	41.2	13.9%	47.2%	44.6	40.7	43.3	1.7%	47.7%
Goods and services	21.5	22.6	50.6	48.3	31.0%	48.9%	36.4	43.1	44.5	-2.7%	48.4%
of which:											
Advertising	0.3	1.0	20.0	16.4	262.1%	12.9%	0.8	5.0	5.2	-31.8%	7.7%
Audit costs: External	1.6	2.6	3.2	2.6	18.5%	3.4%	1.8	1.9	1.9	-9.4%	2.3%
Consultants and professional services:	(0.4)	1.0	2.5	4.0	-322.0%	2.4%	3.6	3.8	4.0	–	4.4%
Legal costs											
Operating leases	2.8	3.7	9.2	9.9	52.0%	8.8%	18.2	17.2	18.9	24.1%	18.1%
Travel and subsistence	6.8	7.0	7.3	7.4	2.7%	9.7%	6.1	7.4	7.3	-0.4%	7.9%
Operating payments	1.3	0.7	0.4	0.5	-26.7%	1.0%	1.2	1.9	1.1	28.3%	1.3%
Transfers and subsidies	0.1	0.1	0.2	0.3	34.8%	0.3%	–	–	–	-100.0%	0.1%
Departmental agencies and accounts	–	–	–	0.3	–	0.1%	–	–	–	-100.0%	0.1%
Households	0.1	0.1	0.2	–	-100.0%	0.2%	–	–	–	–	–

Table 25.6 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome			2014/15				2015/16 2016/17 2017/18				
R million	2011/12	2012/13	2013/14		2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Payments for capital assets	1.3	1.8	2.4	5.0	57.0%	3.6%	2.2	3.9	2.2	-24.6%	3.7%
Machinery and equipment	1.2	1.7	2.4	3.7	48.0%	3.1%	1.8	3.8	1.8	-21.2%	3.1%
Software and other intangible assets	0.1	0.1	–	1.3	106.1%	0.5%	0.5	0.1	0.3	-36.9%	0.6%
Payments for financial assets	–	–	–	–	–	–	–	–	–	–	–
Total	50.8	55.4	91.3	94.9	23.1%	100.0%	83.2	87.6	89.9	-1.8%	100.0%
Proportion of total programme expenditure to vote expenditure	8.8%	8.2%	11.8%	13.6%	–	–	9.4%	12.8%	12.4%	–	–

Programme 2: Growth Path and Social Dialogue

Programme purpose

Strengthen the economic development capacity of government. Review and develop the alignment of 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, 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				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome							2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Growth Path and Jobs Drivers	12.5	11.6	23.9	11.9	-1.6%	58.2%	16.0	18.3	19.5	17.9%	58.9%
Social Dialogue, Productivity and Innovation	13.3	9.0	11.7	9.0	-12.2%	41.8%	11.9	11.7	13.1	13.4%	41.1%
Total	25.8	20.6	35.6	20.9	-6.8%	100.0%	27.9	30.0	32.6	16.0%	100.0%
Change to 2014 Budget estimate				(17.5)			(12.5)	(17.0)	(17.1)		
Current payments	17.8	20.5	25.3	20.7	5.3%	82.0%	27.9	30.0	32.6	16.3%	99.9%
Compensation of employees	11.1	13.7	17.7	18.5	18.4%	59.4%	18.1	22.7	23.6	8.6%	74.4%
Goods and services	6.7	6.8	7.6	2.3	-30.0%	22.7%	9.8	7.3	9.0	57.8%	25.5%
of which:											
Communication	0.2	0.2	0.4	0.1	-28.7%	0.8%	0.2	0.1	0.6	124.3%	0.8%
Consultants and professional services:	0.1	1.0	0.4	–	-100.0%	1.5%	–	–	2.9	–	2.6%
Business and advisory services											
Consumables: Stationery, printing and office supplies	0.2	0.4	0.3	0.2	-5.9%	1.0%	0.3	0.4	0.7	65.2%	1.4%
Travel and subsistence	2.9	2.5	2.2	0.9	-31.7%	8.3%	4.7	4.3	3.0	47.6%	11.7%
Operating payments	0.2	0.2	0.7	0.1	-28.4%	1.1%	1.1	1.1	0.5	103.1%	2.5%
Venues and facilities	1.9	1.6	1.1	0.2	-53.7%	4.7%	3.3	1.2	0.6	49.3%	4.8%

Table 25.7 Growth Path and Social Dialogue 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 (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	Expenditure/ Total: Average (%)	2015/16	2016/17	2017/18	2014/15 - 2017/18	Expenditure/ Total: Average (%)
R million											
Transfers and subsidies	8.0	–	9.1	–	-100.0%	16.6%	–	–	–	–	–
Public corporations and private enterprises	8.0	–	9.0	–	-100.0%	16.5%	–	–	–	–	–
Households	–	–	0.1	–	-100.0%	0.1%	–	–	–	–	–
Payments for capital assets	–	–	1.2	0.1	–	1.3%	–	–	–	-100.0%	0.1%
Machinery and equipment	–	–	0.1	0.1	–	0.2%	–	–	–	-100.0%	0.1%
Software and other intangible assets	–	–	1.1	–	–	1.1%	–	–	–	–	–
Total	25.8	20.6	35.6	20.9	-6.8%	100.0%	27.9	30.0	32.6	16.0%	100.0%
Proportion of total programme expenditure to vote expenditure	4.5%	3.1%	4.6%	3.0%	–	–	3.1%	4.4%	4.5%	–	–
Details of selected transfers and subsidies											
Public corporations and private enterprises											
Private enterprises											
Private enterprises - subsidies on products and production											
Current	8.0	–	–	–	-100.0%	7.8%	–	–	–	–	–
Proudly South African	8.0	–	–	–	-100.0%	7.8%	–	–	–	–	–
Public corporations and private enterprises											
Public corporations											
Public corporations - subsidies on products and production											
Current	–	–	9.0	–	–	8.8%	–	–	–	–	–
Small Enterprise Finance Agency	–	–	9.0	–	–	8.8%	–	–	–	–	–

Programme 3: Investment, Competition and Trade

Programme purpose

Provide support for the coordination of infrastructure development. Provide oversight and coordinate policy of identified development finance institutions and economic regulatory bodies.

Objectives

- Promote investments, expand industrial funding and entrepreneurship, and improve performance of development finance institutions by ensuring development finance institutions' support for industrial and small, medium and micro enterprise development, over the medium term.
- Promote competition, trade and other economic regulation by ensuring the effective management of competition authorities and trade administrations, over the medium term.
- Coordinate infrastructure development by providing regular progress reports required on each strategic infrastructure project; unblocking specific projects; and providing secretariat support to the Presidential Infrastructure Coordinating Commission, over the medium term.

Subprogrammes

- *Development Investment, Industrial Funding and Entrepreneurship* will focus on unblocking productive investments and overseeing the development finance institutions that fall under the department.
- *Competition, Trade and other Economic Regulation* will focus on strengthening the economic regulators and overseeing the regulatory bodies that fall under the department.
- *Infrastructure Development Coordination* will provide 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					Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome				Adjusted appropriation							
R million	2011/12	2012/13	2013/14	2014/15	2011/12	2014/15	2015/16	2016/17	2017/18	2014/15 -	2017/18
Development Investment, Industrial Funding and Entrepreneurship	277.9	306.9	347.7	273.6	-0.5%	51.9%	418.2	225.3	236.7	-4.7%	45.6%
Competition, Trade and other Economic Regulation	212.2	250.4	277.5	297.7	11.9%	44.7%	336.9	324.0	348.5	5.4%	51.7%
Infrastructure Development Coordination	10.9	40.2	19.4	9.8	-3.4%	3.5%	19.5	18.8	20.1	27.0%	2.7%
Total	501.0	597.5	644.5	581.1	5.1%	100.0%	774.7	568.0	605.3	1.4%	100.0%
Change to 2014 Budget estimate				2.1			13.7	(15.6)	(8.0)		
Economic classification											
Current payments	21.1	46.6	25.7	20.9	-0.4%	4.9%	41.4	39.3	42.4	26.6%	5.7%
Compensation of employees	9.3	17.4	15.1	17.3	22.7%	2.5%	33.4	34.4	36.6	28.4%	4.8%
Goods and services	11.8	29.2	10.6	3.6	-32.8%	2.4%	8.0	4.9	5.8	17.5%	0.9%
of which:											
Catering: Departmental activities	–	0.9	0.1	0.1	64.2%	–	0.3	0.2	0.8	135.4%	0.1%
Consultants and professional services: Business and advisory services	5.1	–	2.7	0.2	-67.3%	0.3%	0.4	0.4	0.4	30.3%	0.1%
Consumables: Stationery, printing and office supplies	–	0.2	0.1	0.2	69.2%	–	0.4	0.4	0.7	45.9%	0.1%
Travel and subsistence	2.2	3.6	2.3	1.5	-13.2%	0.4%	3.2	1.7	1.9	9.9%	0.3%
Operating payments	(0.1)	0.7	0.4	0.6	-288.1%	0.1%	1.9	1.1	0.4	-13.4%	0.2%
Venues and facilities	(0.6)	2.6	0.2	0.4	-185.6%	0.1%	1.2	0.6	0.6	20.2%	0.1%
Transfers and subsidies	479.9	550.9	618.8	560.1	5.3%	95.1%	733.2	528.8	562.9	0.2%	94.3%
Departmental agencies and accounts	211.4	249.2	273.6	291.3	11.3%	44.1%	326.8	315.7	339.2	5.2%	50.3%
Higher education institutions	5.5	10.1	0.2	–	-100.0%	0.7%	–	–	–	–	–
Public corporations and private enterprises	263.0	289.3	345.0	268.8	0.7%	50.2%	406.4	213.1	223.8	-5.9%	44.0%
Households	–	2.3	–	–	–	0.1%	–	–	–	–	–
Payments for capital assets	–	–	–	0.1	–	–	–	–	–	-100.0%	–
Machinery and equipment	–	–	–	0.1	–	–	–	–	–	-100.0%	–
Total	501.0	597.5	644.5	581.1	5.1%	100.0%	774.7	568.0	605.3	1.4%	100.0%
Proportion of total programme expenditure to vote expenditure	86.7%	88.7%	83.6%	83.4%	–	–	87.5%	82.8%	83.2%	–	–
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	–	2.3	–	–	–	0.1%	–	–	–	–	–
University of the Witwatersrand: Economic development capacity building course: Municipalities	–	2.3	–	–	–	0.1%	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	211.4	249.2	273.6	291.3	11.3%	44.1%	326.8	315.7	339.2	5.2%	50.3%
Competition Commission	126.6	157.2	176.9	188.1	14.1%	27.9%	223.0	208.5	219.0	5.2%	33.2%
Competition Tribunal	15.2	15.8	16.9	18.1	6.1%	2.8%	19.1	20.1	21.1	5.3%	3.1%
International Trade Administration Commission	69.6	74.4	79.8	85.1	6.9%	13.3%	84.7	87.0	99.1	5.2%	14.1%
Council for Scientific and Industrial Research	–	1.8	–	–	–	0.1%	–	–	–	–	–

Table 25.8 Investment, Competition and Trade expenditure trends and estimates by subprogramme and economic classification

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											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	263.0	289.3	345.0	268.8	0.7%	50.2%	406.4	213.1	223.8	-5.9%	44.0%
Small Enterprise Finance Agency	223.0	171.3	237.0	268.8	6.4%	38.7%	406.4	213.1	223.8	-5.9%	44.0%
Industrial Development Corporation of South Africa	34.0	109.0	108.0	–	-100.0%	10.8%	–	–	–	–	–
South African Institute of Chartered Accountants	6.0	9.0	–	–	-100.0%	0.6%	–	–	–	–	–
Higher education institutions											
Current	5.5	10.1	0.2	–	-100.0%	0.7%	–	–	–	–	–
Households	–	0.1	0.2	–	–	–	–	–	–	–	–
University of the Witwatersrand: Economic development capacity building course: Provincial	5.5	–	–	–	-100.0%	0.2%	–	–	–	–	–
University of Johannesburg: Academy for social economy	–	10.0	–	–	–	0.4%	–	–	–	–	–

Public entities and other agencies

Industrial Development Corporation

Mandate

The Industrial Development Corporation is a national development finance institution established in terms of the Industrial Development Act (1940) with the objective of leading industrial capacity development. This entails aligning its priorities with those identified in terms of government policies and programmes related to industrial development, including relevant elements of the 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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Value of funding approvals with agreements signed per year	Administration	Outcome 4: Decent employment through inclusive economic growth	R16.4bn	R13.7bn	R13bn	R10bn	R16bn	R20bn	R22bn
Value of funding disbursements per year	Administration		R8.5bn	R16bn	R11.2bn	R13.1bn	R8bn	R8bn	R8bn
Number of jobs expected to be created or saved, counted at the time of agreements being signed per year	Administration		44 142	24 223	19 689	17 300	34 000	34 000	34 000
Number of jobs expected to be created or saved in rural areas, counted at the time of agreements being signed per year	Administration		21 188	6 248	3 967	3 500	7 000	7 000	7 000
Actual number of jobs created or saved in South Africa per year	Administration		– ¹	26 610	20 366	20 000	20 000	20 000	20 000

1. Historical data is not available, as this indicator was introduced in 2012/13.

Expenditure analysis

The national development plan identifies a critical role for developmental finance institutions in promoting industrial policy, which it suggests can be achieved through the provision of appropriate support mechanisms for identified industries in partnership with the private sector. The focus of the Industrial Development Corporation is significantly informed by outcome 4 of government's 2014-2019 medium term strategic framework (decent employment through inclusive economic growth), as well as the national development plan,

the new growth path and the industrial policy action plan, which has resulted in the corporation undergoing a significant policy review process.

This review will see the corporation refocusing its activities to prioritise the development of those industrial sectors that have the largest potential to make a significant impact by unlocking job creation potential in the economy over the longer term, with a greater focus on larger projects that will have a more prominent impact on indirect jobs than direct employment. By doing this, the corporation expects to create or save 34 000 jobs annually over the medium term. In addition, it will focus more extensively on developing new industries that will drive industrialisation and job creation in the future, and will increase its support for the development of industrial infrastructure.

These changes will see the corporation proactively driving the development of the metals and mining, chemicals, and agro-processing value chains in alignment with priority sectors identified in government policy documents, including the industrial policy action plan. This will be achieved through additional capital allocation for the targeted sectors.

These investments are funded through new borrowings, repayments of existing loans, and disposals of mature investments, as well as retained income through goods and services and financing activities, which remains the driver of spending, accounting for 82.5 per cent of the corporation's total expenditure over the medium term. The corporation aims to reduce the level of growth in personnel to manage costs, which will enable it to keep the increase in expenditure on compensation of employees at an average annual rate of 5 per cent over the medium term.

The corporation generates revenue mainly from sales, interest and dividends, and this is expected to increase to R25.5 billion over the medium term mainly as a result of higher interest income as the corporation increases the levels of funding it provides to drive sector development.

Programmes/objectives/activities

Table 25.10 Industrial Development Corporation expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2014/15	Average growth rate (%) 2011/12 - 2014/15	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2014/15 - 2017/18	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
Administration	9 676.0	12 611.0	18 378.0	19 988.0	27.4%	100.0%	19 963.6	21 780.1	22 869.1	4.6%	100.0%
Total	9 676.0	12 611.0	18 378.0	19 988.0	27.4%	100.0%	19 963.6	21 780.1	22 869.1	4.6%	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										Outcome/ Budget average (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate		
R million	2011/12		2012/13		2013/14		2014/15			2011/12 - 2014/15
Revenue										
Non-tax revenue	10 222.4	12 945.0	11 815.3	14 420.0	18 546.0	19 790.0	20 697.7	22 197.4		113.2%
Sale of goods and services other than capital assets	4 410.0	6 150.0	7 500.0	8 603.0	6 500.0	13 908.0	13 629.7	16 291.4		140.3%
of which:										–
Administrative fees	–	349.0	–	632.0	–	545.0	710.1	433.0		275.9%
Other sales	4 410.0	5 801.0	7 500.0	7 971.0	6 500.0	13 363.0	12 919.6	15 858.4		137.2%
Other non-tax revenue	5 812.4	6 795.0	4 315.3	5 817.0	12 046.0	5 882.0	7 068.0	5 906.0		83.4%
Transfers received	34.0	34.0	108.0	169.0	339.0	231.0	242.6	242.6		93.5%
Total revenue	10 256.4	12 979.0	11 923.3	14 589.0	18 885.0	20 021.0	21 011.1	22 440.0		112.8%
Expenses										
Current expenses	8 364.1	9 531.0	7 912.5	12 545.0	11 018.8	17 740.0	19 269.9	19 678.0		127.8%
Compensation of employees	926.1	758.2	1 753.5	723.2	1 919.9	843.0	887.8	885.2		58.5%
Goods and services	6 361.0	8 017.8	5 209.0	10 691.8	7 800.4	15 337.0	17 112.5	16 580.2		138.8%
Depreciation	327.0	309.0	350.0	441.0	383.5	534.0	495.5	560.7		118.6%
Interest, dividends and rent on land	750.0	446.0	600.0	689.0	915.0	1 026.0	774.2	1 652.0		125.5%
Transfers and subsidies	–	–	–	–	55.5	–	–	–		–
Total expenses	8 462.8	9 676.0	8 191.7	12 611.0	11 227.8	18 378.0	19 755.2	19 988.0		127.3%
Surplus/(Deficit)	1 794.0	3 303.0	3 732.0	1 978.0	7 657.0	1 643.0	1 256.0	2 452.0		–

Table 25.11 Industrial Development Corporation statements of historical financial performance and position

Statement of financial position									
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget average (%)
R million	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15
Carrying value of assets	3 890.0	4 904.0	4 730.0	8 295.0	5 241.0	9 401.0	5 646.0	10 206.0	168.2%
of which:									
Acquisition of assets	405.0	837.0	3 179.0	1 538.0	11 594.0	1 549.0	5 285.6	1 596.8	27.0%
Investments	74 398.0	80 231.0	79 411.0	84 116.0	95 231.0	92 363.0	92 652.0	83 801.7	99.7%
Inventory	976.0	1 860.0	1 300.0	3 390.0	2 100.0	3 854.0	2 310.0	4 409.0	202.1%
Loans	–	15 978.0	26 297.0	18 666.0	23 500.0	20 818.0	33 608.0	19 278.3	89.6%
Receivables and prepayments	1 920.0	1 267.0	1 200.0	2 961.0	1 450.0	3 813.0	1 595.0	3 503.0	187.3%
Cash and cash equivalents	3 731.0	7 825.0	878.3	9 009.0	3 636.0	7 877.0	5 655.4	8 903.0	241.8%
Non-current assets held for sale	–	15.0	–	–	–	–	–	–	–
Taxation	–	143.0	–	399.0	120.0	396.0	132.0	634.0	623.8%
Derivatives financial instruments	–	7.0	255.0	49.0	–	71.0	–	–	49.8%
Total assets	84 915.0	112 230.0	114 071.3	126 885.0	131 278.0	138 593.0	141 598.4	130 735.0	107.8%
Accumulated surplus/(deficit)	–	34 290.0	23 116.2	35 744.0	37 719.0	37 415.0	39 763.4	39 496.0	146.1%
Capital and reserves	84 049.0	57 903.0	79 000.0	61 196.0	55 320.0	69 569.0	55 485.4	57 930.0	90.0%
Borrowings	15 435.0	9 926.0	6 500.0	19 033.0	25 876.0	21 456.0	33 938.0	24 865.0	92.1%
Trade and other payables	5 526.0	2 286.0	2 200.0	3 190.0	2 286.0	3 560.0	2 514.6	4 026.0	104.3%
Taxation	–	7 290.0	–	6 526.0	9 500.0	5 528.0	9 310.0	4 045.0	124.3%
Provisions	470.0	473.0	230.0	1 134.0	300.0	1 015.0	530.0	373.0	195.8%
Managed funds (e.g. poverty alleviation fund)	–	57.0	2 942.1	56.0	57.0	24.0	57.0	–	4.5%
Derivatives financial instruments	–	5.0	–	6.0	–	26.0	–	–	–
Total equity and liabilities	105 480.0	112 230.0	113 988.3	126 885.0	131 058.0	138 593.0	141 598.4	130 735.0	103.3%

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								
	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Revenue								
Non-tax revenue	22 197.4	19.7%	99.1%	22 424.7	23 834.4	25 546.8	4.8%	99.0%
Sale of goods and services other than capital assets	16 291.4	38.4%	62.1%	15 017.7	15 774.4	16 555.8	0.5%	67.1%
of which:								
Administrative fees	433.0	7.5%	2.9%	285.0	305.0	313.0	-10.3%	1.4%
Other sales	15 858.4	39.8%	59.2%	14 732.7	15 469.4	16 242.8	0.8%	65.7%
Other non-tax revenue	5 906.0	-4.6%	37.0%	7 407.0	8 060.0	8 991.0	15.0%	31.8%
Transfers received	242.6	92.5%	0.9%	292.6	213.1	223.8	-2.7%	1.0%
Total revenue	22 440.0	20.0%	100.0%	22 717.3	24 047.5	25 770.6	4.7%	100.0%
Expenses								
Current expenses	19 678.0	27.3%	98.2%	19 807.6	21 447.8	22 572.3	4.7%	100.0%
Compensation of employees	885.2	5.3%	5.6%	996.0	975.9	1 024.7	5.0%	4.6%
Goods and services	16 580.2	27.4%	83.5%	16 971.9	17 663.8	18 236.6	3.2%	82.2%
Depreciation	560.7	22.0%	3.1%	588.7	618.2	649.1	5.0%	2.9%
Interest, dividends and rent on land	1 652.0	54.7%	6.0%	1 251.0	2 190.0	2 662.0	17.2%	9.1%
Total expenses	19 988.0	27.4%	100.0%	19 963.6	21 780.1	22 869.1	4.6%	100.0%
Surplus/(Deficit)	2 452.0	-9.5%	–	2 754.0	2 267.0	2 901.0	5.8%	–
Statement of financial position								
Carrying value of assets	10 206.0	27.7%	6.4%	10 540.6	11 168.9	11 834.7	5.1%	7.5%
of which:								
Acquisition of assets	1 596.8	24.0%	1.1%	1 675.3	1 757.8	1 844.4	4.9%	1.2%
Investments	83 801.7	1.5%	67.1%	97 751.3	103 052.3	106 088.5	8.2%	67.2%
Inventory	4 409.0	33.3%	2.6%	4 249.0	4 461.5	4 684.6	2.0%	3.1%
Loans	19 278.3	6.5%	14.7%	17 985.0	16 408.7	17 592.9	-3.0%	12.4%
Receivables and prepayments	3 503.0	40.4%	2.2%	4 203.8	4 414.0	4 634.7	9.8%	2.9%
Cash and cash equivalents	8 903.0	4.4%	6.6%	10 152.0	9 810.0	9 688.0	2.9%	6.6%
Taxation	634.0	64.3%	0.3%	433.5	461.2	490.7	-8.2%	0.4%
Total assets	130 735.0	5.2%	100.0%	145 315.3	149 776.5	155 014.0	5.8%	100.0%

Table 25.12 Industrial Development Corporation 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							
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Accumulated surplus/(deficit)	39 496.0	4.8%	29.0%	40 269.9	42 537.3	45 438.7	4.8%	28.9%
Capital and reserves	57 930.0	–	48.6%	69 856.5	66 249.8	65 265.9	4.1%	44.7%
Borrowings	24 865.0	35.8%	14.6%	23 991.7	29 233.9	31 967.4	8.7%	18.9%
Trade and other payables	4 026.0	20.8%	2.5%	3 924.9	4 121.1	4 327.2	2.4%	2.8%
Taxation	4 045.0	-17.8%	4.7%	6 094.6	6 399.4	6 719.3	18.4%	4.0%
Provisions	373.0	-7.6%	0.6%	1 119.0	1 175.0	1 233.7	49.0%	0.7%
Managed funds (e.g. poverty alleviation fund)	–	-100.0%	–	30.0	30.0	30.0	–	–
Derivatives financial instruments	–	-100.0%	–	28.7	30.1	31.6	–	–
Total equity and liabilities	130 735.0	5.2%	100.0%	145 315.3	149 776.5	155 014.0	87.4%	100.0%

Personnel information

Table 25.13 Industrial Development Corporation personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015			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 (%)			
			2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18		
			Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost		Unit	
Industrial Development Corporation			886	843.0	1.0	886	885.2	1.0	886	996.0	1.1	886	975.9	1.1	886	1 024.7	1.2		
Salary level	886	886	886	843.0	1.0	886	885.2	1.0	886	996.0	1.1	886	975.9	1.1	886	1 024.7	1.2	5.0%	100.0%
1 – 6	65	65	65	47.5	0.7	65	49.9	0.8	65	52.4	0.8	65	55.0	0.8	65	57.8	0.9	5.0%	7.3%
7 – 10	188	188	188	58.3	0.3	188	61.2	0.3	188	64.3	0.3	188	67.5	0.4	188	70.9	0.4	5.0%	21.2%
11 – 12	217	217	217	145.0	0.7	217	152.2	0.7	217	165.8	0.8	217	167.8	0.8	217	176.2	0.8	5.0%	24.5%
13 – 16	406	406	406	554.1	1.4	406	581.8	1.4	406	670.9	1.7	406	641.4	1.6	406	673.5	1.7	5.0%	45.8%
17 – 22	10	10	10	38.1	3.8	10	40.0	4.0	10	42.6	4.3	10	44.1	4.4	10	46.3	4.6	5.0%	1.1%

1. Rand million.

Other public entities and agencies

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 2015/16 is R283.1 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 2015/16 is R33.4 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 transfer payment for 2015/16 is R84.7 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's small business operations. The agency's total budget for 2015/16 is R522.5 million.

Vote 26

Energy

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	242.6	237.3	1.3	4.0	245.6	258.0
Energy Policy and Planning	45.1	45.1	–	–	46.5	49.0
Petroleum and Petroleum Products Regulation	74.4	74.4	–	–	76.5	80.7
Electrification and Energy Programme and Project Management	5 778.3	53.6	5 724.7	–	6 034.3	6 393.3
Nuclear Energy	654.4	35.9	618.5	–	669.3	765.9
Clean Energy	687.3	46.3	641.1	–	622.8	787.5
Total expenditure estimates	7 482.1	492.6	6 985.5	4.0	7 695.0	8 334.3
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, public entities, donor funding, public private partnerships, conditional allocations 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, 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.

The Electricity Regulation Act (2006) establishes a national regulatory framework for the electricity supply industry and introduces the National Energy Regulator as the custodian and enforcer of the national electricity regulatory framework. The act also provides for licences and registration as the instruments through which generation, transmission, distribution, trading and the import and export of electricity are regulated.

In terms of its policy mandate, the department is working with a range of documents and legislation, which 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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
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	1 500	1 945	2 000	1 500	1 300	1 200
Number of additional households electrified per year	Electrification and Energy Programme and Project Management	Outcome 9: A responsive, accountable, effective and efficient developmental local government system	151 390	166 130	292 714	265 000	260 000	265 000	285 000
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	7	4	0	14	4	4	4
Number of additional substations upgraded per year	Electrification and Energy Programme and Project Management		10	5	2	10	6	6	6
Kilometres of new medium voltage power lines constructed per year	Electrification and Energy Programme and Project Management		350km	275km	370km	350km	100km	110km	120km
Kilometres of existing medium voltage power lines upgraded per year	Electrification and Energy Programme and Project Management		200km	200km	0	220km	90km	95km	100km
Number of non-grid connections per year	Electrification and Energy Programme and Project Management	Outcome 9: A responsive, accountable, effective and efficient developmental local government system	— ¹	9 343	14 059	15 000	20 000	20 000	25 000
Number of new operational integrated energy centres established per year	Electrification and Energy Programme and Project Management	Departmental mandate	2	2	2	2	1	1	1
Number of terawatts per hour of energy savings realised and verified from energy efficiency and demand side management projects	Clean Energy	Outcome 10: Protect and enhance our environmental assets and natural resources	1TWh	1.2TWh	1.2TWh	1.5TWh	1.5TWh	1.5TWh	1.5TWh
Number of solar water heating units installed in residential and commercial sectors per year	Clean Energy		127 000	111 188	46 954	157 200	45 141	38 375	44 771

¹ Historical data is not available, as this indicator was only introduced in 2012/13.

Expenditure analysis

The national development plan envisages that by 2030, South Africans will have an adequate supply of electricity and liquid fuels to ensure that economic activity and wellbeing are not disrupted. In addition, more than 90 per cent of the population should enjoy access to electricity. Over the medium term, the Department of Energy will focus on the security of energy resources and energy supply, including through diversifying the energy generation mix, improving the quality of petroleum fuels, increasing household access to electricity, improving the management of demand, and increasing energy efficiency.

Diversifying the energy generation mix

The department's strategy to pursue an energy mix that includes clean and renewable resources allows it to contribute to meeting the needs of South Africa's growing economy without compromising government's commitment to sustainable development. The 2010 integrated resource plan, which is currently being revised, articulates South Africa's electricity generation plans to meet demand over the 20-year horizon. The plan proposes the development of new generation capacity that optimises costs, promotes job creation and mitigates the effects of adverse climate change. This new capacity will include new power stations that use a range of generation technologies.

Gas is one of the energy resources being investigated to increase the energy generation mix. The department is developing a gas utilisation master plan, which will take a 30-year view of the gas industry from the regulatory, economic and social perspectives.

The department is phasing in independent power producers that use renewable energy technologies. By the end of December 2014, a total of 66 projects have been contracted to provide in excess of 4 100 megawatts of electricity. The total investment in this programme exceeded R138 billion.

Improving the quality and security of petroleum fuels

Government's policy to improve the quality of petroleum fuels and reduce their impact on the environment is articulated in the Cleaner Fuels Two regulations, which will introduce new fuel specifications that align local fuel quality to international standards. The regulations will come into effect in 2017/18. Government has gazetted a 2 per cent mandatory blending of biofuels into petroleum fuels to come into effect in October 2015. Also in process is a 20-year liquid fuels roadmap, which aims to provide a framework for the cost effective security of supply. Expenditure for both policy making and implementation are in the *Energy Policy and Planning* programme.

R8.9 million of Cabinet approved budget reductions over the medium term will be effected in the *Petroleum Compliance, Monitoring and Enforcement* subprogramme of the *Petroleum and Petroleum Products Regulation* programme, due to unfilled posts.

Increasing household access to electricity

Cabinet approved budget reductions of R569.1 million to be effected on the programme over the medium term. 875 000 households are targeted to be electrified over the medium term, funded by earmarked allocations for the integrated national electrification programme. The department funds the programme through transfers to Eskom and municipalities in the *Electrification and Energy Programme and Project Management* programme. Despite the reductions, transfers to municipalities are expected to grow at an average annual rate of 25.8 per cent over the medium term and transfers to Eskom at an average annual rate of 10.2 per cent, increasing expenditure from R4.2 billion in 2014/15 to R6.3 billion in 2017/18. However, the cost of electrification connections is expected to increase over the medium term because the programme is shifting to deep rural areas and the work will require more expensive hardware, among other factors incurring higher costs.

Spending on electrification infrastructure is expected to increase to R6.4 billion by 2017/18 in the *Integrated National Electrification Programme* subprogramme in the *Electrification and Energy Programme and Project Management* programme. Non-grid electrification programmes will be extended countrywide. The programmes will be implemented in any areas where extending the grid would not be cost-effective, and not only in concessionary areas (low density and low consumption households where non-grid service providers have been appointed to provide solar home systems). 65 000 non-grid connections are expected to be made over the medium term, partly funded by R170 million reprioritised from transfers to Eskom. Transfers for non-grid electrification are projected to increase from R105.5 million in 2014/15 to R191.7 million in 2017/18.

Improving the management of demand

R179.5 million is allocated to the South African National Energy Development Institute in the *Clean Energy* programme to support the implementation of smart metering. Smart meters allow users to monitor and manage usage and can address challenges in municipalities' capabilities for managing electricity revenue. The department is in the process of establishing the current state of the smart grid industry, identifying gaps in the standardisation of smart grids, involving and training stakeholders, and concluding decisions on suitable pilot sites for the initial implementation of smart metering.

Increasing energy efficiency

The national energy efficiency strategy and the solar water heaters programme are funded through the *Clean Energy* programme. In 2013/14, 46 954 solar water heaters were installed instead of the targeted 80 000 due to delays in finalising the implementing contract with Eskom as well as in finalising the local content verification outcomes projected by the South African Bureau of Standards. Allocations to Eskom over the medium term for installing solar water heaters have been reduced by Cabinet to R962.3 million. Further Cabinet approved budget reductions totalling R39.4 million over the medium term will be effected in the energy efficiency and demand side management conditional allocation for municipalities.

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			Revised estimate			Outcome/Annual budget Average (%)		Outcome/Adjusted appropriation Average (%)	
R million	2011/12			2012/13			2013/14			2014/15			2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15			2011/12 - 2014/15			
Programme 1	167.5	176.3	192.7	181.7	242.4	216.8	221.0	219.6	232.6	244.1	257.3	250.2	109.6%			109.6%			109.6%			109.6%			109.6%		99.6%				
Programme 2	1 547.0	1 544.7	1 541.9	1 548.6	1 570.2	1 545.3	51.2	47.2	47.8	52.6	57.6	52.7	99.6%			99.6%			99.6%			99.6%			99.6%		99.0%				
Programme 3	554.7	573.4	27.2	15.7	18.5	44.4	49.7	68.8	25.8	82.7	84.5	53.0	21.4%			21.4%			21.4%			21.4%			21.4%		20.2%				
Programme 4	3 207.6	3 264.6	3 274.5	3 158.1	3 170.0	3 116.0	3 942.8	3 952.5	3 958.5	4 199.2	4 208.6	4 219.7	100.4%			100.4%			100.4%			100.4%			100.4%		99.8%				
Programme 5	613.2	641.9	642.3	598.4	643.0	643.2	710.0	708.8	722.5	850.5	843.8	839.8	102.7%			102.7%			102.7%			102.7%			102.7%		100.4%				
Programme 6	–	–	495.7	1 303.4	1 090.3	1 093.3	1 623.6	1 506.3	1 489.9	1 986.5	1 986.0	1 977.6	102.9%			102.9%			102.9%			102.9%			102.9%		110.3%				
Total	6 089.9	6 200.9	6 174.3	6 805.9	6 734.5	6 659.0	6 598.2	6 503.2	6 477.1	7 415.6	7 437.8	7 393.0	99.2%			99.2%			99.2%			99.2%			99.2%		99.4%				
Change to 2014																															
Budget estimate												22.2																			

Table 26.2 Vote expenditure trends by programme and economic classification

Economic classification												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	2011/12			2012/13			2013/14			2014/15				2011/12 - 2014/15
Current payments	297.2	366.8	341.2	307.3	417.7	371.7	468.8	460.3	414.8	518.3	530.7	485.9	101.4%	90.9%
Compensation of employees	181.7	183.3	184.8	196.3	207.4	201.5	247.6	242.6	228.5	291.9	286.0	261.4	95.5%	95.3%
Goods and services	115.5	183.5	156.3	111.0	210.3	170.2	221.3	217.7	186.2	226.4	244.7	224.4	109.4%	86.1%
of which:														
Advertising	5.9	2.8	2.7	3.6	4.2	3.5	8.1	8.0	16.0	7.7	10.3	10.5	128.7%	129.4%
Computer services	5.1	6.5	6.6	2.6	3.4	7.4	13.5	8.8	8.0	7.2	7.2	21.8	154.5%	168.6%
Consultants and professional services:	7.7	44.1	35.6	6.0	61.2	15.4	18.4	17.9	25.4	34.9	43.1	52.3	192.1%	77.3%
Business and advisory services														
Operating leases	13.7	28.8	25.8	41.3	49.8	28.6	41.3	36.7	26.7	36.9	36.2	23.2	78.3%	68.8%
Travel and subsistence	44.6	46.4	40.1	31.6	28.0	37.0	61.2	62.9	58.0	57.8	61.3	44.3	92.0%	90.4%
Venues and facilities	4.8	8.9	8.2	4.1	5.7	4.2	27.2	28.5	11.1	27.3	29.2	29.8	84.2%	73.8%
Transfers and subsidies	5 784.9	5 826.3	5 829.0	6 493.6	6 304.8	6 276.7	6 124.2	6 034.3	6 050.6	6 892.1	6 901.9	6 901.9	99.1%	100.0%
Provinces and municipalities	1 376.6	1 376.6	1 376.6	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	100.0%	100.0%
Departmental agencies and accounts	46.1	67.3	55.5	81.0	99.0	99.0	202.5	202.5	202.5	196.4	197.3	197.3	105.4%	97.9%
Foreign governments and international organisations	–	–	–	–	–	–	13.6	13.6	38.9	12.1	12.1	12.1	198.8%	198.8%
Public corporations and private enterprises	4 361.8	4 382.0	4 396.7	5 060.7	4 854.0	4 825.9	4 092.3	4 002.3	3 993.4	5 441.7	5 450.6	5 450.6	98.5%	99.9%
Households	0.3	0.3	0.2	0.4	0.4	0.3	0.4	0.4	0.3	0.4	0.4	0.4	78.5%	78.5%
Payments for capital assets	7.8	7.9	4.0	5.1	11.9	10.6	5.2	8.7	11.7	5.2	5.2	5.2	135.3%	93.4%
Machinery and equipment	7.8	7.9	4.0	5.1	10.6	9.9	5.2	8.7	11.3	5.2	5.2	5.2	131.2%	94.3%
Software and other intangible assets	–	–	–	–	1.3	0.6	–	–	0.3	–	–	–	–	71.9%
Payments for financial assets	–	–	0.1	–	–	–	–	–	–	–	–	–	–	–
Total	6 089.9	6 200.9	6 174.3	6 805.9	6 734.5	6 659.0	6 598.2	6 503.2	6 477.1	7 415.6	7 437.8	7 393.0	99.2%	99.4%

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 (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme 1	250.2	12.4%	3.3%	242.6	245.6	258.0	1.0%	3.2%
Programme 2	52.7	-67.6%	11.9%	45.1	46.5	49.0	-2.4%	0.6%
Programme 3	53.0	-54.8%	0.6%	74.4	76.5	80.7	15.0%	0.9%
Programme 4	4 219.7	8.9%	54.6%	5 778.3	6 034.3	6 393.3	14.9%	72.6%
Programme 5	839.8	9.4%	10.7%	654.4	669.3	765.9	-3.0%	9.5%
Programme 6	1 977.6	–	18.9%	687.3	622.8	787.5	-26.4%	13.2%
Total	7 393.0	6.0%	100.0%	7 482.1	7 695.0	8 334.3	4.1%	100.0%
Change to 2014				(506.5)	(689.9)	(474.1)		
Budget estimate								

Table 26.3 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 (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Current payments	485.9	9.8%	6.0%	492.6	498.4	524.7	2.6%	6.5%
Compensation of employees	261.4	12.6%	3.3%	289.5	309.8	328.6	7.9%	3.8%
Goods and services	224.4	7.0%	2.8%	203.1	188.6	196.2	-4.4%	2.6%
of which:								
Advertising	10.5	56.2%	0.1%	12.3	8.2	8.5	-6.7%	0.1%
Computer services	21.8	49.4%	0.2%	7.1	6.7	7.0	-31.6%	0.1%
Consultants and professional services: Business and advisory services	52.3	5.9%	0.5%	46.8	46.0	48.6	-2.4%	0.6%
Operating leases	23.2	-7.0%	0.4%	36.1	33.5	34.8	14.5%	0.4%
Travel and subsistence	44.3	-1.6%	0.7%	45.1	44.5	44.9	0.5%	0.6%
Venues and facilities	29.8	49.5%	0.2%	9.1	8.9	9.3	-32.1%	0.2%
Transfers and subsidies	6 901.9	5.8%	93.8%	6 985.5	7 192.5	7 805.3	4.2%	93.5%
Provinces and municipalities	1 241.6	-3.4%	21.7%	2 158.2	2 221.9	2 400.3	24.6%	26.0%
Departmental agencies and accounts	197.3	43.1%	2.1%	87.3	38.2	99.4	-20.4%	1.4%
Foreign governments and international organisations	12.1	–	0.2%	16.6	17.4	17.9	14.1%	0.2%
Public corporations and private enterprises	5 450.6	7.5%	69.9%	4 723.0	4 914.6	5 287.3	-1.0%	65.9%
Households	0.4	2.3%	–	0.4	0.4	0.4	4.7%	–
Payments for capital assets	5.2	-12.9%	0.1%	4.0	4.1	4.3	-5.9%	0.1%
Machinery and equipment	5.2	-12.9%	0.1%	4.0	4.1	4.3	-5.9%	0.1%
Total	7 393.0	6.0%	100.0%	7 482.1	7 695.0	8 334.3	4.1%	100.0%

Personnel information

Table 26.4 Vote personnel numbers and cost by salary level and programme¹

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																				
Number of posts estimated for 31 March 2015			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 (%)	
			2013/14			2014/15			2015/16			2016/17			2017/18					2014/15 - 2017/18
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Energy			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	622	–	616	228.5	0.4	622	261.4	0.4	622	289.5	0.5	622	309.8	0.5	622	328.6	0.5	–	100.0%	
1 – 6	122	–	132	16.8	0.1	122	20.3	0.2	122	20.9	0.2	122	22.3	0.2	122	23.8	0.2	–	19.6%	
7 – 10	290	–	287	81.6	0.3	290	93.4	0.3	290	106.5	0.4	290	114.6	0.4	290	120.4	0.4	–	46.6%	
11 – 12	104	–	102	52.5	0.5	104	57.5	0.6	104	63.6	0.6	104	68.1	0.7	104	72.7	0.7	–	16.7%	
13 – 16	104	–	93	74.0	0.8	104	86.9	0.8	104	95.6	0.9	104	101.6	1.0	104	107.9	1.0	–	16.7%	
Other	2	–	2	3.7	1.8	2	3.3	1.7	2	2.9	1.4	2	3.3	1.6	2	3.8	1.9	–	0.3%	
Programme	622	–	616	228.5	0.4	622	261.4	0.4	622	289.5	0.5	622	309.8	0.5	622	328.6	0.5	–	100.0%	
Programme 1	327	–	321	112.6	0.4	327	131.1	0.4	327	131.2	0.4	327	140.8	0.4	327	149.4	0.5	–	52.6%	
Programme 2	59	–	61	28.3	0.5	59	28.7	0.5	59	31.7	0.5	59	33.9	0.6	59	35.9	0.6	–	9.5%	
Programme 3	103	–	101	19.1	0.2	103	38.2	0.4	103	50.9	0.5	103	54.4	0.5	103	57.7	0.6	–	16.6%	
Programme 4	69	–	79	46.1	0.6	69	37.7	0.5	69	38.9	0.6	69	41.5	0.6	69	44.0	0.6	–	11.1%	
Programme 5	34	–	29	10.1	0.3	34	13.2	0.4	34	18.5	0.5	34	19.7	0.6	34	20.9	0.6	–	5.5%	
Programme 6	30	–	25	12.4	0.5	30	12.6	0.4	30	18.3	0.6	30	19.5	0.7	30	20.7	0.7	–	4.8%	

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

2. Rand million.

Departmental receipts

Table 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 (%)
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
Departmental receipts	3 381	2 516	6 472	3 255	3 690	3.0%	3.6%	2 899	3 025	3 157	-5.1%	100.0%
Sales of goods and services produced by department	2 872	2 296	2 758	2 591	2 904	0.4%	2.5%	2 679	2 805	2 937	0.4%	88.7%
Sales by market establishments	255	233	132	120	153	-15.7%	0.2%	120	120	120	-7.8%	4.0%
of which:												
Sales by market establishment	255	233	132	120	153	-15.7%	0.2%	120	120	120	-7.8%	4.0%
Administrative fees	2 549	2 056	2 536	2 381	2 658	1.4%	2.2%	2 511	2 637	2 769	1.4%	82.8%
of which:												
Administration fees	2 549	2 056	2 536	2 381	2 658	1.4%	2.2%	2 511	2 637	2 769	1.4%	82.8%
Other sales	68	7	90	90	93	11.0%	0.1%	48	48	48	-19.8%	1.9%
of which:												
Other sales	68	7	90	90	93	11.0%	0.1%	48	48	48	-19.8%	1.9%
Sales of scrap, waste, arms and other used current goods	-	1	2	2	2	-	-	2	2	2	-	0.1%
of which:												
Sales: Waste paper	-	1	2	2	2	-	-	2	2	2	-	0.1%
Transfers received	-	-	3 270	-	-	-	0.7%	-	-	-	-	-
Interest, dividends and rent on land	168	85	24	90	69	-25.7%	0.1%	15	15	15	-39.9%	0.9%
Interest	168	85	24	90	69	-25.7%	0.1%	15	15	15	-39.9%	0.9%
Transactions in financial assets and liabilities	341	134	418	572	715	28.0%	0.4%	203	203	203	-34.3%	10.4%
National Revenue Fund receipts	-	387 618	37 000	-	-	-	96.4%	-	-	-	-	-
of which:												
Electricity Distribution Industry Holding Company	-	387 618	37 000	-	-	-	96.4%	-	-	-	-	-
Total	3 381	390 134	43 472	3 255	3 690	3.0%	100.0%	2 899	3 025	3 157	-5.1%	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 (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Ministry	28.5	23.3	35.5	30.4	2.2%	13.1%	27.3	28.1	29.4	-1.2%	11.5%
Departmental Management	25.8	35.8	43.3	51.3	25.8%	17.4%	52.1	54.1	57.2	3.7%	21.4%
Finance Administration	39.4	52.2	27.2	35.6	-3.3%	17.2%	34.3	35.0	36.9	1.2%	14.1%
Audit Services	4.5	5.9	4.6	5.6	7.7%	2.3%	7.7	7.7	8.0	12.6%	2.9%
Corporate Services	69.3	74.1	97.3	105.3	14.9%	38.5%	86.7	88.6	93.3	-3.9%	37.3%
Office Accommodation	25.3	25.6	24.7	29.2	4.9%	11.6%	34.5	32.1	33.3	4.5%	12.9%
Total	192.7	216.8	232.6	257.3	10.1%	100.0%	242.6	245.6	258.0	0.1%	100.0%
Change to 2014				13.2			(13.0)	(26.4)	(33.8)		
Budget estimate											

Table 26.6 Administration expenditure trends and estimates by subprogramme and economic classification

Table 20: Administration expenditure trends and estimates by sub-programme and economic classification												
Economic classification					Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome												
R million	2011/12	2012/13	2013/14	2014/15	2011/12	2014/15	2015/16	2016/17	2017/18	2014/15 -	2017/18	
Current payments	188.5	206.0	221.1	250.8	10.0%	96.3%	237.3	240.1	252.2	0.2%	97.7%	
Compensation of employees	82.5	90.2	112.6	136.6	18.3%	46.9%	131.2	140.8	149.4	3.0%	55.6%	
Goods and services	105.9	115.8	108.4	114.3	2.6%	49.4%	106.1	99.3	102.8	-3.5%	42.1%	
of which:												
Communication	4.5	5.0	5.4	7.0	15.7%	2.4%	4.3	4.0	4.1	-16.2%	1.9%	
Computer services	6.6	7.4	7.4	5.7	-4.5%	3.0%	6.9	6.3	6.5	4.4%	2.5%	
Consultants and professional services:	20.1	4.6	3.5	4.0	-41.7%	3.6%	6.1	5.6	5.8	13.5%	2.1%	
Business and advisory services												
Operating leases	25.8	28.6	26.3	36.1	11.8%	13.0%	36.1	33.5	34.8	-1.2%	14.0%	
Travel and subsistence	24.2	22.0	29.9	26.3	2.8%	11.4%	21.1	20.9	21.5	-6.6%	8.9%	
Training and development	2.1	1.4	3.1	4.4	28.5%	1.2%	4.3	4.0	4.1	-2.1%	1.7%	
Transfers and subsidies	0.1	0.2	0.2	1.2	113.1%	0.2%	1.3	1.4	1.5	5.7%	0.5%	
Departmental agencies and accounts	–	–	–	0.9	–	0.1%	0.9	1.0	1.0	6.2%	0.4%	
Households	0.1	0.2	0.2	0.4	42.6%	0.1%	0.4	0.4	0.4	4.7%	0.2%	
Payments for capital assets	4.0	10.5	11.3	5.2	8.8%	3.5%	4.0	4.1	4.3	-5.9%	1.8%	
Machinery and equipment	4.0	9.9	11.3	5.2	8.8%	3.4%	4.0	4.1	4.3	-5.9%	1.8%	
Software and other intangible assets	–	0.6	–	–	–	0.1%	–	–	–	–	–	
Payments for financial assets	0.1	–	–	–	-100.0%	–	–	–	–	–	–	
Total	192.7	216.8	232.6	257.3	10.1%	100.0%	242.6	245.6	258.0	0.1%	100.0%	
Proportion of total programme expenditure to vote expenditure	3.1%	3.3%	3.6%	3.5%	–	–	3.2%	3.2%	3.1%	–	–	
Details of selected transfers and subsidies												
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	–	–	–	0.9	–	0.1%	0.9	1.0	1.0	6.2%	0.4%	
Energy and Water Sector Education and Training Authority	–	–	–	0.9	–	0.1%	0.9	1.0	1.0	6.2%	0.4%	

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 electricity distribution asset management by developing and setting norms and standards for municipal electricity infrastructure asset management with the concurrence of the energy regulator by March 2016.
- Address current and envisaged energy supply and distribution constraints by developing the planned approach to distribution asset management 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 by March 2017.
- Improve energy security by:
 - regulating demand and introducing a diversified mix of energy generation technologies on an ongoing basis
 - increasing competition in the energy sector by introducing independent power producers utilising renewable technologies through a bidding process on an annual 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.

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 (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Policy Analysis and Research	3.4	11.9	2.3	3.5	0.4%	0.7%	1.5	1.4	1.5	-24.8%	4.0%
Energy Planning	17.1	14.9	18.4	32.1	23.3%	2.6%	23.0	23.3	24.6	-8.5%	52.0%
Hydrocarbon Policy	1 515.5	1 513.4	15.4	13.9	-79.1%	95.8%	12.9	13.5	14.3	1.0%	27.6%
Electricity, Energy Efficiency and Environmental Policy	5.9	5.2	11.6	8.1	10.9%	1.0%	7.8	8.2	8.6	2.3%	16.5%
Total	1 541.9	1 545.3	47.8	57.6	-66.6%	100.0%	45.1	46.5	49.0	-5.2%	100.0%
Change to 2014				5.0			(5.2)	(7.2)	(9.5)		
Budget estimate											
Economic classification											
Current payments	41.9	45.3	47.7	57.6	11.1%	6.0%	45.1	46.5	49.0	-5.2%	100.0%
Compensation of employees	30.4	33.4	28.3	33.1	2.9%	3.9%	31.7	33.9	35.9	2.7%	68.0%
Goods and services	11.5	11.9	19.4	24.4	28.4%	2.1%	13.4	12.6	13.1	-18.8%	32.0%
of which:											
Administrative fees	0.3	0.3	0.4	0.5	23.3%	–	0.5	0.4	0.5	-1.1%	0.9%
Communication	0.2	0.4	0.4	0.8	50.1%	0.1%	0.6	0.6	0.6	-9.2%	1.3%
Consultants and professional services:	6.7	5.9	9.6	8.4	8.0%	1.0%	6.0	4.7	4.9	-16.3%	12.1%
Business and advisory services											
Consumables: Stationery, printing and office supplies	0.3	0.1	0.3	0.4	13.5%	–	0.3	0.3	0.3	-9.3%	0.7%
Travel and subsistence	3.3	3.8	5.0	9.2	40.1%	0.7%	4.4	4.2	4.4	-21.5%	11.2%
Venues and facilities	0.2	0.6	1.5	3.8	150.1%	0.2%	0.4	1.2	1.2	-31.9%	3.3%
Transfers and subsidies	1 500.0	1 500.0	–	–	-100.0%	94.0%	–	–	–	–	–
Public corporations and private enterprises	1 500.0	1 500.0	–	–	-100.0%	94.0%	–	–	–	–	–
Total	1 541.9	1 545.3	47.8	57.6	-66.6%	100.0%	45.1	46.5	49.0	-5.2%	100.0%
Proportion of total programme expenditure to vote expenditure	25.0%	23.2%	0.7%	0.8%	–	–	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				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome							2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		
Public corporations and private enterprises											
Public corporations											
Public corporations - subsidies on products and production											
Capital	1 500.0	1 500.0	–	–	-100.0%	94.0%	–	–	–	–	–
Transnet	1 500.0	1 500.0	–	–	-100.0%	94.0%	–	–	–	–	–

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 petroleum industry to achieve government's development goals.

Objectives

- Ensure the development and transformation of the liquid fuels industry and the security of supply of petroleum 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.
- 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 throughout the value chain.

Subprogrammes

- *Petroleum Compliance, Monitoring and Enforcement* monitors compliance with petroleum legislation, the Liquid Fuels Charter, and technical, legal and commercial licensing conditions. This includes compliance with import and export conditions as well as the enforcement of the submission of data by industry. This subprogramme also processes arbitration requests and promotes access to information requests 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 (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18		
R million											
Petroleum Compliance, Monitoring and Enforcement	1.2	4.5	6.8	18.1	144.6%	16.9%	15.1	13.5	14.1	-8.0%	19.3%
Petroleum Licensing and Fuel Supply	13.9	13.0	15.5	21.0	14.7%	34.9%	20.3	24.0	25.6	6.9%	28.8%
Fuel Pricing	–	12.4	3.6	14.9	–	17.0%	8.6	8.0	8.4	-17.2%	12.6%
Regional Petroleum Regulation Offices	12.0	14.5	–	30.5	36.4%	31.3%	30.3	31.0	32.5	2.1%	39.3%
Total	27.2	44.4	25.8	84.5	46.0%	100.0%	74.4	76.5	80.7	-1.5%	100.0%
Change to 2014 Budget estimate				1.8			(5.4)	(7.1)	(7.9)		
Economic classification											
Current payments	27.2	44.4	25.8	84.5	46.0%	100.0%	74.4	76.5	80.7	-1.5%	100.0%
Compensation of employees	23.0	36.2	19.1	49.1	28.8%	70.0%	50.9	54.4	57.7	5.5%	67.1%
Goods and services	4.2	8.2	6.7	35.4	103.6%	29.9%	23.5	22.1	23.0	-13.4%	32.9%
of which:											
Advertising	0.2	0.4	3.2	1.1	94.5%	2.6%	1.1	1.0	1.0	-1.9%	1.3%
Communication	0.3	0.4	0.3	0.7	39.8%	0.9%	0.7	0.6	0.7	-1.8%	0.9%
Consultants and professional services:	0.3	1.7	0.4	17.7	294.7%	11.0%	9.7	9.8	10.5	-15.8%	15.1%
Business and advisory services											
Travel and subsistence	2.8	4.0	1.6	8.2	43.9%	9.1%	5.7	4.7	4.6	-17.7%	7.3%
Operating payments	–	0.1	0.1	2.9	322.5%	1.7%	2.8	2.6	2.7	-1.8%	3.5%
Venues and facilities	0.2	0.3	0.1	1.7	93.2%	1.2%	1.5	1.4	1.5	-4.3%	1.9%
Transfers and subsidies	–	–	0.1	–	-100.0%	–	–	–	–	–	–
Households	–	–	0.1	–	-100.0%	–	–	–	–	–	–
Total	27.2	44.4	25.8	84.5	46.0%	100.0%	74.4	76.5	80.7	-1.5%	100.0%
Proportion of total programme expenditure to vote expenditure	0.4%	0.7%	0.4%	1.1%	–	–	1.0%	1.0%	1.0%	–	–

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 about 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 the 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.

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 (%)	
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18		
Integrated National Electrification Programme	3 264.5	3 106.4	3 907.9	4 175.1	8.5%	99.3%	5 741.7	5 996.4	6 353.2	15.0%	99.3%	
Energy Regional Offices	6.1	5.1	33.2	7.8	8.8%	0.4%	12.0	12.8	13.5	20.0%	0.2%	
Programme and Project Management Office	—	—	5.9	9.1	—	0.1%	9.6	9.5	10.0	2.9%	0.2%	
Electricity Infrastructure/Industry Transformation	0.3	0.8	4.3	8.4	188.6%	0.1%	9.4	9.9	10.5	7.8%	0.2%	
Community Upliftment Programmes and Projects	3.5	3.6	7.2	8.1	32.3%	0.2%	5.6	5.7	6.0	-9.6%	0.1%	
Total	3 274.5	3 116.0	3 958.5	4 208.6	8.7%	100.0%	5 778.3	6 034.3	6 393.3	15.0%	100.0%	
Change to 2014 Budget estimate				9.4			(112.0)	(168.8)	(120.5)			
Economic classification												
Current payments	31.2	26.7	72.0	50.4	17.3%	1.2%	53.6	55.3	58.3	5.0%	1.0%	
Compensation of employees	22.7	19.7	46.1	33.8	14.2%	0.8%	38.9	41.5	44.0	9.2%	0.7%	
Goods and services	8.5	7.1	26.0	16.6	25.0%	0.4%	14.8	13.8	14.3	-4.8%	0.3%	
of which:												
Administrative fees	0.5	0.2	1.2	0.7	12.4%	—	0.9	0.8	0.8	5.0%	—	
Assets less than the capitalisation threshold	—	—	—	0.7	614.0%	—	0.6	0.6	0.6	-6.7%	—	
Catering: Departmental activities	0.1	0.3	1.1	0.7	83.9%	—	0.7	0.7	0.7	0.4%	—	
Communication	0.4	0.3	0.5	0.7	14.5%	—	0.8	0.7	0.8	5.2%	—	
Travel and subsistence	6.1	4.2	15.3	9.2	14.3%	0.2%	9.3	8.7	9.0	-0.9%	0.2%	
Venues and facilities	0.8	1.0	5.2	1.5	22.0%	0.1%	1.8	1.6	1.7	3.6%	—	
Transfers and subsidies	3 243.3	3 089.2	3 886.2	4 158.2	8.6%	98.8%	5 724.7	5 979.0	6 334.9	15.1%	99.0%	
Provinces and municipalities	1 096.6	1 151.4	1 634.8	1 104.7	0.2%	34.3%	1 980.3	2 036.2	2 197.0	25.8%	32.6%	
Public corporations and private enterprises	2 146.7	1 937.7	2 251.3	3 053.6	12.5%	64.5%	3 744.3	3 942.8	4 137.9	10.7%	66.4%	
Households	—	0.1	—	—	—	—	—	—	—	—	—	
Payments for capital assets	—	—	0.4	—	—	—	—	—	—	—	—	
Software and other intangible assets	—	—	0.3	—	—	—	—	—	—	—	—	
Total	3 274.5	3 116.0	3 958.5	4 208.6	8.7%	100.0%	5 778.3	6 034.3	6 393.3	15.0%	100.0%	
Proportion of total programme expenditure to vote expenditure	53.0%	46.8%	61.1%	56.6%	—	—	77.2%	78.4%	76.7%	—	—	

Table 26.9 Electrification and Energy Programme and Project Management expenditure trends and estimates by subprogramme and economic classification

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											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Capital	1 096.6	1 151.4	1 634.8	1 104.7	0.2%	34.3%	1 980.3	2 036.2	2 197.0	25.8%	32.6%
Integrated national electrification programme allocation	1 096.6	1 151.4	1 314.8	1 104.7	0.2%	32.1%	1 980.3	2 036.2	2 197.0	25.8%	32.6%
Integrated national electrification programme: Approach to distribution asset management	–	–	320.0	–	–	2.2%	–	–	–	–	–
Public corporations and private enterprises											
Public corporations											
Public corporations - subsidies on products and production											
Capital	1 737.8	1 879.4	2 141.0	2 948.0	19.3%	59.8%	3 613.2	3 776.3	3 946.2	10.2%	63.7%
Eskom: Integrated national electrification programme: Allocation-in-kind	1 737.8	1 879.4	2 141.0	2 948.0	19.3%	59.8%	3 613.2	3 776.3	3 946.2	10.2%	63.7%
Public corporations and private enterprises											
Private enterprises											
Private enterprises - subsidies on products and production											
Capital	127.9	58.3	110.3	105.5	-6.2%	2.8%	131.1	166.4	191.7	22.0%	2.7%
Integrated national electrification programme	127.9	58.3	110.3	105.5	-6.2%	2.8%	131.1	166.4	191.7	22.0%	2.7%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Capital	281.0	–	–	–	-100.0%	1.9%	–	–	–	–	–
Local organising committee for the 2010 FIFA World Cup	281.0	–	–	–	-100.0%	1.9%	–	–	–	–	–

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.
- Strengthen the control of and accounting for nuclear materials and related equipment by enforcing relevant statutory frameworks on an ongoing basis.
- Ensure safe, secure and sustainable management and disposal of radioactive waste by facilitating the full operation of the National Radioactive Waste Disposal Institute and establishing a waste disposal fund in 2015/16.
- Contribute towards ensuring the security of energy supply by leading, developing and overseeing the implementation of the nuclear energy expansion programme (as guided by the nuclear energy policy of 2008 and the decision of the national nuclear energy executive coordination committee of 2013).
- 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 and implementing an appropriate statutory framework for nuclear energy policy on an ongoing basis.
- Ensure the readiness of all relevant stakeholders for the management of any nuclear emergency as part of the national disaster plan on an ongoing basis by:
 - conducting an emergency preparedness review of the International Atomic Energy Agency in order to

identify gaps in South Africa's nuclear infrastructure

- developing an action plan to address such gaps to be in line with the national nuclear emergency management plan.

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 includes standardising security measures at ports of entry and installing portal radiation monitors at main ports of entry.
- *Nuclear Policy* develops and reviews policies as required by international agreements and the governance principles of the nuclear energy sector in South Africa; undertakes research and development; and reviews and monitors nuclear energy safety, nuclear technology, nuclear non-proliferation and nuclear radiation security policies, and provides advice accordingly.

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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Nuclear Safety and Technology	638.0	638.7	712.4	828.5	9.1%	98.8%	638.8	653.9	749.7	-3.3%	97.9%
Nuclear Non-proliferation and Radiation Security	0.5	3.8	5.5	6.8	135.5%	0.6%	7.4	7.9	8.3	7.1%	1.0%
Nuclear Policy	3.8	0.7	4.7	8.6	31.6%	0.6%	8.2	7.6	7.9	-2.7%	1.1%
Total	642.3	643.2	722.5	843.8	9.5%	100.0%	654.4	669.3	765.9	-3.2%	100.0%
Change to 2014				(6.7)			(27.9)	(49.3)	11.0		
Budget estimate											
Economic classification											
Current payments	20.8	32.7	23.2	37.4	21.6%	4.0%	35.9	36.0	38.1	0.6%	5.0%
Compensation of employees	7.5	8.7	10.1	17.4	32.3%	1.5%	18.5	19.7	20.9	6.3%	2.6%
Goods and services	13.3	24.0	13.2	20.0	14.6%	2.5%	17.5	16.3	17.2	-4.9%	2.4%
of which:											
Advertising	0.2	1.3	4.1	0.2	13.4%	0.2%	2.9	2.7	2.8	133.7%	0.3%
Communication	0.1	0.2	0.2	0.2	21.8%	–	0.3	0.2	0.3	12.7%	–
Consultants and professional services:	0.5	2.7	3.3	7.9	151.8%	0.5%	11.1	10.4	11.0	11.8%	1.4%
Business and advisory services											
Consumables: Stationery, printing and office supplies	–	0.1	0.2	–	–	–	0.4	0.4	0.5	395.6%	–
Travel and subsistence	1.4	1.8	3.5	5.3	56.0%	0.4%	1.7	1.3	1.3	-37.4%	0.3%
Venues and facilities	0.1	0.4	0.8	4.2	315.5%	0.2%	0.7	0.6	0.7	-44.2%	0.2%
Transfers and subsidies	621.5	610.5	699.3	806.4	9.1%	96.0%	618.5	633.3	727.9	-3.4%	95.0%
Departmental agencies and accounts	35.4	42.9	68.2	33.7	-1.7%	6.3%	21.5	16.6	38.6	4.6%	3.8%
Foreign governments and international organisations	–	–	38.9	12.1	–	1.8%	16.6	17.4	17.9	14.1%	2.2%
Public corporations and private enterprises	586.0	567.6	592.2	760.7	9.1%	87.9%	580.4	599.3	671.4	-4.1%	89.0%
Total	642.3	643.2	722.5	843.8	9.5%	100.0%	654.4	669.3	765.9	-3.2%	100.0%
Proportion of total programme expenditure to vote expenditure	10.4%	9.7%	11.2%	11.3%	–	–	8.7%	8.7%	9.2%	–	–

Table 26.10 Nuclear Energy 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				2016/17	2017/18			
R million	2011/12	2012/13	2013/14	2014/15	2011/12	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	35.0	42.5	67.8	33.3	-1.6%	6.3%	21.1	16.2	38.2	4.6%	3.7%	
National Nuclear Regulator	35.0	42.5	48.0	33.3	-1.6%	5.6%	21.1	16.2	38.2	4.6%	3.7%	
National Radioactive Waste Disposal Institute	–	–	19.8	–	–	0.7%	–	–	–	–	–	
Capital	0.5	0.4	0.3	0.4	-8.0%	0.1%	0.4	0.4	0.4	4.5%	0.1%	
National Nuclear Regulator	0.5	0.4	0.3	0.4	-8.0%	0.1%	0.4	0.4	0.4	4.5%	0.1%	
Public corporations and private enterprises												
Public corporations												
Public corporations - subsidies on products and production												
Current	505.8	489.1	460.4	491.9	-0.9%	68.3%	498.8	513.5	581.2	5.7%	71.1%	
South African Nuclear Energy Corporation	505.8	489.1	460.4	491.9	-0.9%	68.3%	498.8	513.5	581.2	5.7%	71.1%	
Capital	80.2	78.5	131.8	268.8	49.6%	19.6%	81.6	85.9	90.2	-30.5%	17.9%	
South African Nuclear Energy Corporation	80.2	78.5	131.8	268.8	49.6%	19.6%	81.6	85.9	90.2	-30.5%	17.9%	
Foreign governments and international organisations												
Current	–	–	–	–	–	–	0.6	0.7	0.7	–	0.1%	
Generation IV International Forum	–	–	–	–	–	–	0.6	0.7	0.7	–	0.1%	
Capital	–	–	38.9	12.1	–	1.8%	16.0	16.7	17.2	12.6%	2.1%	
International Atomic Energy Agency	–	–	38.9	12.1	–	1.8%	16.0	16.7	17.2	12.6%	2.1%	

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 annually.
- Promote and facilitate energy efficiency and demand side management by:
 - monitoring and reporting on energy savings on an ongoing basis
 - promulgating the post-2015 national energy efficiency strategy and plan, if approved by Cabinet, by 2015/16
 - planning and developing projects to achieve the energy savings per year in line with the National Energy Efficiency Strategy and Action Plan over the medium term
 - 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 by 2015/16.
- 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 by:
 - facilitating the incorporation of the renewable energy technologies into the integrated energy plan and other key energy policy documents by 2016
 - implementing awareness campaigns on an ongoing basis.

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 to Eskom for 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 (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Energy Efficiency	418.8	1 025.4	1 347.5	1 808.8	62.8%	90.8%	608.4	587.6	712.3	-26.7%	91.0%
Renewable Energy	73.6	64.3	137.5	170.7	32.4%	8.8%	71.4	27.4	66.9	-26.8%	8.2%
Climate Change and Designated National Authority	3.3	3.6	4.8	6.5	25.9%	0.4%	7.5	7.9	8.3	8.4%	0.7%
Total	495.7	1 093.3	1 489.9	1 986.0	58.8%	100.0%	687.3	622.8	787.5	-26.5%	100.0%
Change to 2014 Budget estimate				(0.5)			(343.0)	(431.1)	(313.4)		
Economic classification											
Current payments	31.6	16.5	24.9	50.0	16.5%	2.4%	46.3	44.1	46.4	-2.4%	4.6%
Compensation of employees	18.7	13.3	12.4	16.0	-5.2%	1.2%	18.3	19.5	20.7	9.0%	1.8%
Goods and services	12.9	3.2	12.5	34.0	38.1%	1.2%	28.0	24.6	25.8	-8.8%	2.8%
of which:											
Advertising	0.5	0.2	0.4	3.4	86.6%	0.1%	3.8	0.9	1.0	-33.9%	0.2%
Consultants and professional services:	8.0	0.3	8.6	5.2	-13.8%	0.4%	14.0	15.5	16.3	46.8%	1.2%
Business and advisory services											
Property payments	–	–	–	–	–	–	–	0.7	0.7	–	–
Transport provided: Departmental activity	–	–	–	4.1	–	0.1%	2.8	–	–	-100.0%	0.2%
Travel and subsistence	2.3	1.3	2.8	3.0	10.2%	0.2%	2.9	4.7	4.1	11.1%	0.4%
Venues and facilities	1.5	0.1	0.2	14.4	112.5%	0.3%	2.0	1.5	1.6	-52.2%	0.5%
Transfers and subsidies	464.1	1 076.8	1 465.0	1 936.0	61.0%	97.6%	641.1	578.7	741.0	-27.4%	95.4%
Provinces and municipalities	280.0	200.0	180.7	136.9	-21.2%	15.7%	177.9	185.6	203.2	14.1%	17.2%
Departmental agencies and accounts	20.1	56.1	134.3	162.7	100.8%	7.4%	64.9	20.6	59.8	-28.4%	7.5%
Public corporations and private enterprises	164.0	820.6	1 149.9	1 636.4	115.3%	74.5%	398.3	372.5	478.0	-33.6%	70.7%
Total	495.7	1 093.3	1 489.9	1 986.0	58.8%	100.0%	687.3	622.8	787.5	-26.5%	100.0%
Proportion of total programme expenditure to vote expenditure	8.0%	16.4%	23.0%	26.7%	–	–	9.2%	8.1%	9.4%	–	–
Details of selected transfers and subsidies											
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	280.0	200.0	180.7	136.9	-21.2%	15.7%	177.9	185.6	203.2	14.1%	17.2%
Energy efficiency and demand side management grant	280.0	200.0	180.7	136.9	-21.2%	15.7%	177.9	185.6	203.2	14.1%	17.2%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	20.1	56.1	63.3	51.7	37.0%	3.8%	64.9	20.6	59.8	5.0%	4.8%
South African National Energy Development Institute	20.1	56.1	63.3	51.7	37.0%	3.8%	64.9	20.6	59.8	5.0%	4.8%
Capital	–	–	71.0	111.0	–	3.6%	–	–	–	-100.0%	2.7%
South African National Energy Development Institute	–	–	71.0	111.0	–	3.6%	–	–	–	-100.0%	2.7%

Table 26.11 Clean Energy 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	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Public corporations and private enterprises											
Public corporations											
Public corporations - subsidies on products and production											
Current	118.8	820.6	1 149.9	1 636.4	139.7%	73.6%	398.3	372.5	478.0	-33.6%	70.7%
Eskom: Solar water heater project	118.8	820.6	1 149.9	1 636.4	139.7%	73.6%	398.3	372.5	478.0	-33.6%	70.7%
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	45.2	-	-	-	-100.0%	0.9%	-	-	-	-	-
South African National Energy Development Institute: Working for Energy	25.0	-	-	-	-100.0%	0.5%	-	-	-	-	-
Renewable energy subsidy scheme	20.2	-	-	-	-100.0%	0.4%	-	-	-	-	-

Public entities and other agencies

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. 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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
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	10.3 million	10.3 million	10.3 million	10.3 million	10.3 million	10.3 million
Number of demonstrations of the Basa njengo Magogo method for cleaner coal use in townships per year	Invest in relevant research and development activities		30 000	40 000	40 000	40 000	– ¹	– ¹	– ¹
Number of new solar water heating units installed per year	Invest in relevant research and development activities		500	1 500	6 600	9 300	– ¹	– ¹	– ¹
Number of tons (in thousands) of coal produced at Viakfontein by the African Exploration Mining and Finance Corporation per year	Acquire, hold and develop exploration and mining rights		750	1 200	1 700	1 500	1 600	1 600	1 600
Volume of liquid fuel supplied to South African market (million barrels) ²	Ensure the security of energy supply by diversifying sources, and by building and managing strategic energy stocks and energy infrastructure		– ²	– ²	– ²	4.77	4.77	4.77	4.77
Number of reportable environmental incidents at PetroSA ²	Ensure the security of energy supply by diversifying sources, and by building and managing strategic energy stocks and energy infrastructure		– ²	– ²	– ²	12	12	12	12

1. Projections are not available, as the indicator has been discontinued.

2. Historical data is not available, as this is a new indicator.

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. Similarly, government's 2014-2019 medium term strategic framework lists liquid fuels as one of the key energy sources needed to sustain South Africa's economic infrastructure. To support this, the Central Energy Fund continues to partake in upstream activities to enable it to acquire, hold and develop exploration and mining rights in oil, gas, coal and renewable energy.

In line with these focal areas, Project Ikhwezi, which aims to sustain the feedstock supply of the Moss gas plant's gas to liquid refinery, will continue to be a priority over the medium term. The entity has planned expenditure of approximately R12.3 billion, with approximately R2 billion of that allocated for the expansion of PetroSA's oilfields in Ghana and Project Buffalo, which was initiated by PetroSA's board to review the company's existing business model in response to the decline in feedstock for the sustainability of the gas to liquid refinery. PetroSA will further upgrade the gas to liquid refinery in order to comply with regulations to be implemented in 2017.

As a result, total expenditure is expected to increase from R23.8 billion in 2014/15 to R35 billion in 2017/18. Expenditure on goods and services is set to increase by 13.7 per cent over the medium term to fund additional operational capacity, as well as to provide for costs associated with infrastructure expansion at the new coal mine planned to deliver coal to the Kusile power station. The fund derives its revenue from the sale of energy products, services rendered, royalties received, and tank rentals. The revenue generated from operating activities is used to secure energy supply through diversifying energy sources, and to build and manage strategic energy stocks and infrastructure. Revenue is expected to increase by 8.6 per cent to R31.2 billion in 2017/18, due to an increase in the production of gas to liquid fuel by PetroSA, which will result in more fuel sold, higher projected income from the gas to liquid refinery, and a return on investment from the new mine that will supply coal to Kusile. This revenue will be used in the maintenance of operations, such as storage tanks, as well as in the development of renewable and alternative energy sources over the medium term. These sources include an energy exploration project being carried out by PetroSA on the west coast of South Africa, and the consideration of prospects for importing liquefied natural gas from markets such as Mozambique and Tanzania.

Expenditure on compensation of employees is expected to increase by 6.5 per cent over the medium term due to the additional capacity required to accommodate the ramping up of mining activities to supply coal to Kusile. The fund had an establishment of 2 233 in 2014/15, with 2 161 posts filled, and this number is expected to increase to 2 228 over the medium term. As projects develop, more accurate determinations of staffing requirements will be made.

Programmes/objectives/activities

Table 26.13 Central Energy Fund expenditure trends and estimates by programme/objective/activity

	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	Expenditure/ Total: Average (%)	2015/16	2016/17	2017/18	2014/15 - 2017/18	Expenditure/ Total: Average (%)
R million				2014/15							
Administration	136.7	183.3	279.9	234.3	19.7%	1.0%	210.4	282.5	313.8	10.2%	0.9%
Invest in relevant research and development activities	150.2	189.3	12.7	67.6	-23.4%	0.6%	87.8	118.6	160.1	33.3%	0.4%
Ensure the security of energy supply by diversifying sources, and by building and managing strategic energy stocks and energy infrastructure	14 089.2	19 843.4	24 381.9	23 048.9	17.8%	96.8%	27 400.3	28 981.0	32 397.6	12.0%	94.8%
Acquire, hold and develop exploration and mining rights	153.9	263.0	335.7	301.4	25.1%	1.2%	709.4	1 305.2	1 979.9	87.3%	3.4%
Promote exploration and exploitation of natural oil and gas	60.6	75.5	83.6	121.0	25.9%	0.4%	140.9	158.0	168.1	11.6%	0.5%
Total	14 590.7	20 554.6	25 093.7	23 773.1	17.7%	100.0%	28 548.8	30 845.2	35 019.5	13.8%	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									
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/Budget Average (%)
R million	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15
Revenue									
Non-tax revenue	13 681.5	16 450.3	16 477.2	21 406.1	26 303.6	23 661.6	118 403.3	24 269.4	49.1%
Sale of goods and services other than capital assets	12 217.2	14 988.2	15 753.6	19 453.1	22 915.4	21 556.2	116 419.1	23 511.5	47.5%
of which:									
Administrative fees	1.3	–	–	–	–	–	–	–	–
Sales by market establishment	12 216.0	14 988.2	15 753.6	19 453.1	22 915.4	21 556.2	116 419.1	23 511.5	47.5%
Other non-tax revenue	1 464.3	1 462.2	723.5	1 953.0	3 388.1	2 105.4	1 984.1	757.9	83.0%
Transfers received	127.8	–	–	–	–	–	–	–	–
Total revenue	13 809.3	16 460.2	16 477.2	21 435.3	26 303.6	23 661.6	118 403.3	24 370.3	49.1%
Expenses									
Current expenses	12 777.2	14 631.7	15 039.7	20 554.6	24 517.8	25 000.1	117 272.1	23 773.1	49.5%
Compensation of employees	1 161.0	1 019.8	1 313.6	1 045.1	1 492.6	756.6	1 629.2	1 009.0	68.4%
Goods and services	9 988.2	13 142.4	12 718.5	18 382.2	20 051.7	23 394.3	115 515.5	22 311.7	48.8%
Depreciation	1 190.2	(4.0)	888.1	384.3	1 800.3	21.9	83.5	79.1	12.1%
Interest, dividends and rent on land	437.8	473.5	119.5	743.0	1 173.2	827.3	43.9	373.3	136.2%
Total expenses	12 777.2	14 590.7	15 039.7	20 554.6	24 517.8	25 093.7	117 506.3	23 773.1	49.5%
Surplus/(Deficit)	1 032.0	1 870.0	1 438.0	881.0	1 786.0	(1 432.0)	897.0	597.0	–
Statement of financial position									
Carrying value of assets	8 628.0	6 948.9	13 765.4	17 265.7	18 721.2	19 826.0	30 864.8	25 561.0	96.7%
of which:									
Acquisition of assets	2 200.1	727.7	6 678.4	11 320.5	256.3	5 478.7	8 561.8	6 399.9	135.2%
Investments	12 321.0	3 862.8	2 884.3	3 633.4	20 958.8	6 067.7	3 840.3	13 476.6	67.6%
Inventory	3 513.8	2 591.0	2 064.2	6 178.5	3 464.0	2 984.5	17 503.6	2 163.9	52.4%
Loans	–	–	–	–	–	8.8	–	–	–
Receivables and prepayments	2 079.7	2 881.3	3 212.0	3 676.2	3 395.5	3 700.2	12 036.4	3 417.2	66.0%
Cash and cash equivalents	12 018.2	19 144.9	7 924.2	13 073.3	1 466.4	11 310.9	4 713.9	5 000.3	185.8%
Non-current assets held for sale	–	–	773.4	–	–	10.7	–	–	1.4%
Taxation	–	26.8	–	27.8	5.9	218.4	478.0	5.3	57.5%
Derivatives financial instruments	–	192.7	7 115.6	–	–	–	–	–	2.7%
Total assets	38 560.8	35 648.4	37 739.1	43 854.8	48 011.8	44 127.3	69 437.0	49 624.2	89.4%
Accumulated surplus/(deficit)	28 472.7	26 347.2	28 176.7	27 379.0	25 588.4	27 241.9	33 397.4	28 370.9	94.6%
Capital and reserves	924.1	56.1	(77.3)	146.4	80.7	291.8	458.1	2 123.9	189.0%
Capital reserve fund	–	13.0	–	12.7	–	–	–	–	–
Borrowings	2 639.8	–	1 641.8	–	12 961.0	357.7	9 872.5	4 219.0	16.9%
Finance lease	–	1.2	34.2	0.9	–	–	–	–	6.1%
Deferred income	–	13.3	13.8	10.3	–	2.2	12.8	2.3	105.8%
Taxation	–	14.1	–	1 766.5	1.5	2 037.2	2 618.1	1 419.8	199.9%
Provisions	4 646.9	6 615.9	6 538.0	8 865.0	8 573.0	8 846.5	9 704.9	10 052.9	116.7%
Managed funds (e.g. poverty alleviation fund)	846.8	–	–	–	9.2	–	–	–	–
Derivatives financial instruments	–	95.2	–	2 132.3	–	1 710.0	61.1	–	6 447.7%
Total equity and liabilities	37 530.2	33 155.9	36 327.2	40 313.0	47 213.8	40 487.2	56 124.9	46 188.8	90.4%

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								
	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/Total: Average (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Revenue								
Non-tax revenue	24 269.4	13.8%	99.8%	27 571.5	29 952.7	31 206.2	8.7%	99.9%
Sale of goods and services other than capital assets	23 511.5	16.2%	92.3%	26 519.8	29 442.9	30 671.3	9.3%	97.3%
of which:								
Sales by market establishment	23 511.5	16.2%	92.3%	26 519.8	29 442.9	30 671.3	9.3%	97.3%
Other non-tax revenue	757.9	-19.7%	7.5%	1 051.7	509.8	534.9	-11.0%	2.6%
Total revenue	24 370.3	14.0%	100.0%	27 571.5	29 952.7	31 206.2	8.6%	100.0%

Table 26.15 Central Energy Fund 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	2014/15			2015/16	2016/17	2017/18		
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Expenses								
Current expenses	23 773.1	17.6%	100.0%	28 427.0	30 696.6	34 567.1	13.3%	100.0%
Compensation of employees	1 009.0	-0.4%	4.8%	1 009.8	1 142.5	1 217.2	6.5%	3.7%
Goods and services	22 311.7	19.3%	91.6%	26 961.5	29 010.4	32 815.9	13.7%	94.0%
Depreciation	79.1	-369.9%	0.6%	59.8	163.4	171.3	29.4%	0.4%
Interest, dividends and rent on land	373.3	-7.6%	2.9%	395.9	380.4	362.7	-1.0%	1.3%
Total expenses	23 773.1	17.7%	100.0%	28 548.8	30 845.2	35 019.5	13.8%	100.0%
Surplus/(Deficit)	597.0	-31.7%	-	(977.0)	(893.0)	(3 813.0)	-285.5%	-
Statement of financial position								
Carrying value of assets	25 561.0	54.4%	38.8%	25 047.7	23 952.2	20 383.5	-7.3%	48.6%
of which:								
Acquisition of assets	6 399.9	106.4%	13.3%	3 356.5	2 540.2	637.4	-53.6%	6.5%
Investments	13 476.6	51.7%	15.0%	14 558.7	15 712.7	15 300.5	4.3%	30.3%
Inventory	2 163.9	-5.8%	8.1%	2 164.1	2 164.3	2 164.4	-	4.4%
Receivables and prepayments	3 417.2	5.9%	7.9%	3 010.8	4 071.3	4 116.8	6.4%	7.5%
Cash and cash equivalents	5 000.3	-36.1%	29.8%	4 830.8	3 975.4	3 865.0	-8.2%	9.1%
Taxation	5.3	-41.9%	0.2%	5.3	5.3	5.3	-	-
Total assets	49 624.2	11.7%	100.0%	49 617.3	49 881.2	45 835.4	-2.6%	100.0%
Accumulated surplus/(deficit)	28 370.9	2.5%	69.0%	27 518.3	26 783.8	23 138.6	-6.6%	57.0%
Capital and reserves	2 123.9	235.8%	1.5%	2 123.9	2 773.9	2 773.9	9.3%	5.3%
Borrowings	4 219.0	-	2.5%	5 476.1	5 894.5	5 223.7	7.4%	11.2%
Deferred income	2.3	-44.0%	-	2.2	2.2	2.3	-0.1%	-
Taxation	1 419.8	365.0%	3.1%	1 340.1	1 096.2	964.4	-12.1%	2.6%
Provisions	10 052.9	15.0%	21.4%	10 690.5	11 373.0	12 062.9	6.3%	23.9%
Total equity and liabilities	46 188.8	11.7%	100.0%	47 151.1	47 923.6	44 165.8	4.1%	100.0%

Personnel information

Table 26.16 Central Energy Fund personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015			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 (%)						
			2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18					
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost								
Central Energy Fund			2 233	2 233		2 161	756.6	0.4	2 233	1 009.0	0.5	2 233	1 009.8	0.5	2 228	1 142.5	0.5	2 228	1 217.2	0.5	6.5%	100.0%
Salary level	2 233	2 233	2 161	756.6	0.4	2 233	1 009.0	0.5	2 233	1 009.8	0.5	2 228	1 142.5	0.5	2 228	1 217.2	0.5	6.5%	100.0%			
1 – 6	736	736	736	103.1	0.1	736	134.1	0.2	736	134.9	0.2	736	152.5	0.2	736	163.1	0.2	6.8%	33.0%			
7 – 10	756	756	684	171.1	0.3	756	279.8	0.4	756	271.5	0.4	751	308.2	0.4	751	328.3	0.4	5.5%	33.8%			
11 – 12	561	561	561	279.2	0.5	561	362.3	0.6	561	366.1	0.7	561	413.7	0.7	561	438.9	0.8	6.6%	25.2%			
13 – 16	150	150	150	147.7	1.0	150	160.8	1.1	150	163.8	1.1	150	185.1	1.2	150	198.1	1.3	7.2%	6.7%			
17 – 22	30	30	30	55.4	1.8	30	72.0	2.4	30	73.5	2.4	30	83.0	2.8	30	88.8	3.0	7.2%	1.3%			

1. Rand million.

South African Nuclear Energy Corporation

Mandate

The South African Nuclear Energy Corporation is a schedule 2 public entity, and derives its mandate from the Nuclear Energy Act (1999), the Nuclear Energy Policy of 2008, and directives conferred on it by the Minister of Energy. The corporation is responsible for research on nuclear energy and radiation science, the development and innovation of nuclear related products in South Africa, and the execution of nuclear fuel cycle activities. Subsidiaries include Pelchem and Nuclear Technology Products Radioisotopes.

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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Annual sales for the South African Nuclear Energy Corporation as a percentage of total group annual sales per year	Radiation products and services programme	Outcome 6: An efficient, competitive and responsive economic infrastructure network	5.7% (R1 113 118)	9.11% (R1 184 969)	13.88% (R1 528 443)	R2 238 182	R2 381 690	R2 630 121	R2 950 564
Number of scientific articles published per year	Nuclear energy programme		39	36	40	31	32	33	34
Number of product and process innovations per year	Nuclear energy programme		11	12	14	17	20	23	26
Number of reactor days that are operationally available out of the days scheduled for operation	Nuclear energy programme		308/303	303/303	303/303	303/303	303/303	303/303	303/303
Maximum allowable annual radiation dose in terms of licence conditions (microsieverts)	Nuclear energy programme		6.3µSv	6.3µSv	6µSv	6µSv	6µSv	6µSv	6µSv
Performance percentage in terms of the annual safeguards activity plan to be achieved	Nuclear energy programme		100%	100%	100%	100%	100%	100%	100%

Expenditure analysis

The South African Nuclear Energy Corporation aligns with and 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 lists nuclear among the energy options in its power supply priorities, and this is a key part of the corporation's mandate.

The corporation's focus over the medium term continues to be on six areas: radioisotope production, radiation applications, research and development, specialised nuclear manufacturing, the nuclear fuel cycle, and nuclear power generation support. 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 Nuclear Technology Products Radioisotopes, the corporation's subsidiary. The subsequent three focus areas are aligned with the 2010-2030 integrated resource plan for electricity, and the requirements for the building of new nuclear power reactors. In light of this, the bulk of expenditure is expected to go towards research and development, repairs and maintenance, and inventory.

The corporation's contribution to government's priorities is achieved through its subsidiary, Nuclear Technology Products Radioisotopes, which produces medical radioisotopes, some of which are used in South Africa's health system for diagnostic studies and cancer treatments. Improving the quality of education, training and innovation is achieved through the apprenticeship training offered by the corporation's skills development centre and its bursary programme. In relation to infrastructure, the corporation has embarked on several key projects. These include the secure supply of low enriched uranium fuel and target plates; the SAFARI-2 reactor research project; and obtaining 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.

The South African Nuclear Energy Corporation derives its revenue from the sale of nuclear technology products, chemical products and nuclear engineering services, and from transfer payments received from government. 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 security. Revenue is projected to be R8.5 billion over the medium term.

The budget is expected to increase to R2.8 billion over the medium term due to an additional R51.3 million allocated to the corporation to cater for the decommissioning of some strategic nuclear facilities. This is based on a nuclear liabilities management plan that outlines the corporation's total nuclear liability, and includes the decommissioning, decontamination and waste management of all disused nuclear facilities, as well as the disposal of the used fuel from the SAFARI-2 reactor when an appropriate disposal facility for such waste

becomes available.

The budget increase in 2014/15 was due to a once-off allocation of R190 million for the upgrading and replacement of Pelindaba site infrastructure, which included replacing and refurbishing underground piping systems, strengthening site security infrastructure, and replacing and upgrading SAFARI-1 facilities for processing enriched and depleted uranium as part of the reactor's overall ageing management programme. Other activities include the upgrading of liquid effluent management services to comply with licensing and regulatory requirements, and sustaining critical investment in the power station's analytical and calibration capabilities.

Cabinet approved budget reductions of R66.5 million over the medium term (R26.6 million in 2015/16 and R39.9 million in 2016/17) will be effected on the corporation's allocation. As a result, the number of posts is expected to remain constant over the medium term. Despite the budget reductions, expenditure on goods and services is expected to grow at an average annual rate of 10.9 per cent over the medium term.

Programmes/objectives/activities

Table 26.18 South African Nuclear Energy Corporation expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2014/15	Average growth rate (%) 2011/12 - 2014/15	Expenditure/Total: Average (%) 2011/12 - 2014/15	Medium-term expenditure estimate			Average growth rate (%) 2014/15 - 2017/18	Expenditure/Total: Average (%) 2014/15 - 2017/18
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
Administration	276.9	459.5	283.6	392.0	12.3%	19.7%	297.1	307.6	325.9	-6.0%	14.0%
Nuclear energy programme	441.7	344.2	324.5	353.9	-7.1%	20.5%	343.4	379.4	377.1	2.1%	15.2%
Radiation products and services programme	604.3	522.4	928.9	954.5	16.5%	41.1%	1 203.6	1 424.9	1 638.1	19.7%	53.7%
Necsa as a host of nuclear programmes	343.4	304.4	311.6	385.3	3.9%	18.7%	396.2	417.5	438.6	4.4%	17.1%
Total	1 666.3	1 630.4	1 848.6	2 085.7	7.8%	100.0%	2 240.3	2 529.4	2 779.8	10.0%	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									
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/Budget Average (%)
	2011/12	2012/13	2012/13	2013/14	2013/14	2014/15	2014/15	2014/15	2011/12 - 2014/15
Revenue									
Non-tax revenue	1 269.3	1 208.8	1 527.4	1 311.2	1 462.1	1 334.7	1 662.2	1 529.7	90.9%
Sale of goods and services other than capital assets	1 168.1	1 113.1	1 448.0	1 185.0	1 390.6	1 148.0	1 567.7	1 427.9	87.4%
of which:									
Sales by market establishment	1 168.1	1 113.1	1 448.0	1 185.0	1 390.6	1 148.0	1 567.7	1 427.9	87.4%
Other non-tax revenue	101.2	95.7	79.3	126.2	71.5	186.7	94.5	101.8	147.3%
Transfers received	586.0	530.3	696.1	496.3	583.6	522.6	992.3	541.4	73.1%
Total revenue	1 855.3	1 739.1	2 223.5	1 807.5	2 045.7	1 857.3	2 654.5	2 071.1	85.1%
Expenses									
Current expenses	1 634.8	1 666.1	1 870.0	1 572.6	1 895.5	1 790.7	1 947.2	2 060.5	96.5%
Compensation of employees	682.5	623.7	719.2	695.3	786.5	674.8	795.1	766.2	92.5%
Goods and services	871.5	960.9	1 063.1	763.4	1 008.7	1 027.5	1 044.9	1 219.0	99.6%
Depreciation	78.4	80.5	83.5	93.8	92.6	74.3	101.8	72.2	90.0%
Interest, dividends and rent on land	2.4	1.0	4.3	20.0	7.7	14.1	5.3	3.1	195.3%
Transfers and subsidies	-	-	32.2	-	30.3	-	-	-	-
Total expenses	1 705.5	1 666.3	1 991.1	1 630.4	1 971.4	1 848.6	2 014.1	2 085.7	94.1%
Surplus/(Deficit)	150.0	73.0	232.0	177.0	74.0	9.0	640.0	(15.0)	-
Statement of financial position									
Carrying value of assets	988.7	907.5	1 154.8	1 010.0	1 167.1	1 022.8	1 245.8	1 134.5	89.4%
of which:									
Acquisition of assets	-	171.1	316.2	209.6	224.3	129.7	0.8	163.7	124.6%
Investments	123.8	105.6	151.5	146.5	153.6	195.4	265.9	225.1	96.8%
Inventory	178.7	215.5	202.2	266.3	288.2	315.5	298.7	356.2	119.2%
Loans	-	1.0	-	-	1.0	-	-	13.3	1 390.8%
Receivables and prepayments	261.3	316.3	292.9	352.8	255.5	346.9	316.2	360.4	122.2%
Cash and cash equivalents	350.4	462.5	443.4	476.0	496.9	489.3	621.5	578.0	104.9%
Taxation	-	19.7	13.1	21.0	19.2	9.4	42.8	0.4	67.3%
Total assets	1 902.8	2 028.2	2 257.8	2 272.6	2 381.6	2 379.3	2 790.8	2 667.8	100.2%

Table 26.19 South African Nuclear Energy Corporation statements of historical financial performance and position

Statement of financial position									
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget Average (%)
R million	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15
Accumulated surplus/(deficit)	378.5	399.3	608.4	538.3	537.9	590.7	734.7	569.4	92.8%
Capital and reserves	359.4	346.5	335.8	347.1	367.0	356.1	316.9	360.7	102.3%
Capital reserve fund	—	355.3	493.9	405.0	357.6	427.5	515.0	637.2	133.6%
Borrowings	139.7	15.8	40.8	16.3	119.6	21.9	72.8	46.9	27.0%
Finance lease	—	7.2	0.4	7.6	6.3	7.8	6.8	7.8	225.5%
Deferred income	347.0	—	—	—	—	—	—	—	—
Trade and other payables	711.5	650.7	674.8	766.2	—	—	761.8	807.5	103.6%
Taxation	—	12.4	5.4	29.5	1.5	0.1	1.4	—	500.9%
Provisions	482.7	642.7	655.0	618.0	612.5	581.4	779.7	446.8	90.5%
Managed funds (e.g. poverty alleviation fund)	—	—	—	21.0	—	21.0	21.3	21.0	296.4%
Derivatives financial instruments	8.5	13.2	—	11.8	—	42.0	10.8	49.9	604.9%
Total equity and liabilities	2 427.4	2 443.2	2 814.5	2 760.9	2 002.3	2 048.5	3 221.2	2 947.1	97.5%

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								
	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Revenue								
Non-tax revenue	1 529.7	8.2%	71.9%	1 885.1	2 134.0	2 469.3	17.3%	75.8%
Sale of goods and services other than capital assets	1 427.9	8.7%	65.1%	1 741.6	1 977.1	2 293.7	17.1%	70.4%
of which:								
Sales by market establishment	1 427.9	8.7%	65.1%	1 741.6	1 977.1	2 293.7	17.1%	70.4%
Other non-tax revenue	101.8	2.1%	6.9%	143.4	156.9	175.6	19.9%	5.4%
Transfers received	541.4	0.7%	28.1%	626.3	642.7	716.3	9.8%	24.2%
Total revenue	2 071.1	6.0%	100.0%	2 511.4	2 776.7	3 185.6	15.4%	100.0%
Expenses								
Current expenses	2 060.5	7.3%	98.0%	2 179.6	2 445.9	2 657.0	8.8%	100.0%
Compensation of employees	766.2	7.1%	38.3%	812.2	860.9	912.6	6.0%	35.0%
Goods and services	1 219.0	8.3%	54.6%	1 283.2	1 499.7	1 662.6	10.9%	58.7%
Depreciation	72.2	-3.6%	4.5%	76.2	76.3	74.0	0.9%	3.1%
Interest, dividends and rent on land	3.1	44.5%	0.6%	8.0	9.0	7.8	35.4%	0.3%
Total expenses	2 085.7	7.8%	100.0%	2 240.3	2 529.4	2 780.4	10.1%	100.0%
Surplus/(Deficit)	(15.0)	-159.0%	—	271.0	247.0	405.0	-400.0%	—
Statement of financial position								
Carrying value of assets	1 134.5	7.7%	43.7%	1 269.9	1 340.8	1 356.4	6.1%	41.5%
of which:								
Acquisition of assets	163.7	-1.5%	7.3%	217.1	152.7	95.3	-16.5%	5.3%
Investments	225.1	28.7%	7.1%	272.5	321.6	372.0	18.2%	9.6%
Inventory	356.2	18.2%	12.2%	346.3	344.3	334.9	-2.0%	11.4%
Loans	13.3	134.8%	0.1%	13.3	13.3	13.3	—	0.4%
Receivables and prepayments	360.4	4.4%	14.8%	374.2	416.0	469.4	9.2%	13.1%
Cash and cash equivalents	578.0	7.7%	21.5%	658.5	778.2	959.8	18.4%	23.9%
Taxation	0.4	-73.0%	0.6%	0.4	0.4	0.4	—	—
Total assets	2 667.8	9.6%	100.0%	2 934.9	3 214.5	3 506.2	9.5%	100.0%
Accumulated surplus/(deficit)	569.4	12.6%	21.0%	629.0	735.0	887.4	15.9%	26.1%
Capital and reserves	360.7	1.3%	14.1%	371.7	383.8	396.8	3.2%	14.0%
Capital reserve fund	637.2	21.5%	17.9%	740.6	831.1	875.9	11.2%	28.6%
Borrowings	46.9	43.8%	1.0%	64.6	54.1	44.0	-2.1%	2.0%
Finance lease	7.8	2.4%	0.3%	7.8	7.8	7.8	—	0.3%
Trade and other payables	807.5	7.5%	20.4%	—	—	—	-100.0%	6.8%
Provisions	446.8	-11.4%	23.1%	500.5	555.6	611.1	11.0%	19.6%
Managed funds (e.g. poverty alleviation fund)	21.0	—	0.6%	21.0	21.0	21.0	—	0.8%
Derivatives financial instruments	49.9	55.8%	1.2%	49.8	50.1	50.9	0.7%	1.9%
Total equity and liabilities	2 947.1	6.5%	100.0%	2 385.1	2 638.4	2 894.9	-60.1%	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 2015			Number and cost ¹ of personnel posts filled / planned for on funded establishment													Number			
Salary level	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)
			2013/14			2014/15			2015/16			2016/17			2017/18				
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
South African Nuclear Energy Corporation			2 202	674.8	0.3	2 239	766.2	0.3	2 239	812.2	0.4	2 239	860.9	0.4	2 239	912.6	0.4	6.0%	100.0%
1 – 6	742	742	865	80.8	0.1	742	75.1	0.1	742	79.6	0.1	742	84.4	0.1	742	89.4	0.1	6.0%	33.1%
7 – 10	1 099	1 099	1 001	326.7	0.3	1 099	356.5	0.3	1 099	377.8	0.3	1 099	400.5	0.4	1 099	424.6	0.4	6.0%	49.1%
11 – 12	243	243	216	138.8	0.6	243	158.8	0.7	243	168.3	0.7	243	178.4	0.7	243	189.1	0.8	6.0%	10.9%
13 – 16	143	143	114	116.6	1.0	143	151.7	1.1	143	160.8	1.1	143	170.4	1.2	143	180.7	1.3	6.0%	6.4%
17 – 22	12	12	6	11.9	2.0	12	24.2	2.0	12	25.7	2.1	12	27.2	2.3	12	28.9	2.4	6.0%	0.5%

1. Rand million.

Other public entities and agencies

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

- The **National Energy Regulator of South Africa** is the regulatory authority for electricity, piped-gas and petroleum pipelines. The regulator's total budget for 2015/16 is R285.5 million.
- The **National Nuclear Regulator** is responsible for safety standards and regulatory practices for the protection of people, property, and the environment against nuclear damage. The regulator's total budget for 2015/16 is R169.4 million.
- The **South African National Energy Development Institute** is mandated to stimulate innovation in energy research and development, transform the gender and race profile of researchers in the sector, and improve South Africa's competitiveness in energy research internationally. The institute's total budget for 2015/16 is R256.3 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	
				2011/12	2012/13		2015/16	2016/17
R million								
Infrastructure transfers to other spheres, agencies and departments								
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	Various	–	1 737.8	1 879.4	2 141.0	3 613.2	3 776.3
								3 946.2
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	Various	–	1 096.6	1 151.4	1 314.8	1 980.3	2 036.2
								2 197.0
Petronet: Transnet pipelines	Construction of petroleum pipeline, branch lines and storage facilities	Various	–	1 500.0	1 500.0	–	–	–
Integrated national electrification programme: Non-grid	Provision of capital subsidies to non-grid electrification service providers to address electrification backlogs	Various	–	127.9	58.3	110.3	131.1	166.4
								191.7
Total			–	4 462.3	4 589.1	3 566.1	5 724.7	5 979.0
								6 334.9

Vote 27

Environmental Affairs

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	714.0	579.3	16.0	118.8	691.1	710.9
Legal, Authorisations and Compliance	127.5	126.6	–	0.9	133.4	141.0
Oceans and Coasts	484.5	470.7	–	13.8	522.1	543.8
Climate Change and Air Quality	240.1	77.2	161.8	1.1	294.6	289.0
Biodiversity and Conservation	655.6	110.7	544.2	0.7	674.4	706.6
Environmental Programmes	3 646.9	695.5	2 929.2	22.2	4 067.8	4 058.8
Chemicals and Waste Management	79.3	67.2	11.5	0.6	84.1	87.8
Total expenditure estimates	5 948.0	2 127.1	3 662.8	158.1	6 467.5	6 537.9

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, public entities, donor funding, public private partnerships, conditional allocations 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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of interventions for streamlining environmental authorisations for strategic infrastructure programmes and industrial policy action plan priorities developed per year	Administration	Outcome 10: Protect and enhance our environmental assets and natural resources	— ¹	— ¹	3	5	6	7	9
Percentage of national environmental impact management applications processed within stipulated timeframes per year	Legal, Authorisations and Compliance		88% (352)	88% (352)	89% (356)	90% (360)	90% ² (360)	98% ² (392)	98% ² (392)
Number of environmental authorisations inspected per year	Legal, Authorisations and Compliance		70	85	125	135	140	150	160
Number of criminal investigations finalised and handed to the National Prosecuting Authority per year	Legal, Authorisations and Compliance		17	17	26	26	28	32	32
Number of research voyages to Antarctica, Marion and Gough islands per year	Oceans and Coasts		3	3	3	3	3	3	3
Improvement in the national air quality indicator (index<1)	Climate Change and Air Quality		1.145	0.972	1.35	1.35	1.30	1.25	1.20
Number of climate change response policy interventions implemented per year	Climate Change and Air Quality		— ¹	6	10	14	18	23	25
Percentage of area of state managed protected areas assessed with management effectiveness tracking tool scoring above 67 per cent	Biodiversity and Conservation		— ¹	30% (1 957 766 /6 525 889)	84% (5 481 757 /6 525 889)	86% (5 612 264 /6 525 889)	88% (5 742 782 /6 525 889)	89% (5 808 041 /6 525 889)	90% (5 873 300 /6 525 889)
Total percentage of land under conservation towards the Convention on Biological Diversity target of 17 per cent by 2020	Biodiversity and Conservation		6.9% (8 417 392ha)	7.7% (9 393 322ha)	7.9% (9 637 304ha)	11.2% (9 502 088ha)	11.7% (12 289 772ha)	12.2% (14 900 446ha)	12.7% (15 492 882ha)
Number of sustainable natural resource based enterprises established and supported per year	Biodiversity and Conservation		— ¹	— ¹	10	10	10	10	10
Number of work opportunities created through expanded public works programme projects per year	Environmental Programmes		65 182	99 548	65 494	69 495	80 280	73 345	71 018
Number of full time equivalent jobs created through expanded public works programme projects per year	Environmental Programmes		23 074	23 136	25 552	37 036	33 362	36 989	36 842
Number of recycling buy back centres established per year	Chemicals and Waste Management		— ¹	9	10	11	7	5	5

Table 27.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Total percentage of recyclable waste diverted from landfill sites	Chemicals and Waste Management	Outcome 10: Protect and enhance our environmental assets and natural resources	– ¹	– 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)
Number of unlicensed waste disposal sites authorised per year	Chemicals and Waste Management		116	41	84	270	57	– ³	– ³

1. Historical data is not available, as this indicator was recently introduced.

2. These percentages apply provided that no more than 400 applications are received.

3. Projections are not available, as all identified unlicensed sites will be licensed by 2015/16.

Expenditure analysis

The medium term policy focus of the Department of Environmental Affairs is on job creation and sustainable development. The national development plan aims to create 5 million jobs by 2030, and the department will contribute to this aim by creating jobs in the environment sector. The department's sustainable development work over the medium term supports the national development plan's aim to make interventions to ensure environmental sustainability and resilience to future shocks. The Department of Environmental Affairs is the lead department and the secretariat of government's 2014-2019 medium term strategic framework outcome 10 (protect and enhance our environmental assets and natural resources).

Both job creation and sustainable development are largely funded through the *Environmental Programmes* programme. The aim is to create jobs by increasing investment in climate resilient, low carbon, sustainable development. The programme has an allocation of R11.8 billion over the medium term, and accounts for 62.4 per cent of the department's total allocation.

As the department has an ongoing duty to promote the environmental legal regime, so enforcement and compliance are integral departmental activities. The department deploys inspectors mainly at points of entry and exit, but also across the country. Increases in the department's personnel to 2 124 in 2017/18 are mainly for increased enforcement and compliance capacity, and to combat rhino poaching. Compensation of employees is expected to reach R1 billion by 2017/18, accounting for 15.9 per cent of the department's budget.

Job creation

The department aims to create 107 193 full time equivalent jobs and 224 643 work opportunities through expanded public works programmes over the medium term, reflected in increased expenditure in the *Environmental Programmes* programme.

In addition, the department's oceans economy development strategy has the potential to contribute up to R26 billion to GDP and create 55 000 direct jobs by 2019, initially through aquaculture, marine transport, offshore oil and gas exploration. The strategy contributes to the first phase of implementing Operation Phakisa, namely unlocking the economic potential of South Africa's oceans. Operation Phakisa is government's initiative, announced in June 2014, to speed up delivery on some of the priorities of the national development plan. The implementation of the oceans economy development strategy over the medium term is reflected in the 17.3 per cent increase in the *Ocean and Coast* programme budget to R1.5 billion. In addition, funding of R296 million is reprioritised from South African National Parks to fund the strategy, due to slow spending and the accumulation of surpluses in that entity. This is reflected in the *Biodiversity and Conservation* programme.

Sustainable development

The department will be supporting sustainable development over the medium term by, among other interventions, expanding land under conservation (towards the international target of 17 per cent of the country's land area by 2020), rehabilitating degraded ecosystems and identifying environmentally significant areas where mining activities are to be restricted, thus ensuring the sustainable exploitation of natural resources. These activities are funded in the *Biodiversity and Conservation* programme, which is allocated over R2 billion or 10.8 per cent of the departmental budget over the medium term.

The department will also be focusing on air pollution. The number of air quality monitoring stations will increase from 65 in 2013/14 to 105 by 2017/18. The finalisation of the desired emission reduction outcomes for the energy, industry, transport, agriculture and forestry, and waste sectors will provide a regulatory framework

to improve ambient air quality. Spending for this is in the *Climate Change and Air Quality* programme, and is expected to increase by 7.7 per cent over the medium term. Transfers to the South African Weather Service increase to R570 million over the medium term to strengthen the meteorological operational capacity of the entity, and to ensure air pollution emissions are constantly monitored in terms of the Air Quality Management Act (2004).

Demonstrating energy efficiency and urban greening to the public

The department's new green office accommodation in Pretoria was completed in May 2014 at a cost of R8 billion through a public private partnership. The first unitary monthly fee of R10.5 million was paid in September 2014 and will continue to be paid over the contract period of 25 years, increasing annually by inflation. The green building demonstrates energy efficiency and urban greening principles to the public. It meets green specifications for lighting, uses solar generated power, facilitates efficient staff movement, uses less water than conventional buildings of a similar size, and its strategic location allows for easy access by commuters.

Expenditure trends

Table 27.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Legal, Authorisations and Compliance														
3. Oceans and Coasts														
4. Climate Change and Air Quality														
5. Biodiversity and Conservation														
6. Environmental Programmes														
7. Chemicals and Waste Management														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Programme 1	280.8	387.5	379.6	775.5	778.0	675.6	747.3	777.3	765.0	653.4	666.2	666.2	101.2%	95.3%
Programme 2	81.9	82.7	74.0	88.5	89.9	114.5	143.3	113.3	102.9	122.6	117.6	117.6	93.7%	101.3%
Programme 3	723.3	848.6	876.3	221.8	411.6	524.6	309.8	318.2	326.1	357.4	380.1	380.1	130.7%	107.6%
Programme 4	397.0	308.3	309.3	215.4	215.6	207.5	233.8	233.8	229.8	227.7	227.7	227.7	90.7%	98.9%
Programme 5	430.4	472.4	479.5	486.4	579.3	568.4	559.5	576.7	565.7	636.8	629.0	629.0	106.1%	99.3%
Programme 6	892.6	2 057.7	1 976.9	2 674.0	3 049.2	2 793.6	3 371.8	3 121.8	3 137.7	3 598.3	3 587.5	3 587.5	109.1%	97.3%
Programme 7	39.9	44.4	35.8	50.6	51.7	58.5	65.7	65.7	73.1	72.2	72.2	72.2	104.9%	102.4%
Total	2 846.1	4 201.6	4 131.5	4 512.2	5 175.3	4 942.7	5 431.2	5 206.8	5 200.3	5 668.4	5 680.4	5 680.4	108.1%	98.5%
Change to 2014 Budget estimate										12.0				
Economic classification														
Current payments	1 119.1	1 544.2	1 440.4	1 920.8	1 448.4	1 386.0	1 624.3	1 589.0	1 532.2	1 951.2	1 869.4	1 869.4	94.1%	96.5%
Compensation of employees	405.2	490.9	469.1	605.7	614.8	560.8	654.5	668.0	659.2	752.2	798.8	798.8	102.9%	96.7%
Goods and services of which:	713.9	1 053.2	971.1	1 315.1	833.7	824.9	969.8	921.0	873.0	1 199.1	1 070.6	1 070.6	89.1%	96.4%
Consultants and professional services:	39.7	307.0	255.5	161.1	111.1	102.0	85.1	72.6	112.6	102.5	93.9	93.9	145.2%	96.5%
Business and advisory services														
Consultants and professional services:	6.3	6.3	3.0	164.7	64.7	1.3	97.3	41.9	—	116.1	72.1	72.1	19.9%	41.3%
Infrastructure and planning														
Contractors	26.2	151.7	210.0	254.3	54.3	120.3	45.0	35.0	101.7	59.5	55.5	55.5	126.6%	164.5%
Agency and support/outsourced services	136.5	119.8	86.4	156.8	28.5	50.3	138.5	148.4	137.1	293.6	320.3	320.3	81.9%	96.3%
Travel and subsistence	167.7	133.9	100.1	182.7	179.5	146.5	146.7	144.3	141.3	146.4	144.5	144.5	82.7%	88.4%
Operating payments	59.0	49.6	64.3	54.4	54.4	58.8	60.0	57.5	58.2	62.2	49.2	49.2	97.9%	109.5%

Table 27.2 Vote expenditure trends by programme and economic classification

Economic classification	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Transfers and subsidies	1 219.0	2 010.7	2 025.0	2 308.3	3 256.2	3 081.0	3 606.9	3 438.5	3 446.3	3 675.7	3 677.6	3 677.6	113.1%	98.8%
Departmental agencies and accounts	611.8	654.1	681.6	666.7	760.6	768.3	1 110.3	1 127.5	1 133.4	1 208.2	1 206.4	1 206.4	105.4%	101.1%
Higher education institutions	1.0	1.0	1.0	–	–	1.0	–	–	–	–	–	–	204.1%	204.1%
Foreign governments and international organisations	9.0	12.9	12.9	12.9	12.9	12.9	12.9	12.9	12.9	12.9	16.0	16.0	114.7%	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	56.1%	73.6%
Non-profit institutions	44.6	40.1	26.9	6.7	6.9	3.0	1.4	1.5	1.5	3.2	3.7	3.7	62.8%	67.3%
Households	552.6	1 302.6	1 302.6	1 322.0	2 175.8	2 207.1	1 982.3	2 046.6	2 048.5	2 201.5	2 201.5	2 201.5	128.1%	100.4%
Payments for capital assets	508.0	646.8	666.0	283.0	470.7	475.5	200.0	179.3	221.6	41.4	133.4	133.4	144.9%	104.6%
Buildings and other fixed structures	–	–	642.0	220.0	220.0	220.4	146.0	146.0	174.4	–	90.0	90.0	307.9%	247.1%
Machinery and equipment	507.6	646.4	24.0	63.0	250.7	251.9	54.0	33.2	46.0	41.4	43.4	43.4	54.8%	37.5%
Software and other intangible assets	0.4	0.4	0.1	–	–	3.2	–	0.1	1.3	–	–	–	1183.7%	939.0%
Payments for financial assets	–	–	0.1	–	–	0.2	–	–	0.2	–	–	–	–	869.4%
Total	2 846.1	4 201.6	4 131.5	4 512.2	5 175.3	4 942.7	5 431.2	5 206.8	5 200.3	5 668.4	5 680.4	5 680.4	108.1%	98.5%

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 (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme 1	666.2	19.8%	12.5%	714.0	691.1	710.9	2.2%	11.3%
Programme 2	117.6	12.4%	2.0%	127.5	133.4	141.0	6.2%	2.1%
Programme 3	380.1	-23.5%	10.6%	484.5	522.1	543.8	12.7%	7.8%
Programme 4	227.7	-9.6%	4.9%	240.1	294.6	289.0	8.3%	4.3%
Programme 5	629.0	10.0%	11.2%	655.6	674.4	706.6	4.0%	10.8%
Programme 6	3 587.5	20.4%	57.6%	3 646.9	4 067.8	4 058.8	4.2%	62.4%
Programme 7	72.2	17.6%	1.2%	79.3	84.1	87.8	6.7%	1.3%
Total	5 680.4	10.6%	100.0%	5 948.0	6 467.5	6 537.9	4.8%	100.0%
Change to 2014				(32.3)	(92.0)	(101.3)		
Budget estimate								
Economic classification								
Current payments	1 869.4	6.6%	31.2%	2 127.1	2 232.5	2 319.4	7.5%	34.7%
Compensation of employees	798.8	17.6%	12.5%	915.4	979.0	1 041.9	9.3%	15.2%
Goods and services	1 070.6	0.5%	18.7%	1 211.7	1 253.5	1 277.6	6.1%	19.5%
of which:								
Consultants and professional services: Business and advisory services	93.9	-32.6%	2.8%	180.0	158.5	167.1	21.2%	2.4%
Consultants and professional services: Infrastructure and planning	72.1	125.6%	0.4%	123.4	89.7	94.0	9.2%	1.5%
Contractors	55.5	-28.5%	2.4%	84.0	71.0	76.8	11.4%	1.2%
Agency and support/outourced services	320.3	38.8%	3.0%	351.9	409.6	395.8	7.3%	6.0%
Travel and subsistence	144.5	2.6%	2.7%	114.9	130.7	134.1	-2.5%	2.1%
Operating payments	49.2	-0.3%	1.2%	63.8	81.9	87.8	21.3%	1.1%

Table 27.3 Vote expenditure estimates by programme and economic classification

Economic classification		Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ total: Average (%)
	Revised estimate							
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Transfers and subsidies	3 677.6	22.3%	61.3%	3 662.8	4 091.2	4 062.4	3.4%	62.9%
Departmental agencies and accounts	1 206.4	22.6%	19.0%	1 206.1	1 368.3	1 237.8	0.9%	20.4%
Foreign governments and international organisations	16.0	7.5%	0.3%	16.0	16.0	16.0	–	0.3%
Public corporations and private enterprises	250.0	–	3.0%	300.0	180.0	110.5	-23.8%	3.4%
Non-profit institutions	3.7	-54.9%	0.2%	3.2	3.3	1.5	-25.1%	–
Households	2 201.5	19.1%	38.9%	2 137.5	2 523.6	2 696.5	7.0%	38.8%
Payments for capital assets	133.4	-40.9%	7.5%	158.1	143.8	156.1	5.4%	2.4%
Buildings and other fixed structures	90.0		5.6%	110.7	98.0	102.9	4.6%	1.6%
Machinery and equipment	43.4	-59.4%	1.8%	47.4	45.8	53.3	7.1%	0.8%
Total	5 680.4	10.6%	100.0%	5 948.0	6 467.5	6 537.9	4.8%	100.0%

Personnel information

Table 27.4 Vote personnel numbers and cost by salary level and programme¹

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																			
Number of posts estimated for 31 March 2015			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 (%)				
		2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost						
Environmental Affairs			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	1 998	300	1 734	659.2	0.4	1 842	798.8	0.4	2 124	915.4	0.4	2 124	979.0	0.5	2 124	1 041.9	0.5	4.9%	100.0%
1 – 6	385	240	451	86.4	0.2	487	101.5	0.2	597	99.7	0.2	608	109.5	0.2	608	115.9	0.2	7.7%	28.0%
7 – 10	1 037	32	830	289.7	0.3	864	337.7	0.4	966	386.7	0.4	970	417.4	0.4	970	444.3	0.5	3.9%	45.9%
11 – 12	382	11	273	152.0	0.6	306	189.4	0.6	359	236.1	0.7	352	251.1	0.7	352	267.3	0.8	4.8%	16.7%
13 – 16	194	17	180	131.2	0.7	185	170.2	0.9	202	192.9	1.0	194	201.1	1.0	194	214.3	1.1	1.6%	9.4%
Programme	1 998	300	1 734	659.2	0.4	1 842	798.8	0.4	2 124	915.4	0.4	2 124	979.0	0.5	2 124	1 041.9	0.5	4.9%	100.0%
Programme 1	771	227	748	260.0	0.3	784	301.0	0.4	950	343.0	0.4	950	363.8	0.4	950	386.3	0.4	6.6%	44.2%
Programme 2	206	4	152	69.5	0.5	154	90.8	0.6	174	95.6	0.5	174	103.0	0.6	174	109.5	0.6	4.2%	8.2%
Programme 3	185	43	192	75.4	0.4	202	82.1	0.4	207	99.6	0.5	207	110.2	0.5	207	117.2	0.6	0.8%	10.0%
Programme 4	82	6	79	38.6	0.5	81	48.1	0.6	85	50.7	0.6	85	53.7	0.6	85	57.1	0.7	1.6%	4.1%
Programme 5	125	9	105	48.6	0.5	112	58.2	0.5	124	65.1	0.5	124	69.0	0.6	124	73.4	0.6	3.5%	5.9%
Programme 6	523	10	387	138.3	0.4	433	178.8	0.4	491	209.3	0.4	491	223.9	0.5	491	239.5	0.5	4.3%	23.2%
Programme 7	106	1	71	28.8	0.4	76	39.8	0.5	93	52.1	0.6	93	55.4	0.6	93	59.0	0.6	7.0%	4.3%

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

2. Rand million.

Departmental receipts

Table 27.5 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 (%)
	2011/12	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand												
Departmental receipts	17 990	18 486	29 572	29 832	29 832	18.4%	100.0%	30 109	31 852	33 720	4.2%	100.0%
Sales of goods and services produced by department	317	803	1 837	4 940	4 940	149.8%	8.2%	3 741	3 741	3 853	-7.9%	13.0%
Administrative fees	–	–	1 476	3 500	3 500	–	5.2%	2 241	2 241	2 353	-12.4%	8.2%
of which:												
Licence fees	–	–	1 476	3 500	3 500	–	5.2%	2 241	2 241	2 353	-12.4%	8.2%

Table 27.5 Departmental receipts by economic classification

Departmental receipts				Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ total: Average (%)				Average growth rate (%)	Receipt item/ total: Average (%)
Audited outcome								Medium-term receipts estimate				
R thousand	2011/12	2012/13	2013/14	2014/15		2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Other sales	317	803	361	1 440	1 440	65.6%	3.0%	1 500	1 500	1 500	1.4%	4.7%
of which:												
Replacement of security cards	32	56	218	–	–	-100.0%	0.3%	350	400	450	–	1.0%
Sales of departmental publications	285	747	143	1 440	1 440	71.6%	2.7%	1 150	1 100	1 050	-10.0%	3.8%
Sales of scrap, waste, arms and other used current goods	6	1	2	2	2	-30.7%	–	2	2	2	–	–
of which:												
Waste paper	6	1	2	2	2	-30.7%	–	2	2	2	–	–
Fines, penalties and forfeits	11 766	2 457	3 335	5 000	5 000	-24.8%	23.5%	5 000	5 000	5 000	–	15.9%
Interest, dividends and rent on land	165	83	68	140	140	-5.3%	0.5%	142	142	144	0.9%	0.5%
Interest	165	83	68	140	140	-5.3%	0.5%	142	142	144	0.9%	0.5%
Sales of capital assets	40	28	38	1 500	1 500	234.7%	1.7%	25	25	25	-74.5%	1.3%
Transactions in financial assets and liabilities	5 696	15 114	24 292	18 250	18 250	47.4%	66.1%	21 199	22 942	24 696	10.6%	69.4%
Total	17 990	18 486	29 572	29 832	29 832	18.4%	100.0%	30 109	31 852	33 720	4.2%	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 through:
 - building environmental awareness, education and capacity, and creating effective partnerships to promote cooperative governance and encourage local government support
 - enhancing sector monitoring and evaluation, and international cooperation that supports South Africa's environmental development priorities.

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	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Management	44.4	41.5	110.3	112.5	36.3%	12.4%	53.4	56.4	59.9	-19.0%	10.1%
Corporate Affairs	158.0	190.0	195.8	175.4	3.5%	28.9%	274.1	248.0	243.6	11.6%	33.8%
Environmental Advisory Services	43.8	57.6	106.6	109.6	35.8%	12.8%	105.5	108.5	114.7	1.5%	15.8%
Financial Management	26.5	39.9	51.6	57.1	29.2%	7.0%	61.3	65.1	69.1	6.5%	9.1%
Office Accommodation	65.0	297.8	251.9	153.9	33.2%	30.9%	159.8	149.5	157.0	0.7%	22.3%
Environmental Sector Coordination	41.9	48.8	48.8	57.8	11.3%	7.9%	59.9	63.6	66.7	4.9%	8.9%
Total	379.6	675.6	765.0	666.2	20.6%	100.0%	714.0	691.1	710.9	2.2%	100.0%
Change to 2014 Budget estimate				(87.1)			32.8	(2.8)	(21.8)		
Economic classification											
Current payments	355.3	426.5	559.5	554.4	16.0%	76.2%	579.3	572.8	586.7	1.9%	82.4%
Compensation of employees	140.7	172.6	260.0	301.0	28.9%	35.2%	343.0	363.8	386.3	8.7%	50.1%
Goods and services	214.6	253.8	299.5	253.4	5.7%	41.1%	236.2	209.0	200.4	-7.5%	32.3%
of which:											
Advertising	16.8	20.2	20.7	26.4	16.4%	3.4%	17.7	12.6	15.5	-16.3%	2.6%
Consultants and professional services:	21.8	21.9	26.7	32.8	14.6%	4.2%	32.1	12.5	12.0	-28.5%	3.2%
Business and advisory services											
Operating leases	66.1	68.0	67.0	54.3	-6.3%	10.3%	39.1	40.9	2.6	-63.6%	4.9%
Property payments	3.3	20.3	14.3	4.1	7.9%	1.7%	6.3	4.5	56.1	138.8%	2.6%
Travel and subsistence	20.7	33.5	38.8	35.4	19.7%	5.2%	19.5	15.5	15.5	-24.1%	3.1%
Operating payments	18.2	18.4	22.9	11.8	-13.3%	2.9%	13.4	27.0	29.0	34.8%	2.9%
Interest and rent on land	—	0.1	—	—	—	—	—	—	—	—	—
Transfers and subsidies	17.8	17.0	14.3	16.0	-3.4%	2.6%	16.0	16.0	16.0	—	2.3%
Foreign governments and international organisations	12.9	12.9	12.9	16.0	7.5%	2.2%	16.0	16.0	16.0	—	2.3%
Non-profit institutions	4.0	—	—	—	-100.0%	0.2%	—	—	—	—	—
Households	0.9	4.1	1.4	—	-100.0%	0.3%	—	—	—	—	—
Payments for capital assets	6.6	232.0	191.2	95.8	144.3%	21.1%	118.8	102.3	108.2	4.1%	15.3%
Buildings and other fixed structures	—	220.4	174.4	90.0	—	19.5%	110.7	98.0	102.9	4.6%	14.4%
Machinery and equipment	6.5	9.1	15.5	5.8	-3.6%	1.5%	8.1	4.3	5.3	-2.9%	0.8%
Software and other intangible assets	—	2.4	1.3	—	-100.0%	0.2%	—	—	—	—	—
Payments for financial assets	—	0.1	0.1	—	-100.0%	—	—	—	—	—	—
Total	379.6	675.6	765.0	666.2	20.6%	100.0%	714.0	691.1	710.9	2.2%	100.0%
Proportion of total programme expenditure to vote expenditure	9.2%	13.7%	14.7%	11.7%			12.0%	10.7%	10.9%		
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	0.6	4.0	—	—	-100.0%	0.2%	—	—	—	—	—
Employee social benefits	0.6	4.0	—	—	-100.0%	0.2%	—	—	—	—	—
Non-profit institutions											
Current	4.0	—	—	—	-100.0%	0.2%	—	—	—	—	—
Wildlife Environmental Society of South Africa	4.0	—	—	—	-100.0%	0.2%	—	—	—	—	—
Foreign governments and international organisations											
Current	12.9	12.9	12.9	16.0	7.5%	2.2%	16.0	16.0	16.0	—	2.3%
Global Environmental Fund	12.9	12.9	12.9	16.0	7.5%	2.2%	16.0	16.0	16.0	—	2.3%

Programme 2: Legal, Authorisations and Compliance

Programme purpose

Promote the environmental legal regime and licensing system.

Objectives

- Ensure that the possible negative impacts of development activities and patterns are minimised, mitigated or managed by increasing the percentage of environmental impact assessment decisions processed within prescribed timeframes from 89 per cent (356) in 2013/14 to 98 per cent (392) in 2017/18.
- Improve the level of compliance with environmental legislation by increasing:
 - the number of inspections of facilities located in environmentally sensitive areas from 105 in 2014/15 to 120 in 2017/18
 - the number of environmental management inspectors trained from 240 in 2014/15 to 1 060 by 2018/19.

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 (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12	2014/15	2015/16	2016/17	2017/18	2014/15	2017/18
Legal, Authorisations and Compliance Management	3.3	6.0	6.2	5.9	21.7%	5.2%	6.1	6.3	6.7	4.2%	4.8%
Compliance Monitoring	29.0	13.6	14.2	19.5	-12.4%	18.6%	20.3	24.8	26.2	10.4%	17.5%
Integrated Environmental Authorisations	41.7	52.2	38.7	45.0	2.6%	43.4%	50.7	50.0	52.6	5.3%	38.2%
Enforcement	–	19.3	23.2	24.2	–	16.3%	26.0	26.5	28.1	5.1%	20.2%
Corporate Legal Support and Litigation	–	13.2	8.0	8.8	–	7.3%	9.3	9.9	10.5	6.1%	7.4%
Law Reform and Appeals	–	10.2	12.5	14.2	–	9.0%	15.1	15.9	16.9	6.1%	11.9%
Total	74.0	114.5	102.9	117.6	16.7%	100.0%	127.5	133.4	141.0	6.2%	100.0%
Change to 2014 Budget estimate				(5.0)			(1.5)	–	(0.5)		
Economic classification											
Current payments	70.8	112.3	101.2	116.7	18.1%	98.1%	126.6	132.5	139.4	6.1%	99.2%
Compensation of employees	53.2	71.8	69.5	90.8	19.5%	69.8%	95.6	103.0	109.5	6.4%	76.8%
Goods and services	17.7	40.5	31.7	25.9	13.6%	28.3%	31.0	29.5	29.9	4.9%	22.4%
of which:											
Communication	0.2	0.6	0.5	1.3	76.0%	0.6%	1.4	1.4	1.5	6.1%	1.1%
Consultants and professional services: Business and advisory services	4.4	6.2	13.1	2.7	-15.1%	6.5%	4.2	2.9	3.1	4.4%	2.5%
Travel and subsistence	7.7	15.3	9.7	10.0	9.1%	10.4%	11.6	8.8	9.1	-3.0%	7.6%
Training and development	0.5	0.8	0.6	1.2	32.0%	0.8%	1.3	1.3	1.4	4.7%	1.0%
Operating payments	0.7	1.7	0.9	2.2	49.9%	1.3%	2.4	2.4	2.5	3.8%	1.8%
Venues and facilities	1.5	2.3	2.0	2.0	10.5%	1.9%	3.4	5.6	4.7	34.0%	3.0%
Transfers and subsidies	2.2	1.7	0.2	–	-100.0%	1.0%	–	–	–	–	–
Higher education institutions	1.0	1.0	–	–	-100.0%	0.5%	–	–	–	–	–
Non-profit institutions	1.3	–	–	–	-100.0%	0.3%	–	–	–	–	–
Households	–	0.7	0.2	–	–	0.2%	–	–	–	–	–
Payments for capital assets	0.9	0.4	1.6	0.9	0.3%	0.9%	0.9	1.0	1.6	22.1%	0.8%
Machinery and equipment	0.9	0.4	1.6	0.9	0.3%	0.9%	0.9	1.0	1.6	22.1%	0.8%
Total	74.0	114.5	102.9	117.6	16.7%	100.0%	127.5	133.4	141.0	6.2%	100.0%
Proportion of total programme expenditure to vote expenditure	1.8%	2.3%	2.0%	2.1%	–	–	2.1%	2.1%	2.2%	–	–
Details of selected transfers and subsidies											
Non-profit institutions											
Current	1.3	–	–	–	-100.0%	0.3%	–	–	–	–	–
National off-road workshop	1.3	–	–	–	-100.0%	0.3%	–	–	–	–	–
Higher education institutions											
Current	1.0	1.0	–	–	-100.0%	0.5%	–	–	–	–	–
North-West University	1.0	1.0	–	–	-100.0%	0.5%	–	–	–	–	–

Programme 3: Oceans and Coasts

Programme purpose

Promote, manage and provide strategic leadership on oceans and coastal conservation.

Objectives

- Strengthen the national science programmes for integrated ocean and coastal management by:
 - conducting research annually to determine baseline information for biodiversity species and priority habitats within South Africa's exclusive economic zone and associated large marine ecosystems
 - supporting biodiscovery and assessing marine protected areas through cataloguing new or unknown species, with an emphasis on benthic invertebrate species, on an ongoing basis.
- Ensure the effective management of the ocean and coastal environment by:
 - finalising the White Paper on National Environmental Management of the Ocean by 2015/16
 - ensuring response preparedness for oil spills along South Africa's coast through a review of 14 of the 25 oil pollution response plans by 2015/16.
- Improve the conservation status of marine top predator populations, especially seals and the 12 South African seabird species, by:
 - annually monitoring and researching their behaviour for baseline information
 - providing appropriate management advice based on population numbers as required.

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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Oceans and Coasts Management	32.8	14.9	6.2	7.5	-38.9%	2.9%	7.9	8.3	8.8	5.4%	1.7%
Integrated Coastal Management	29.0	41.0	37.5	71.6	35.2%	8.5%	146.0	162.9	166.9	32.6%	28.4%
Oceans and Coastal Research	57.1	117.1	95.6	88.0	15.5%	17.0%	117.9	125.0	131.1	14.2%	23.9%
Oceans Conservation	757.4	351.6	182.5	207.8	-35.0%	71.2%	206.7	219.6	230.4	3.5%	44.8%
Specialist Monitoring Services	–	–	4.3	5.3	–	0.5%	6.0	6.3	6.6	7.8%	1.3%
Total	876.3	524.6	326.1	380.1	-24.3%	100.0%	484.5	522.1	543.8	12.7%	100.0%
Change to 2014				122.7			59.9	73.9	71.8		
Budget estimate											

Table 27.8 Oceans and Coasts expenditure trends and estimates by subprogramme and economic classification

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome							2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	
Current payments	224.5	287.0	315.6	366.9	17.8%	56.7%	470.7	507.6	528.8	13.0%	97.1%
Compensation of employees	68.5	68.2	75.4	82.1	6.2%	14.0%	99.6	110.2	117.2	12.6%	21.2%
Goods and services	155.9	218.8	240.2	284.9	22.2%	42.7%	371.1	397.4	411.6	13.1%	75.9%
of which:											
Consultants and professional services: Business and advisory services	61.2	11.7	7.6	0.7	-77.7%	3.9%	74.5	77.3	80.6	391.2%	12.1%
Agency and support/outourced services	7.5	49.4	136.5	204.2	200.5%	18.9%	221.0	240.3	245.2	6.3%	47.2%
Inventory: Fuel, oil and gas	7.7	31.7	0.2	16.7	29.6%	2.7%	7.0	7.2	7.6	-23.2%	2.0%
Inventory: Materials and supplies	3.0	6.5	–	0.7	-38.0%	0.5%	2.8	2.9	3.1	63.1%	0.5%
Travel and subsistence	10.6	11.7	12.9	14.4	10.8%	2.4%	14.0	14.7	15.6	2.6%	3.0%
Operating payments	39.6	29.8	28.4	19.9	-20.6%	5.6%	33.1	36.2	39.2	25.5%	6.7%
Transfers and subsidies	0.7	1.9	1.0	–	-100.0%	0.2%	–	–	–	–	–
Households	0.7	1.9	1.0	–	-100.0%	0.2%	–	–	–	–	–
Payments for capital assets	651.2	235.7	9.5	13.2	-72.7%	43.2%	13.8	14.5	15.0	4.3%	2.9%
Buildings and other fixed structures	642.0	–	–	–	-100.0%	30.5%	–	–	–	–	–
Machinery and equipment	9.2	235.4	9.5	13.2	12.8%	12.7%	13.8	14.5	15.0	4.3%	2.9%
Software and other intangible assets	–	0.2	–	–	-100.0%	–	–	–	–	–	–
Total	876.3	524.6	326.1	380.1	-24.3%	100.0%	484.5	522.1	543.8	12.7%	100.0%
Proportion of total programme expenditure to vote expenditure	21.2%	10.6%	6.3%	6.7%			8.1%	8.1%	8.3%		
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	0.7	1.9	0.9	–	-100.0%	0.2%	–	–	–	–	–
Employee social benefits	0.7	1.9	0.9	–	-100.0%	0.2%	–	–	–	–	–

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

- Ensure an effective response to the impacts of climate change by building climate change adaptive capacity, socioeconomic resilience and emergency response capacity by 2015/16.
- Contribute to the global effort to stabilise greenhouse gas concentrations in the atmosphere by:
 - making recommendations on aligning 4 climate change sectoral policies and plans by 2015/16
 - finalising 3 sector mitigation plans by 2015/16.
- Enable South Africa to meet its national and international obligations by developing a national monitoring and evaluation system for climate change by 2015/16.
- Ensure the continuous improvement of ambient air quality throughout the country by implementing air quality management plans in priority hotspot areas, and providing legislative support and leadership to provincial and local authorities performing air quality management functions over the MTEF period.

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 (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
R million											
Climate Change Management	128.0	5.8	5.4	6.8	-62.3%	15.0%	7.2	7.6	8.0	5.5%	2.8%
Climate Change Mitigation	5.1	6.7	7.5	7.8	14.9%	2.8%	8.2	8.7	9.2	5.7%	3.2%
Climate Change Adaptation	4.1	2.9	3.7	4.3	1.5%	1.5%	4.5	4.8	5.1	5.8%	1.8%
Air Quality Management	33.9	28.9	32.5	37.6	3.5%	13.6%	39.8	42.5	45.0	6.2%	15.7%
South African Weather Service	138.2	150.6	162.9	152.5	3.3%	62.0%	160.4	210.0	199.5	9.4%	68.7%
International Climate Change Relations and Negotiations	–	9.6	9.3	9.5	–	2.9%	10.4	11.0	11.7	7.1%	4.0%
Climate Change Monitoring and Evaluation	–	3.0	8.4	9.3	–	2.1%	9.6	10.0	10.6	4.6%	3.8%
Total	309.3	207.5	229.8	227.7	-9.7%	100.0%	240.1	294.6	289.0	8.3%	100.0%
Change to 2014								20.0			
Budget estimate											
Economic classification											
Current payments	169.2	54.8	64.5	72.8	-24.5%	37.1%	77.2	82.0	86.8	6.0%	30.3%
Compensation of employees	30.8	32.6	38.6	48.1	16.1%	15.4%	50.7	53.7	57.1	5.9%	19.9%
Goods and services	138.4	22.2	25.9	24.7	-43.7%	21.7%	26.5	28.3	29.7	6.3%	10.4%
of which:											
Communication	0.3	0.4	0.4	2.1	88.7%	0.3%	2.2	2.3	2.4	4.9%	0.8%
Computer services	0.9	–	0.2	6.9	98.3%	0.8%	7.1	8.2	8.6	7.6%	2.9%
Consultants and professional services: Business and advisory services	117.8	5.0	8.6	1.0	-79.5%	13.6%	1.2	1.1	1.2	4.7%	0.4%
Travel and subsistence	12.0	12.0	9.7	7.0	-16.5%	4.2%	7.7	7.9	8.3	5.9%	2.9%
Operating payments	0.7	0.3	0.5	1.4	22.9%	0.3%	1.4	1.5	1.6	4.7%	0.6%
Venues and facilities	3.7	2.7	3.9	2.0	-18.8%	1.3%	2.2	2.4	2.5	8.2%	0.9%
Transfers and subsidies	139.6	152.2	164.4	153.9	3.3%	62.6%	161.8	211.5	201.0	9.3%	69.3%
Departmental agencies and accounts	138.2	150.6	162.9	152.5	3.3%	62.0%	160.4	210.0	199.5	9.4%	68.7%
Non-profit institutions	1.4	1.5	1.4	1.4	–	0.6%	1.4	1.5	1.5	3.4%	0.6%
Households	–	0.1	0.1	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	0.5	0.5	0.8	1.0	28.4%	0.3%	1.1	1.2	1.2	7.0%	0.4%
Machinery and equipment	0.5	0.5	0.8	1.0	28.4%	0.3%	1.1	1.2	1.2	7.0%	0.4%
Total	309.3	207.5	229.8	227.7	-9.7%	100.0%	240.1	294.6	289.0	8.3%	100.0%
Proportion of total programme expenditure to vote expenditure	7.5%	4.2%	4.4%	4.0%	–	–	4.0%	4.6%	4.4%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	138.2	150.6	162.9	152.5	3.3%	62.0%	160.4	210.0	199.5	9.4%	68.7%
South African Weather Service	138.2	150.6	162.9	152.5	3.3%	62.0%	160.4	210.0	199.5	9.4%	68.7%
Non-profit institutions											
Current	1.4	1.5	1.4	1.4	–	0.6%	1.4	1.5	1.5	3.4%	0.6%
National Association for Clean Air	1.4	1.4	1.4	1.4	–	0.6%	1.4	1.5	1.5	3.4%	0.6%
South African Climate Action Network	–	0.1	–	–	–	–	–	–	–	–	–

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

- Improve conservation and biodiversity through the safeguarding of ecosystems, species and genetic diversity, as well as minimising threats to ecological sustainability, by increasing the percentage of land under conservation from 7.9 per cent in 2013/14 to 12.7 per cent in 2017/18.
- Promote and enhance livelihoods through access to, and the fair and equitable sharing of, benefits arising from the use of biological resources by developing a system for the transformation of the biodiversity sector by 2016/17.

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.
- *Biodiversity Monitoring and Evaluation* provides specialist scientific, intergovernmental and legislative support services in relation to biodiversity; and monitors, evaluates, analyses, negotiates and advises on national and international trends in biodiversity conservation.
- *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 area 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 biodiversified 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 (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
Biodiversity and Conservation Management	4.9	7.1	11.3	14.8	44.4%	1.7%	17.0	17.9	19.0	8.6%	2.6%
Biodiversity Planning and Management	33.8	42.9	19.4	22.2	-13.0%	5.3%	26.0	27.2	28.7	8.9%	3.9%
Protected Areas Systems Management	24.6	40.8	35.8	42.4	19.8%	6.4%	47.3	50.0	52.4	7.3%	7.2%
iSimangaliso Wetland Park Authority	25.8	27.0	28.8	30.6	5.8%	5.0%	31.6	33.0	34.5	4.1%	4.9%
South African National Parks	185.0	256.2	237.4	275.1	14.1%	42.5%	278.7	277.9	290.3	1.8%	42.1%
South African National Biodiversity Institute	205.4	194.4	208.7	223.4	2.8%	37.1%	232.1	243.0	254.9	4.5%	35.8%
Biodiversity Monitoring and Evaluation	–	–	6.5	5.8	–	0.5%	6.2	6.5	6.9	6.0%	1.0%
Biodiversity Economy and Sustainable Use	–	–	17.8	14.7	–	1.4%	16.6	18.8	19.9	10.6%	2.6%
Total	479.5	568.4	565.7	629.0	9.5%	100.0%	655.6	674.4	706.6	4.0%	100.0%
Change to 2014				(7.8)			(14.0)	(17.6)	(20.8)		
Budget estimate											
Economic classification											
Current payments	58.4	88.0	89.9	96.9	18.4%	14.9%	110.7	117.9	126.1	9.2%	16.9%
Compensation of employees	34.8	42.7	48.6	58.2	18.7%	8.2%	65.1	69.0	73.4	8.0%	10.0%
Goods and services	23.5	45.4	41.3	38.8	18.1%	6.6%	45.6	48.9	52.7	10.8%	7.0%
of which:											
Consultants and professional services: Business and advisory services	2.0	13.7	6.5	10.7	74.8%	1.5%	15.0	16.7	18.5	20.0%	2.3%
Contractors	0.3	0.7	0.4	1.0	54.1%	0.1%	3.2	3.3	4.3	60.8%	0.4%
Agency and support/outsourced services	–	–	0.1	1.6	1079.5%	0.1%	1.9	1.9	1.9	4.7%	0.3%
Travel and subsistence	11.7	19.8	18.0	16.1	11.2%	2.9%	15.7	16.9	17.3	2.5%	2.5%
Operating payments	1.6	1.5	1.8	2.2	11.1%	0.3%	2.3	2.4	2.5	4.5%	0.4%
Venues and facilities	1.8	5.4	4.6	2.7	14.2%	0.6%	2.8	2.9	3.1	4.4%	0.4%
Transfers and subsidies	420.4	479.0	475.0	531.4	8.1%	85.0%	544.2	555.7	579.8	2.9%	83.0%
Departmental agencies and accounts	416.2	477.7	474.9	529.1	8.3%	84.6%	542.5	553.9	579.8	3.1%	82.7%
Non-profit institutions	4.2	1.3	–	2.3	-18.4%	0.3%	1.8	1.8	–	-100.0%	0.2%
Households	–	–	0.1	–	–	–	–	–	–	–	–
Payments for capital assets	0.8	1.4	0.8	0.7	-5.1%	0.2%	0.7	0.7	0.8	5.0%	0.1%
Machinery and equipment	0.8	1.4	0.8	0.7	-5.1%	0.2%	0.7	0.7	0.8	5.0%	0.1%
Total	479.5	568.4	565.7	629.0	9.5%	100.0%	655.6	674.4	706.6	4.0%	100.0%
Proportion of total programme expenditure to vote expenditure	11.6%	11.5%	10.9%	11.1%			11.0%	10.4%	10.8%		
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	397.1	450.3	446.6	499.1	7.9%	80.0%	511.1	520.9	579.8	5.1%	79.2%
iSimangaliso Wetland Park Authority	25.8	27.0	28.8	30.6	5.8%	5.0%	31.6	33.0	34.5	4.1%	4.9%
South African National Parks	165.8	228.9	209.1	245.1	13.9%	37.9%	247.3	244.9	290.3	5.8%	38.6%
South African National Biodiversity Institute	205.4	194.4	208.7	223.4	2.8%	37.1%	232.1	243.0	254.9	4.5%	35.8%
Capital	19.1	27.4	28.3	30.0	16.2%	4.7%	31.4	33.0	–	-100.0%	3.5%
South African National Parks	19.1	27.4	28.3	30.0	16.2%	4.7%	31.4	33.0	–	-100.0%	3.5%
Non-profit institutions											
Current	4.2	1.3	–	2.3	-18.4%	0.3%	1.8	1.8	–	-100.0%	0.2%
KwaZulu-Natal Conservation Board	1.2	–	–	1.3	2.3%	0.1%	1.3	1.3	–	-100.0%	0.1%
African World Heritage Fund	3.0	–	–	1.0	-30.7%	0.2%	0.5	0.5	–	-100.0%	0.1%
Transfer to non-profit institute	–	1.3	–	–	–	0.1%	–	–	–	–	–

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 224 643 work opportunities and 107 193 full time equivalent jobs in environmental projects through the implementation of expanded public works programme projects over the MTEF period.
- Restore and maintain the structure and function of vegetation to contribute to ecosystem services by:
 - clearing or treating 877 030 hectares of invasive alien plants per year.

- restoring and rehabilitating 169 940 hectares of land over the MTEF period.
- Facilitate the transition to a growth path that is low in carbon and natural resource efficient by facilitating the implementation of green initiative projects over the MTEF period.

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 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 (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		
Environmental Protection and Infrastructure Programme	869.3	1 258.6	1 297.3	1 331.1	15.3%	41.4%	1 359.0	1 602.8	1 566.7	5.6%	38.1%
Working for Water and Working on Fire	1 107.6	1 446.2	1 563.0	1 955.1	20.9%	52.8%	1 933.9	2 209.0	2 301.0	5.6%	54.7%
Green Fund	–	88.8	250.0	250.0	–	5.1%	300.0	180.0	110.5	-23.8%	5.5%
Environmental Programmes Management	–	–	5.3	6.2	–	0.1%	6.5	7.5	8.0	9.1%	0.2%
Information Management and Sector Coordination	–	–	22.1	45.2	–	0.6%	47.5	68.5	72.7	17.2%	1.5%
Total	1 976.9	2 793.6	3 137.7	3 587.5	22.0%	100.0%	3 646.9	4 067.8	4 058.8	4.2%	100.0%
Change to 2014				(10.8)			(109.4)	(165.5)	(129.0)		
Budget estimate											
Economic classification											
Current payments	526.6	369.6	339.3	601.0	4.5%	16.0%	695.5	748.4	777.3	9.0%	18.4%
Compensation of employees	120.4	144.6	138.3	178.8	14.1%	5.1%	209.3	223.9	239.5	10.2%	5.5%
Goods and services	405.9	224.9	201.0	422.2	1.3%	10.9%	486.2	524.5	537.8	8.4%	12.8%
of which:											
Consultants and professional services: Business and advisory services	43.8	33.1	26.5	39.6	-3.3%	1.2%	50.8	45.9	49.5	7.7%	1.2%
Consultants and professional services: Infrastructure and planning	0.4	–	–	58.5	416.6%	0.5%	109.1	74.8	90.2	15.6%	2.2%
Contractors	193.4	89.6	90.3	45.2	-38.4%	3.6%	59.5	54.4	59.5	9.6%	1.4%
Agency and support/outsource services	78.9	–	–	113.5	12.9%	1.7%	127.9	166.3	147.6	9.2%	3.6%
Travel and subsistence	33.9	50.9	46.9	59.1	20.3%	1.7%	43.3	64.0	65.7	3.6%	1.5%
Training and development	10.2	1.3	0.7	16.9	18.3%	0.3%	17.3	18.8	20.1	6.0%	0.5%
Interest and rent on land	0.2	0.1	–	–	-100.0%	–	–	–	–	–	–
Transfers and subsidies	1 444.3	2 419.0	2 780.9	2 965.2	27.1%	83.6%	2 929.2	3 295.8	3 252.8	3.1%	81.0%
Departmental agencies and accounts	127.2	130.0	485.4	513.8	59.3%	10.9%	491.7	592.3	445.8	-4.6%	13.3%
Public corporations and private enterprises	–	88.8	250.0	250.0	–	5.1%	300.0	180.0	110.5	-23.8%	5.5%
Non-profit institutions	16.1	–	–	–	-100.0%	0.1%	–	–	–	–	–
Households	1 301.1	2 200.1	2 045.6	2 201.5	19.2%	67.4%	2 137.5	2 523.6	2 696.5	7.0%	62.2%
Payments for capital assets	6.0	4.9	17.4	21.3	52.6%	0.4%	22.2	23.5	28.7	10.6%	0.6%
Machinery and equipment	6.0	4.4	17.4	21.3	52.6%	0.4%	22.2	23.5	28.7	10.6%	0.6%
Software and other intangible assets	–	0.5	–	–	–	–	–	–	–	–	–
Payments for financial assets	–	0.1	–	–	-100.0%	–	–	–	–	–	–
Total	1 976.9	2 793.6	3 137.7	3 587.5	22.0%	100.0%	3 646.9	4 067.8	4 058.8	4.2%	100.0%
Proportion of total programme expenditure to vote expenditure	47.8%	56.5%	60.3%	63.2%	–	–	61.3%	62.9%	62.1%	–	–

Table 27.11 Environmental Programmes 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			2014/15				2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12	2014/15	2015/16	2016/17	2017/18	2014/15	2017/18
Households											
Other transfers to households											
Current	1 301.1	2 199.9	2 045.5	2 201.5	19.2%	67.4%	2 137.5	2 523.6	2 696.5	7.0%	62.2%
Expanded public works programme	1 097.1	–	1 743.5	1 783.7	17.6%	40.2%	1 877.2	2 163.5	2 226.7	7.7%	52.4%
Expanded public works programme: Incentive	204.0	–	301.9	417.8	27.0%	8.0%	260.3	360.1	469.8	4.0%	9.8%
Social security payment	–	2 199.9	0.1	–	–	19.1%	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	–	7.7	6.2	–	–	0.1%	–	–	–	–	–
Departmental agencies	–	7.7	6.2	–	–	0.1%	–	–	–	–	–
Capital	127.2	122.4	479.2	513.8	59.3%	10.8%	491.7	592.3	445.8	-4.6%	13.3%
South African Weather Service	10.2	–	20.0	30.0	43.3%	0.5%	–	–	35.0	5.3%	0.4%
iSimangaliso Wetland Park Authority	42.0	44.1	96.8	101.4	34.2%	2.5%	101.1	104.2	105.0	1.2%	2.7%
South African National Parks	60.0	63.0	306.8	315.9	74.0%	6.5%	313.3	406.7	230.8	-9.9%	8.2%
South African National Biodiversity Institute	15.0	15.3	55.6	66.5	64.3%	1.3%	77.3	81.4	75.0	4.1%	2.0%
Non-profit institutions											
Current	16.1	–	–	–	-100.0%	0.1%	–	–	–	–	–
Buyisa-e-Bag	16.1	–	–	–	-100.0%	0.1%	–	–	–	–	–
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	–	88.8	250.0	250.0	–	5.1%	300.0	180.0	110.5	-23.8%	5.5%
Development Bank of Southern Africa	–	88.8	250.0	250.0	–	5.1%	300.0	180.0	110.5	-23.8%	5.5%

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, legislation, and norms and standards over the MTEF period
 - managing and coordinating the licensing of all surveyed unlicensed landfill sites (341) by 2015/16.
- 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	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
Chemicals and Waste Management	0.8	6.5	4.3	5.2	85.6%	7.0%	6.9	7.2	6.5	7.6%	8.0%
Hazardous Waste Management and Licensing	2.1	5.4	26.6	14.9	91.9%	20.5%	22.0	23.5	25.1	18.9%	26.4%
General Waste and Municipal Support	29.4	33.1	26.2	27.3	-2.3%	48.4%	29.0	31.0	32.7	6.1%	37.1%
Chemicals and Waste Policy, Evaluation and Monitoring	2.7	9.6	4.4	16.9	83.6%	14.0%	11.4	11.8	12.3	-10.0%	16.2%
Chemicals Management	0.8	4.0	11.5	7.8	111.0%	10.1%	10.0	10.6	11.2	12.8%	12.3%
Total	35.8	58.5	73.1	72.2	26.3%	100.0%	79.3	84.1	87.8	6.7%	100.0%
Change to 2014 Budget estimate							(0.1)	0.1	(1.0)		
Economic classification											
Current payments	35.7	47.7	62.3	60.6	19.3%	86.1%	67.2	71.3	74.4	7.1%	84.6%
Compensation of employees	20.7	28.3	28.8	39.8	24.4%	49.1%	52.1	55.4	59.0	14.0%	63.8%
Goods and services	15.0	19.4	33.5	20.8	11.5%	37.0%	15.1	15.9	15.5	-9.4%	20.8%
of which:											
Assets less than the capitalisation threshold	–	0.1	0.2	0.7	184.4%	0.4%	0.8	0.8	0.8	4.1%	1.0%
Consultants and professional services: Business and advisory services	4.5	10.3	23.2	6.4	12.6%	18.5%	2.3	2.2	2.2	-30.1%	4.0%
Consumables: Stationery, printing and office supplies	0.1	–	0.1	2.0	169.5%	0.9%	1.5	1.5	1.6	-7.6%	2.0%
Travel and subsistence	3.6	3.4	5.8	2.6	-10.2%	6.4%	2.9	3.0	2.7	0.6%	3.5%
Operating payments	0.3	0.4	0.4	3.1	120.6%	1.7%	2.4	2.5	2.6	-5.7%	3.3%
Venues and facilities	0.9	2.5	1.0	3.3	55.3%	3.2%	2.5	3.1	2.6	-7.7%	3.6%
Transfers and subsidies	–	10.3	10.5	11.0	–	13.3%	11.5	12.1	12.8	5.0%	14.7%
Departmental agencies and accounts	–	10.0	10.2	11.0	–	13.0%	11.5	12.1	12.8	5.0%	14.7%
Non-profit institutions	–	0.2	0.1	–	–	0.1%	–	–	–	–	–
Households	–	0.1	0.1	–	–	0.1%	–	–	–	–	–
Payments for capital assets	0.2	0.6	0.4	0.5	46.0%	0.7%	0.6	0.6	0.6	4.9%	0.7%
Machinery and equipment	0.2	0.6	0.4	0.5	46.0%	0.7%	0.6	0.6	0.6	4.9%	0.7%
Total	35.8	58.5	73.1	72.2	26.3%	100.0%	79.3	84.1	87.8	6.7%	100.0%
Proportion of total programme expenditure to vote expenditure	0.9%	1.2%	1.4%	1.3%	–	–	1.3%	1.3%	1.3%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	–	10.0	10.2	11.0	–	13.0%	11.5	12.1	12.8	5.0%	14.7%
National Regulator for Compulsory Specifications	–	10.0	10.2	11.0	–	13.0%	11.5	12.1	12.8	5.0%	14.7%
Non-profit institutions											
Current	–	0.2	0.1	–	–	0.1%	–	–	–	–	–
Non-profit institutions	–	0.2	0.1	–	–	0.1%	–	–	–	–	–

Public entities and other agencies

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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Gross operating tourism revenue (value of revenue raised from commercial activities) per year	Conservation and tourism	Outcome 10: Protect and enhance our environmental assets and natural resources	R898.5m	R898.5m	R900m	R910m	R937m	R1bn	R1.1bn
Number of free access entrants per year to parks	Conservation and tourism		17 942	– ¹	42 330	18 100	18 200	18 300	18 500
Number of participants in environmental education programmes per year	Conservation and tourism		173 685	213 327	215 232	180 600	180 620	190 000	195 000
Percentage of accommodation occupancy in national parks per year	Conservation and tourism		68.3%	68.1%	70.9%	69.0%	69.5%	70.0%	70.5%
Number of visitors to national parks per year	Conservation and tourism		4 705 306	4 941 697	5 235 095	4 750 000	4 800 000	4 850 000	4 900 000
Number of domestic black visitors to national parks per year	Conservation and tourism		389 624	434 216	467 018	436 000	449 000	462 500	462 500
Number new permanent jobs created per year	Conservation and tourism		135	348	241	30	20	90	90

1. Free access to national parks was not granted in 2012/13.

Expenditure analysis

South African National Parks seeks to contribute to an environmentally sustainable, resilient and inclusive rural economy, in line with the national development plan's vision. The organisation is part of the cluster of public entities assigned to deliver on outcome 10 of government's 2014-2019 medium term strategic framework (protect and enhance our environmental assets and natural resources). Through its programmes and activities, particularly in relation to the conservation of the national park system, the organisation also contributes to socioeconomic transformation and growth. The primary mandate of the organisation is to conserve biodiversity, which, in turn, is aligned with a key strategic objective of the Department of Environmental Affairs.

The organisation's focus over the medium term includes introducing a waste management programme in all its national parks to reduce the environmental impact of waste; improving the state of the conservation estate; contributing to conservation nationally; fighting wildlife crimes in the country; and stimulating job creation in national parks.

Expenditure over the medium term is expected to increase, due to an allocation of R1.7 billion for equipment, facilities and infrastructure upgrades. This funding will be used to develop and upgrade the parks' road and tourism infrastructure. Tourism infrastructure remains a key spending priority, in support of tourism growth and job creation in rural communities, where most national parks are situated. This aligns with the national development plan's vision of economic development and poverty alleviation through sustainable job creation.

Fighting wildlife crimes across the country, particularly rhino poaching in the Kruger National Park, remains a top priority. To combat this, more rangers will be deployed in the park to improve environmental protection and this will be funded by an additional allocation of R104 million to the conservation and tourism programme over the medium term.

The organisation's expenditure on compensation of employees has increased, and this is expected to account for 48.6 per cent of total spending over the medium term.

In line with the focus of making parks profitable to create jobs and contribute to economic growth, projected expenditure on goods and services over the medium term is R2.9 billion. The bulk of this will go to operating expenses and special project expenses related to expanding parks, increasing marine protected areas, and developing conservation infrastructure.

Revenue over the medium term is expected to grow due to an increase in transfers received from the Department of Environmental Affairs for infrastructure development and the anticipated 13.5 per cent increase in tourism at national parks. Revenue from tourism activities contributes 68.7 per cent of total revenue generated by the organisation.

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 (%)
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2014/15		2015/16	2016/17	2017/18		
Administration	1 701.3	1 664.5	2 286.0	1 608.2	-1.9%	100.0%		1 915.4	2 089.6	2 044.6	8.3%	100.0%
Total	1 701.3	1 664.5	2 286.0	1 608.2	-1.9%	100.0%		1 915.4	2 089.6	2 044.6	8.3%	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										Outcome/ Budget Average (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate		
R million	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15	
Revenue										
Non-tax revenue	1 008.1	984.3	858.2	1 097.7	878.0	1 296.2	920.4	1 090.7	121.9%	
Sale of goods and services other than capital assets	951.3	942.5	833.0	1 061.9	852.9	1 233.5	894.8	1 032.6	120.9%	
of which:									-	
Sales by market establishment	951.3	942.5	833.0	1 061.9	852.9	1 233.5	894.8	1 032.6	120.9%	
Other non-tax revenue	56.8	41.7	25.2	35.8	25.1	62.7	25.6	58.2	149.5%	
Transfers received	210.2	717.9	250.7	643.1	478.4	949.0	654.9	517.5	177.4%	
Total revenue	1 218.2	1 702.1	1 108.9	1 740.8	1 356.3	2 245.3	1 575.3	1 608.2	138.7%	
Expenses										
Current expenses	1 218.2	1 701.3	1 108.9	1 664.5	1 356.3	2 286.0	1 554.2	1 608.2	138.6%	
Compensation of employees	555.9	584.4	598.2	581.9	849.6	959.9	688.5	834.7	110.0%	
Goods and services	616.0	1 047.4	461.0	1 025.3	453.8	1 239.1	809.5	704.5	171.6%	
Depreciation	42.6	56.5	35.5	41.1	37.7	85.5	39.9	67.5	160.9%	
Interest, dividends and rent on land	3.7	13.0	14.3	16.2	15.3	1.5	16.2	1.6	65.5%	
Total expenses	1 218.2	1 701.3	1 108.9	1 664.5	1 356.3	2 286.0	1 554.2	1 608.2	138.6%	
Surplus/(Deficit)	-	-	-	76.0	-	(41.0)	21.0	-		

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		Average growth rate (%)	Expenditure/ Total: Average (%)				Average growth rate (%)	Expenditure/ Total: Average (%)
	Revised estimate			Medium-term estimate				
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Revenue								
Non-tax revenue	1 090.7	3.5%	61.6%	1 396.1	1 489.1	1 587.4	13.3%	72.4%
Sale of goods and services other than capital assets	1 032.6	3.1%	58.9%	1 324.5	1 414.7	1 510.0	13.5%	68.7%
of which:								–
Sales by market establishment	1 032.6	3.1%	58.9%	1 324.5	1 414.7	1 510.0	13.5%	68.7%
Other non-tax revenue	58.2	11.7%	2.7%	71.6	74.3	77.4	10.0%	3.7%
Transfers received	517.5	-10.3%	38.4%	519.3	600.5	457.2	-4.0%	27.6%
Total revenue	1 608.2	-1.9%	100.0%	1 915.4	2 089.6	2 044.6	8.3%	100.0%
Expenses								
Current expenses	1 608.2	-1.9%	100.0%	1 915.4	2 089.6	2 044.6	8.3%	100.0%
Compensation of employees	834.7	12.6%	40.8%	893.1	955.6	1 022.5	7.0%	48.6%
Goods and services	704.5	-12.4%	55.3%	948.5	1 055.0	937.5	10.0%	47.4%
Depreciation	67.5	6.1%	3.4%	72.2	77.3	82.7	7.0%	3.9%
Interest, dividends and rent on land	1.6	-50.3%	0.5%	1.6	1.7	1.8	4.9%	0.1%
Total expenses	1 608.2	-1.9%	100.0%	1 915.4	2 089.6	2 044.6	8.3%	100.0%
Surplus/(Deficit)	–	–	–	–	–	–	–	–

Personnel information

Table 27.17 South African National Parks personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015			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 (%)			
			2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
South African National Parks			4 995	959.9	0.2	4 841	834.7	0.2	4 841	893.1	0.2	4 841	955.6	0.2	4 841	1 022.5	0.2	7.0%	100.0%
Salary level	4 995	4 995	4 995	959.9	0.2	4 841	834.7	0.2	4 841	893.1	0.2	4 841	955.6	0.2	4 841	1 022.5	0.2		
1 – 6	4 403	4 403	4 403	729.2	0.2	4 249	590.1	0.1	4 249	634.3	0.1	4 049	636.5	0.2	3 954	665.0	0.2	4.1%	85.2%
7 – 10	488	488	488	151.0	0.3	488	160.1	0.3	488	170.1	0.3	688	224.0	0.3	597	158.1	0.3	-0.4%	11.7%
11 – 12	79	79	79	52.0	0.7	79	55.2	0.7	79	57.9	0.7	34	23.2	0.7	220	124.3	0.6	31.1%	2.1%
13 – 16	24	24	24	25.5	1.1	24	27.0	1.1	24	28.4	1.2	69	69.2	1.0	65	64.9	1.0	33.9%	0.9%
17 – 22	1	1	1	2.2	2.2	1	2.3	2.3	1	2.5	2.5	1	2.6	2.6	5	10.2	2.0	63.5%	0.0%

1. Rand million.

Other public entities and agencies

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 **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 2015/16 is R175.3 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 2015/16 is R548.1 million.
- The **South African Weather Service** maintains, extends and improves the quality of meteorological services. The entity's total budget for 2015/16 is R331.5 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		
				2011/12	2012/13		2013/14	2015/16	2016/17
R million									
Departmental infrastructure									
Polar research vessel	Replacement of vessel for research voyages to Marion Island, Gough Island and Antarctica	Construction	1 429.3	642.8	187.7	-	-	-	-
South African National Parks	Upgrading of tourism accommodation facilities	Construction	1 282.8	-	63.0	216.8	315.9	398.3	504.7
South African National Parks	Upgrading of roads	Construction	500.0	-	27.4	28.3	30.0	31.5	33.1
South African weather stations	Upgrading of weather station facilities	Various	260.6	-	-	-	-	-	-
South African National Biodiversity Institute	Upgrading of laboratories and replacement of old and depleted equipment and vehicles	Various	550.0	-	-	40.0	50.0	60.0	63.6
South African National Parks	Upgrading of accommodation facilities and equipment in national parks	Various	595.7	-	-	65.0	129.0	195.0	206.7
iSimangaliso Wetland Park Authority	Upgrading of office facilities	Various	655.2	-	44.1	-	-	-	-
South African National Biodiversity Institute	Upgrading of and building of new facilities in botanical gardens	Various	230.0	-	15.3	15.6	16.5	17.3	18.2
South African Weather Service	Acquisition of high performance computer to assist with improved weather and meteorological services	Various	50.0	-	-	20.0	30.0	-	-
iSimangaliso Wetland Park Authority	Upgrading of accommodation facilities and equipment	Various	220.0	-	-	20.0	20.0	20.0	20.0
Total			5 773.6	642.8	337.5	405.7	591.4	722.1	846.2
									485.1

Vote 28

Labour

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	845.1	798.4	0.2	46.5	903.8	943.6
Inspection and Enforcement Services	430.8	430.7	0.1	–	587.3	622.1
Public Employment Services	488.3	327.9	160.1	0.3	535.0	575.4
Labour Policy and Industrial Relations	922.7	126.8	795.9	–	972.1	1 021.6
Total expenditure estimates	2 686.9	1 683.8	956.2	46.9	2 998.2	3 162.7

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, public entities, donor funding, public private partnerships, conditional allocations 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 Conditions 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 employment creation
- promoting and enforcing sound labour relations
- eliminating inequality and discrimination in the workplace
- alleviating poverty in employment
- enhancing occupational health and safety awareness and compliance in the workplace.

Selected performance indicators

Table 28.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
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	193 977	141 731	164 868	184 794	186 631	196 694	206 794
Number of complaints resolved within 14 days at registration services per year	Inspection and Enforcement Services		110 610	73 786	65 943	– ¹	– ¹	– ¹	– ¹

Table 28.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of work seekers registered on the Employment Services of South Africa system per year	Public Employment Services	Outcome 4: Decent employment through inclusive economic growth	553 883	600 259	618 092	550 000	600 000	650 000	700 000
Number of work seekers registered on the system provided with employment counselling per year	Public Employment Services		222 956	264 068	250 160	220 000	250 000	270 000	290 000
Number of work seekers placed in registered employment opportunities per year	Public Employment Services		96 505 ²	16 171	15 570	20 000	25 000	30 000	35 000
Number of pay scales accessed per year to reduce gaps in minimum wage determinations	Labour Policy and Industrial Relations		5	6	2	4	4	2	2

1. Projections are not available, as this indicator is dependent on the number of cases reported and data for a specific year is available only in the following year.

2. Data for 2011/12 cannot be disaggregated. The indicator includes work seekers referred to the Unemployment Insurance Fund and the Compensation Fund.

Expenditure analysis

The Department of Labour's focus over the medium term will be on enforcing decent work principles, supporting work seekers, and regulating the workplace. The department is thus positioned to contribute to the national development plan's vision of increasing labour absorption and enhancing workplace dispute resolution to advance healthy labour relations, and to give impetus to outcome 4 of government's 2014-2019 medium term strategic framework (decent employment through inclusive economic growth).

Enforcing decent work principles

The department aims to ensure that employers adhere to employment equity plans and decent work principles, and that vulnerable workers are protected. Over the medium term, the department plans to enhance enforcement by increasing the number of inspections for compliance with labour legislation. 206 794 inspections and follow-ups are targeted for 2017/18, which is an increase of 3.8 per cent over the medium term. The number of inspectors will increase from 960 in 2014/15 to 1 175 in 2017/18. R1.6 billion has been allocated to the *Inspection and Enforcement Services* programme over the medium term, mainly on compensation of employees and travel and subsistence.

However, the department has faced challenges in both retaining inspectors and finding suitable, specialised candidates, which accounts for the slow spending since 2010/11. This resulted in Cabinet approved budget reductions of R213.5 million in the 2014 Budget. A further budget reduction of R52.5 million over the medium term will be effected on compensation of employees. An allocation of R64.5 million for an additional 261 labour inspectors in 2016/17, however, will ensure that targets for inspections beyond the medium term will be met. A Cabinet approved additional allocation of R25.7 million in 2015/16 will be effected in the *Administration* programme for capital expenditure and IT. R5.8 million will be used for purchasing 46 vehicles for inspections, and R11 million for purchasing 2 new mobile labour centres and R8.9 million for compensation of employees.

Supporting work seekers

The national development plan sets an employment target of 11 million jobs to be created by 2030. To support the achievement of that target, the Employment Services Act (2014) aims to provide free public employment services and regulate private employment agencies. The department's employment services system is an IT portal where work seekers can register as unemployed and provide information about their work experience, their qualifications, and the kind of work they are looking for. Employers can use the portal to register vacancies and other opportunities they may have, such as training, learnerships, and internships. The system matches work seekers to opportunities, and after an assessment process, refers work seekers to employers. To increase the number of registered work seekers and the number of work seekers placed in registered employment opportunities, the department will host roadshows, run advocacy campaigns, integrate the employment services system with the Unemployment Insurance Fund, the Compensation Fund and national learner database systems, and establish partnerships with other stakeholders such as the Department of Higher Education and Training, the Department of Public Works, the National Youth Development Agency, organised business, and municipalities. Through a new counselling strategy, the department aims to get work seekers job ready and thus reduce the time

it takes to place a work seeker. The department will also explore partnerships to modernise the system's assessment tests. In support of these interventions, the *Public Employment Services* programme receives R1.1 billion over the medium term, excluding transfers.

Regulating the workplace

The department will focus on setting standards to reduce inequality in pay and minimum wages for all vulnerable workers, and to improve compliance with the Employment Equity Act (1998). The department will review 12 sectoral determinations between 2014/15 and 2017/18 to regulate agreements on benchmarks for pay inequality, and then conduct an assessment of pay scales to ensure that the gaps in minimum wage determinations are reduced. The department will also investigate the introduction of a national minimum wage and determine its likely impact on wage structure, inequality, employment, and the living standard of workers. These activities are funded in the *Labour Policy and Industrial Relations* programme. In addition, the department will transfer R2.3 billion over the medium term from this programme to the Commission for Conciliation Mediation and Arbitration and R90.9 million to the National Economic Development and Labour Council.

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	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Programme 1	697.2	698.5	704.3	732.6	764.6	687.7	785.4	840.4	795.9	787.7	784.9	721.3	96.9%	94.2%
Programme 2	386.7	389.3	375.7	429.2	400.4	395.6	465.2	440.2	412.2	403.2	410.4	445.7	96.7%	99.3%
Programme 3	296.1	324.8	332.2	322.0	334.3	331.7	400.1	400.1	413.5	466.5	481.5	486.5	105.3%	101.5%
Programme 4	601.4	604.8	594.9	635.9	640.3	619.7	764.5	764.5	749.9	869.9	869.4	855.7	98.2%	98.0%
Total	1 981.5	2 017.4	2 007.1	2 119.7	2 139.6	2 034.6	2 415.2	2 445.2	2 371.4	2 527.3	2 546.3	2 509.3	98.7%	97.5%
Change to 2014											19.0			
Budget estimate														
Economic classification														
Current payments	1 349.9	1 273.1	1 250.5	1 446.9	1 446.7	1 276.5	1 562.2	1 560.5	1 469.6	1 554.0	1 591.1	1 562.7	94.0%	94.7%
Compensation of employees	786.3	786.3	757.9	883.3	847.5	825.5	982.9	882.0	866.1	966.5	1 006.1	1 053.3	96.8%	99.5%
Goods and services	563.6	486.7	492.6	563.6	599.1	451.0	579.3	678.6	603.5	587.4	585.0	509.4	89.6%	87.5%
of which:														
Communication	43.3	42.1	43.2	38.5	37.8	44.6	41.1	40.6	33.2	38.1	39.4	38.9	99.4%	100.1%
Computer services	31.5	36.4	42.1	30.4	28.9	71.0	110.1	110.0	77.2	83.7	83.7	73.9	103.3%	102.0%
Fleet services (including government motor transport)	–	0.8	1.0	1.9	4.4	6.4	3.2	8.4	12.4	8.2	13.1	12.6	244.1%	121.2%
Operating leases	204.4	115.7	115.1	218.9	217.7	47.8	132.6	161.3	145.9	139.4	138.6	93.4	57.9%	63.5%
Property payments	42.1	43.9	44.2	45.5	47.2	47.7	47.9	47.9	51.9	53.4	54.0	51.5	103.4%	101.2%
Travel and subsistence	80.9	93.8	127.0	79.9	85.4	102.8	84.1	88.9	92.3	94.8	88.8	85.8	120.0%	114.3%

Table 28.2 Vote expenditure trends by programme and economic classification

Economic classification	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Transfers and subsidies	599.4	626.3	641.0	639.3	656.4	658.4	818.7	824.2	823.4	942.4	927.6	918.9	101.4%	100.2%
Provinces and municipalities	–	–	0.1	–	0.1	0.2	–	0.2	0.4	–	–	–	37 200.0%	226.1%
Departmental agencies and accounts	515.7	542.2	542.2	551.4	554.0	554.1	676.2	676.2	676.2	774.9	789.9	789.9	101.8%	100.0%
Foreign governments and international organisations	10.2	10.2	14.2	10.7	12.7	13.7	11.3	15.6	15.9	16.5	17.4	17.4	125.8%	109.5%
Non-profit institutions	73.3	73.3	82.7	76.9	88.7	88.0	131.0	131.0	127.7	150.7	119.5	109.7	94.5%	99.0%
Households	0.2	0.6	1.8	0.3	0.8	2.4	0.3	1.2	3.1	0.3	0.8	1.8	840.2%	276.7%
Payments for capital assets	32.1	118.1	115.0	33.5	36.5	93.4	34.3	60.6	60.3	31.0	27.6	27.7	226.3%	122.1%
Buildings and other fixed structures	4.0	4.0	4.6	3.4	3.4	8.6	5.5	5.5	1.5	–	0.3	0.3	116.8%	114.3%
Machinery and equipment	28.2	114.1	110.4	30.1	33.1	84.8	28.8	55.1	58.8	31.0	27.3	27.4	238.3%	122.5%
Payments for financial assets	–	–	0.7	–	–	6.2	–	–	18.1	–	–	–	–	–
Total	1 981.5	2 017.4	2 007.1	2 119.7	2 139.6	2 034.6	2 415.2	2 445.2	2 371.4	2 527.3	2 546.3	2 509.3	98.7%	97.5%

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	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme 1	721.3	1.1%	32.6%	845.1	903.8	943.6	9.4%	30.1%
Programme 2	445.7	4.6%	18.3%	430.8	587.3	622.1	11.8%	18.4%
Programme 3	486.5	14.4%	17.5%	488.3	535.0	575.4	5.8%	18.4%
Programme 4	855.7	12.3%	31.6%	922.7	972.1	1 021.6	6.1%	33.2%
Total	2 509.3	7.5%	100.0%	2 686.9	2 998.2	3 162.7	8.0%	100.0%
Change to 2014 Budget estimate				8.5	(49.8)	(54.9)		
Economic classification								
Current payments	1 562.7	7.1%	62.3%	1 683.8	1 962.8	2 076.8	9.9%	64.2%
Compensation of employees	1 053.3	10.2%	39.3%	1 079.6	1 330.8	1 413.3	10.3%	42.9%
Goods and services	509.4	1.5%	23.0%	604.2	632.0	663.5	9.2%	21.2%
of which:								
Communication	38.9	-2.5%	1.8%	37.7	40.4	42.6	3.1%	1.4%
Computer services	73.9	26.6%	3.0%	95.3	100.2	105.3	12.5%	3.3%
Fleet services (including government motor transport)	12.6	147.6%	0.4%	22.8	24.5	26.3	27.9%	0.8%
Operating leases	93.4	-6.9%	4.5%	145.6	152.4	158.6	19.3%	4.8%
Property payments	51.5	5.4%	2.2%	58.8	61.6	62.0	6.4%	2.1%
Travel and subsistence	85.8	-2.9%	4.6%	84.0	88.5	91.5	2.2%	3.1%
Transfers and subsidies	918.9	13.6%	34.1%	956.2	1 005.0	1 055.1	4.7%	34.6%
Departmental agencies and accounts	789.9	13.4%	28.7%	824.2	867.8	911.1	4.9%	29.9%
Foreign governments and international organisations	17.4	19.5%	0.7%	17.3	18.3	19.2	3.2%	0.6%
Non-profit institutions	109.7	14.4%	4.6%	114.4	118.6	124.5	4.3%	4.1%
Households	1.8	44.7%	0.1%	0.3	0.3	0.3	-42.8%	–

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 (%)
				2015/16	2016/17	2017/18		
R million	2014/15	2011/12 - 2014/15					2014/15 - 2017/18	
Payments for capital assets	27.7	-38.3%	3.3%	46.9	30.4	30.8	3.6%	1.2%
Buildings and other fixed structures	0.3	-57.7%	0.2%	–	–	–	-100.0%	–
Machinery and equipment	27.4	-37.8%	3.2%	46.9	30.4	30.8	4.0%	1.2%
Total	2 509.3	7.5%	100.0%	2 686.9	2 998.2	3 162.7	8.0%	100.0%

Personnel information

Table 28.4 Vote personnel numbers and cost by salary level and programme¹

Programmes																		
1. Administration																		
2. Inspection and Enforcement Services																		
3. Public Employment Services																		
4. Labour Policy and Industrial Relations																		
Number of posts estimated for 31 March 2015			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 (%)		
			2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18	
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				
Labour			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	
Salary level	3 520	17	3 051	866.1	0.3	3 412	1 053.0	0.3	3 412	1 079.6	0.3	3 737	1 330.8	0.4	3 737	1 413.3	0.4	
1 – 6	1 653	3	1 458	266.0	0.2	1 616	332.3	0.2	1 616	335.0	0.2	1 677	409.0	0.2	1 677	435.6	0.3	
7 – 10	1 566	3	1 348	435.9	0.3	1 497	500.0	0.3	1 497	515.0	0.3	1 753	663.7	0.4	1 753	705.0	0.4	
11 – 12	217	7	181	90.4	0.5	217	136.2	0.6	217	141.0	0.6	222	159.7	0.7	222	168.7	0.8	
13 – 16	80	4	62	70.3	1.1	80	79.1	1.0	80	82.9	1.0	83	92.4	1.1	83	97.8	1.2	
Other	4	–	2	3.6	1.8	3	5.4	1.8	3	5.7	1.9	3	6.0	2.0	3	6.3	2.1	
Programme	3 520	17	3 051	866.1	0.3	3 412	1 053.0	0.3	3 412	1 079.6	0.3	3 737	1 330.8	0.4	3 737	1 413.3	0.4	
Programme 1	1 150	17	1 012	267.3	0.3	1 167	334.9	0.3	1 167	365.2	0.3	1 167	421.1	0.4	1 167	436.8	0.4	
Programme 2	1 364	–	1 233	318.6	0.3	1 239	363.2	0.3	1 239	343.4	0.3	1 564	495.7	0.3	1 564	526.6	0.3	
Programme 3	818	–	636	212.8	0.3	818	277.6	0.3	818	287.3	0.4	818	324.9	0.4	818	355.2	0.4	
Programme 4	188	–	170	67.5	0.4	188	77.3	0.4	188	83.6	0.4	188	89.1	0.5	188	94.7	0.5	

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

2. Rand million.

Departmental receipts

Table 28.5 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 (%)
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
R thousand	2011/12	2012/13	2013/14	2014/15		2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Departmental receipts	7 638	15 670	22 601	10 092	10 686	11.8%	100.0%	10 903	11 534	12 211	4.5%	100.0%
Sales of goods and services produced by department	2 576	3 166	4 179	3 265	4 128	17.0%	24.8%	4 106	4 345	4 514	3.0%	37.7%
Sales by market establishments	171	173	175	182	184	2.5%	1.2%	190	200	212	4.8%	1.7%
of which:												
Rental for staff dwellings	43	43	43	43	50	5.2%	0.3%	45	45	47	-2.0%	0.4%
Rental for parking (covered and open)	128	130	132	139	134	1.5%	0.9%	145	155	165	7.2%	1.3%
Administrative fees	1 002	1 396	2 234	1 414	2 055	27.1%	11.8%	2 172	2 297	2 340	4.4%	19.6%
of which:												
Licence fees for occupational health and safety	258	1 385	2 234	1 354	2 055	99.7%	10.5%	2 162	2 287	2 340	4.4%	19.5%
Inspection fees for the national development of learnerships employment skills and labour assessments' trade tests	744	11	–	60	–	-100.0%	1.3%	10	10	–	–	–

Table 28.5 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 (%)
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
R thousand	2011/12	2012/13	2013/14	2014/15	2014/15	2011/12 - 2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2014/15 - 2017/18
Other sales	1 403	1 597	1 770	1 669	1 889	10.4%	11.8%	1 744	1 848	1 962	1.3%	16.4%
of which:												
Commission on insurance and garnishee orders	1 395	1 594	1 767	1 665	1 885	10.6%	11.7%	1 740	1 844	1 958	1.3%	16.4%
Replacement of security cards	4	3	3	4	4	—	—	4	4	4	—	—
Sale of assets < R5 000	4	—	—	—	—	-100.0%	—	—	—	—	—	—
Sales of scrap, waste, arms and other used current goods	8	13	30	12	36	65.1%	0.2%	12	12	12	-30.7%	0.2%
of which:												
Sale of scrap	2	—	—	5	5	35.7%	—	5	5	5	—	—
Sale of waste paper	6	13	30	7	31	72.9%	0.1%	7	7	7	-39.1%	0.1%
Fines, penalties and forfeits	993	107	44	60	15	-75.3%	2.0%	50	50	30	26.0%	0.3%
Interest, dividends and rent on land	1 065	1 780	6 317	1 417	1 016	-1.6%	18.0%	1 380	1 480	1 644	17.4%	12.2%
Interest	1 065	1 780	6 317	1 417	1 016	-1.6%	18.0%	1 380	1 480	1 644	17.4%	12.2%
Sales of capital assets	—	—	—	—	250	—	0.4%	—	—	—	-100.0%	0.6%
Transactions in financial assets and liabilities	2 996	10 604	12 031	5 338	5 241	20.5%	54.5%	5 355	5 647	6 011	4.7%	49.1%
Total	7 638	15 670	22 601	10 092	10 686	11.8%	100.0%	10 903	11 534	12 211	4.5%	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	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2014/15 - 2017/18
Ministry	17.1	16.8	18.6	18.3	2.3%	2.4%	22.1	26.7	29.0	16.5%	2.8%
Management	409.0	450.7	421.2	405.2	-0.3%	56.7%	429.1	471.4	486.7	6.3%	51.5%
Corporate Services	54.1	47.4	53.1	63.0	5.2%	7.3%	68.4	71.1	76.1	6.5%	8.0%
Office of the Chief Financial Officer	62.9	101.7	142.2	119.0	23.7%	14.3%	138.1	137.3	144.7	6.7%	15.5%
Office Accommodation	161.1	71.1	160.6	179.5	3.7%	19.3%	187.4	197.3	207.2	4.9%	22.2%
Total	704.3	687.7	795.7	784.9	3.7%	100.0%	845.1	903.8	943.6	6.3%	100.0%
Change to 2014 Budget estimate				(2.8)			15.2	(52.9)	(67.0)		
Economic classification											
Current payments	590.0	587.7	716.6	759.9	8.8%	89.3%	798.4	873.3	912.6	6.3%	96.2%
Compensation of employees	267.1	284.6	267.3	334.9	7.8%	38.8%	365.2	421.1	436.8	9.3%	44.8%
Goods and services	322.8	303.0	449.3	425.0	9.6%	50.5%	433.2	452.2	475.9	3.8%	51.4%
of which:											
Audit costs: External	14.0	14.8	14.0	24.5	20.5%	2.3%	22.2	22.2	22.6	-2.6%	2.6%
Communication	16.9	10.9	14.0	18.3	2.6%	2.0%	14.6	16.0	17.0	-2.4%	1.9%
Computer services	39.6	68.5	105.7	81.9	27.4%	9.9%	94.0	99.1	104.0	8.3%	10.9%
Operating leases	113.5	46.3	141.5	133.2	5.5%	14.6%	140.6	148.0	154.0	5.0%	16.6%
Property payments	34.0	37.6	41.5	46.6	11.1%	5.4%	51.7	54.4	54.5	5.4%	6.0%
Travel and subsistence	42.8	36.2	21.9	39.5	-2.6%	4.7%	27.6	28.0	29.6	-9.1%	3.6%
Transfers and subsidies	0.8	1.4	1.5	0.2	-36.3%	0.1%	0.2	0.2	0.2	4.9%	—
Provinces and municipalities	0.1	0.2	0.4	—	-100.0%	—	—	—	—	—	—
Households	0.7	1.2	1.1	0.2	-34.9%	0.1%	0.2	0.2	0.2	4.9%	—
Payments for capital assets	112.9	92.4	59.5	24.8	-39.6%	9.7%	46.5	30.3	30.7	7.3%	3.8%
Buildings and other fixed structures	4.6	8.6	1.5	0.3	-59.6%	0.5%	—	—	—	-100.0%	—
Machinery and equipment	108.3	83.7	57.9	24.5	-39.0%	9.2%	46.5	30.3	30.7	7.8%	3.8%
Payments for financial assets	0.7	6.2	18.1	—	-100.0%	0.8%	—	—	—	—	—
Total	704.3	687.7	795.7	784.9	3.7%	100.0%	845.1	903.8	943.6	6.3%	100.0%
Proportion of total programme expenditure to vote expenditure	35.1%	33.8%	33.6%	30.8%	—	—	31.5%	30.1%	29.8%	—	—

Table 28.6 Administration 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											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Households											
Social benefits											
Current	0.7	1.2	1.1	0.2	-34.9%	0.1%	0.2	0.2	0.2	4.9%	–
Employee social benefits	0.7	0.9	1.1	0.2	-33.2%	0.1%	0.2	0.2	0.2	4.9%	–
Ex gratia payment	0.1	0.3	–	–	-100.0%	–	–	–	–	–	–

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 in the labour market by conducting inspections for compliance with employment equity legislation at 1 837 designated employers by March 2016.
- Protect vulnerable workers through the inspection and enforcement of labour legislation by:
 - conducting 150 684 compliance inspections by March 2016
 - training 600 shop stewards, hosting 4 seminars for high risk sectors, and hosting 1 inspector conference by March 2016
 - conducting 13 440 employer payroll audits by March of each year to determine employers' contributions to the Unemployment Insurance Fund.
- Strengthen occupational health and safety protection by:
 - conducting 20 147 inspections for compliance with occupational health and safety regulations by March 2016
 - investigating 60 per cent of all reported incidents within 90 days
 - processing 100 per cent of applications by entities for registration in terms of the Occupational Health and Safety Act (1993) within 4 weeks of receipt.

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 through inspections on compliance with the Occupational Health and Safety Act (1993), and 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* subprogramme for investigation.
- *Compliance, Monitoring and Enforcement* 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 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 (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Management and Support Services:											
Inspection and Enforcement Services	13.4	14.4	16.1	4.6	-29.9%	3.0%	4.7	5.0	5.4	5.3%	1.0%
Occupational Health and Safety	19.9	17.5	16.6	25.9	9.1%	5.0%	27.6	29.9	32.2	7.6%	5.6%
Registration: Inspection and Enforcement Services	80.2	84.7	48.3	55.9	-11.4%	16.9%	63.5	69.7	74.7	10.1%	12.9%
Compliance, Monitoring and Enforcement	257.7	274.6	315.5	309.1	6.2%	72.7%	321.0	467.7	494.3	16.9%	77.6%
Training of Staff: Inspection and Enforcement Services	4.5	4.5	10.5	6.1	10.9%	1.6%	5.2	5.3	5.4	-4.3%	1.1%
Statutory and Advocacy Services	–	–	2.7	8.8	–	0.7%	8.9	9.6	10.1	4.7%	1.8%
Total	375.7	395.6	409.6	410.4	3.0%	100.0%	430.8	587.3	622.1	14.9%	100.0%
Change to 2014				7.2			(2.3)	(12.9)	(14.7)		
Budget estimate											
Economic classification											
Current payments	375.1	394.5	407.8	408.3	2.9%	99.6%	430.7	587.2	622.0	15.1%	99.9%
Compensation of employees	276.0	305.2	318.6	324.7	5.6%	76.9%	343.4	495.7	526.6	17.5%	82.4%
Goods and services	99.1	89.3	89.3	83.6	-5.5%	22.7%	87.3	91.5	95.4	4.5%	17.4%
of which:											
Communication	18.2	25.5	15.9	15.9	-4.4%	4.7%	15.7	16.4	17.2	2.7%	3.2%
Fleet services (including government motor transport)	0.9	0.9	6.1	10.0	126.9%	1.1%	11.8	11.9	12.5	7.8%	2.2%
Consumables: Stationery, printing and office supplies	2.3	2.3	2.6	4.5	24.4%	0.7%	5.8	5.9	6.1	11.0%	1.1%
Property payments	5.5	5.5	8.0	5.3	-1.6%	1.5%	4.8	4.8	5.0	-1.4%	1.0%
Travel and subsistence	55.7	41.3	32.0	26.8	-21.6%	9.8%	30.3	33.0	34.5	8.8%	6.1%
Training and development	1.8	1.8	7.9	4.2	32.5%	1.0%	5.2	5.3	5.4	8.7%	1.0%
Transfers and subsidies	0.6	0.9	1.5	0.2	-34.7%	0.2%	0.1	0.1	0.1	-25.1%	–
Households	0.6	0.9	1.4	0.2	-34.7%	0.2%	0.1	0.1	0.1	-25.1%	–
Payments for capital assets	0.1	0.1	0.3	2.0	181.4%	0.2%	–	–	–	-100.0%	0.1%
Machinery and equipment	0.1	0.1	0.3	2.0	181.4%	0.2%	–	–	–	-100.0%	0.1%
Total	375.7	395.6	409.6	410.4	3.0%	100.0%	430.8	587.3	622.1	14.9%	100.0%
Proportion of total programme expenditure to vote expenditure	18.7%	19.4%	17.3%	16.1%	–	–	16.0%	19.6%	19.7%	–	–
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	0.6	0.9	1.4	0.2	-34.7%	0.2%	0.1	0.1	0.1	-25.1%	–
Employee social benefits	0.6	0.9	1.4	0.2	-34.7%	0.2%	0.1	0.1	0.1	-25.1%	–

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:
 - conducting 18 provincial and 378 advocacy campaigns for local public employment services by March 2016
 - registering 62 000 work opportunities on the Employment Services for South Africa system by 31 March 2016
 - processing applications from private employment agencies and temporary employment services within 60 days of receipt.

- Regulate work visas for foreign individuals and foreign corporations by:
 - processing work visas within 30 working days
 - advising the Department of Home Affairs within 30 days on the number of individual and corporate work visas to be issued.
- Contribute to increasing employment opportunities for people with disabilities by providing quarterly funding, and monitoring disability organisations.

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, records migrating skilled South Africans, 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, and training and income generating opportunities on the employment services system; and facilitates access to employment and income generating opportunities for the unemployed and underemployed.
- *Designated Group Special Services* facilitates the transfer of subsidies to national councils to promote the employment of people with disabilities, youth and women, in collaboration with supported 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	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Management and Support Services: Public Employment Services	21.0	21.8	28.4	33.3	16.6%	6.7%	34.4	40.1	43.5	9.4%	7.3%
Employer Services	143.7	148.5	116.3	116.7	-6.7%	33.6%	116.9	134.5	152.9	9.4%	25.0%
Work Seeker Services	23.5	32.8	95.8	114.2	69.3%	17.0%	125.7	135.6	140.9	7.3%	24.8%
Designated Groups Special Services	0.2	0.1	0.2	0.9	62.5%	0.1%	0.9	0.9	1.0	5.0%	0.2%
Supported Employment Enterprises	72.4	76.2	115.6	139.2	24.3%	25.8%	145.7	155.6	165.5	6.0%	29.1%
Productivity South Africa	34.1	37.1	40.3	43.1	8.2%	9.9%	45.5	47.9	50.3	5.3%	9.0%
Compensation Fund	36.1	14.1	15.6	32.3	-3.7%	6.3%	18.1	19.0	20.0	-14.8%	4.3%
Training of Staff: Public Employment Services	1.2	1.1	4.0	2.0	18.1%	0.5%	1.1	1.1	1.2	-16.4%	0.3%
Total	332.2	331.7	416.2	481.5	13.2%	100.0%	488.3	535.0	575.4	6.1%	100.0%
Change to 2014				15.0			(0.9)	20.2	31.5		
Budget estimate											

Table 28.8 Public Employment Services expenditure trends and estimates by subprogramme and economic classification

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Current payments	192.0	207.2	248.5	313.2	17.7%	61.5%	327.9	368.2	400.3	8.5%	67.8%
Compensation of employees	154.5	169.1	212.8	273.0	20.9%	51.8%	287.3	324.9	355.2	9.2%	59.6%
Goods and services	37.5	38.2	35.7	40.1	2.3%	9.7%	40.6	43.3	45.1	4.0%	8.1%
of which:											
Communication	6.6	6.6	3.4	4.1	-15.1%	1.3%	6.3	6.7	7.1	20.3%	1.2%
Fleet services (including government motor transport)	0.1	0.1	1.3	1.5	174.9%	0.2%	2.8	2.9	3.1	28.5%	0.5%
Consumables: Stationery, printing and office supplies	1.3	1.3	1.3	3.8	44.3%	0.5%	3.5	4.8	5.3	11.2%	0.8%
Operating leases	0.2	0.2	1.3	2.7	133.1%	0.3%	2.4	1.7	1.8	-12.6%	0.4%
Travel and subsistence	17.3	18.6	15.7	14.9	-4.9%	4.3%	11.9	13.0	13.0	-4.3%	2.5%
Venues and facilities	1.7	1.7	1.2	3.0	20.3%	0.5%	2.1	2.1	2.3	-8.6%	0.5%
Transfers and subsidies	138.2	123.6	167.5	167.8	6.7%	38.2%	160.1	166.7	175.0	1.4%	32.2%
Departmental agencies and accounts	70.2	51.1	55.9	75.4	2.4%	16.2%	63.6	67.0	70.3	-2.3%	13.3%
Non-profit institutions	67.7	72.2	111.2	92.4	10.9%	22.0%	96.4	99.7	104.7	4.2%	18.9%
Households	0.3	0.3	0.3	–	-51.4%	0.1%	–	–	–	5.9%	–
Payments for capital assets	2.0	0.8	0.3	0.6	-35.0%	0.2%	0.3	0.1	0.1	-55.0%	–
Machinery and equipment	2.0	0.8	0.3	0.6	-34.9%	0.2%	0.3	0.1	0.1	-55.0%	–
Total	332.2	331.7	416.2	481.5	13.2%	100.0%	488.3	535.0	575.4	6.1%	100.0%
Proportion of total programme expenditure to vote expenditure	16.6%	16.3%	17.6%	18.9%	–	–	18.2%	17.8%	18.2%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	34.1	37.1	40.3	43.1	8.2%	9.9%	45.5	47.9	50.3	5.3%	9.0%
Productivity South Africa	34.1	37.1	40.3	43.1	8.2%	9.9%	45.5	47.9	50.3	5.3%	9.0%
Departmental agencies and accounts											
Social security funds											
Current	36.1	14.1	15.6	32.3	-3.7%	6.3%	18.1	19.0	20.0	-14.8%	4.3%
Compensation Fund	36.1	14.1	15.6	32.3	-3.7%	6.3%	18.1	19.0	20.0	-14.8%	4.3%
Non-profit institutions											
Current	67.7	72.2	111.2	92.4	10.9%	22.0%	96.4	99.7	104.7	4.2%	18.9%
Deaf Federation of South Africa	0.1	–	0.1	0.2	51.8%	–	0.2	0.3	0.3	4.9%	–
National Council for the Physically Disabled	0.1	0.1	0.1	0.3	70.0%	–	0.3	0.3	0.3	5.0%	0.1%
South African National Council for the Blind	0.1	–	0.1	0.3	65.8%	–	0.4	0.4	0.4	5.0%	0.1%
Workshops for the Blind	8.7	9.1	6.9	10.2	5.3%	2.2%	10.6	11.2	11.7	5.0%	2.1%
Subsidised work centres for the disabled	58.8	63.0	104.1	81.4	11.5%	19.7%	84.9	87.6	92.0	4.2%	16.6%

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, and providing statistical data on the labour market, and support to institutions that promote social dialogue.

Objectives

- Improve employment equity in the labour market by:
 - assessing the income differentials of 30 companies to promote the principle of equal pay for work of equal value by the end of each financial year
 - conducting 9 workshops per province per year on the code on equal pay for work of equal value.
- Establish basic employment standards and minimum wages through the review of 4 existing sectoral determinations (farm workers, forestry, private security, and wholesale and retail) and the investigation of 1 sectoral determination for the abattoir sector by March 2016.

- 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 2016.
- Monitor and evaluate the impact of legislation and labour market trends through conducting research and labour market information analysis to promote a sound labour policy framework. 4 reports on labour market information and statistical analysis will be released by September 2015, and 3 literature review reports and 3 data collection instruments for the research, monitoring and evaluation agenda will be completed by March 2016.

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 support services 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 have an 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Management and Support Services: Labour Policy and Industrial Relations	9.6	12.3	10.2	12.7	9.9%	1.6%	13.2	13.8	14.6	4.7%	1.4%
Strengthen Civil Society	15.1	15.8	16.5	17.3	4.8%	2.3%	17.9	18.9	19.8	4.6%	2.0%
Collective Bargaining	10.2	11.2	12.3	14.6	12.6%	1.7%	14.2	15.0	15.9	2.9%	1.6%
Employment Equity	11.0	9.9	12.8	14.6	9.8%	1.7%	15.2	16.0	16.8	5.0%	1.7%
Employment Standards	9.8	8.4	12.5	12.6	9.0%	1.5%	14.8	15.9	16.7	9.8%	1.6%
Commission for Conciliation, Mediation and Arbitration	448.1	478.7	594.4	687.1	15.3%	77.9%	731.8	770.5	808.9	5.6%	79.2%
Research, Policy and Planning	10.6	5.3	7.4	9.8	-2.6%	1.2%	12.7	13.5	14.2	13.2%	1.3%
Labour Market Information and Statistics	29.3	30.3	31.3	37.6	8.7%	4.5%	38.4	40.8	43.2	4.7%	4.2%
International Labour Matters	26.9	23.0	26.6	35.3	9.6%	3.9%	35.1	36.8	38.9	3.2%	3.9%
National Economic Development and Labour Council	24.4	24.7	25.9	27.8	4.4%	3.6%	29.4	31.0	32.6	5.4%	3.2%
Total	594.9	619.7	749.9	869.4	13.5%	100.0%	922.7	972.1	1 021.6	5.5%	100.0%
Change to 2014				(0.5)			(3.5)	(4.2)	(4.8)		
Budget estimate											

Table 28.9 Labour Policy and Industrial Relations expenditure trends and estimates by subprogramme and economic classification

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Current payments	93.4	87.1	96.8	119.5	8.6%	14.0%	126.8	134.1	141.8	5.9%	13.8%
Compensation of employees	60.3	61.5	67.5	79.2	9.5%	9.5%	83.6	89.1	94.7	6.2%	9.2%
Goods and services	33.1	25.5	29.3	40.4	6.8%	4.5%	43.2	45.0	47.0	5.2%	4.6%
of which:											
Advertising	5.0	2.8	6.6	6.3	7.7%	0.7%	7.8	8.1	9.0	12.7%	0.8%
Consultants and professional services:	6.4	1.4	3.4	4.6	-10.2%	0.6%	7.2	7.8	8.2	21.2%	0.7%
Business and advisory services											
Consumables: Stationery, printing and office supplies	2.3	2.3	3.1	4.5	24.5%	0.4%	2.6	2.7	2.9	-13.1%	0.3%
Operating leases	0.9	0.8	0.3	1.7	26.4%	0.1%	1.6	1.7	1.7	-0.9%	0.2%
Travel and subsistence	11.3	11.6	9.5	11.7	1.4%	1.6%	14.2	14.5	14.3	6.8%	1.4%
Venues and facilities	0.9	1.1	1.4	2.9	49.8%	0.2%	2.4	2.5	2.7	-2.4%	0.3%
Transfers and subsidies	501.4	532.4	652.9	749.7	14.3%	86.0%	795.9	838.0	879.7	5.5%	86.2%
Departmental agencies and accounts	472.0	502.9	620.2	714.5	14.8%	81.5%	760.6	800.8	840.7	5.6%	82.3%
Foreign governments and international organisations	14.2	13.7	15.9	17.4	7.1%	2.2%	17.3	18.3	19.2	3.2%	1.9%
Non-profit institutions	15.1	15.8	16.5	17.3	4.8%	2.3%	17.9	18.9	19.8	4.6%	2.0%
Households	0.1	—	0.3	0.4	33.6%	—	—	—	—	-100.0%	—
Payments for capital assets	—	0.2	0.2	0.2	79.2%	—	—	—	—	-53.3%	—
Machinery and equipment	—	0.2	0.2	0.2	79.2%	—	—	—	—	-53.3%	—
Total	594.9	619.7	749.9	869.4	13.5%	100.0%	922.7	972.1	1 021.6	5.5%	100.0%
Proportion of total programme expenditure to vote expenditure	29.6%	30.5%	31.6%	34.1%	—	—	34.3%	32.4%	32.3%	—	—
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	472.0	502.9	620.2	714.5	14.8%	81.5%	760.6	800.8	840.7	5.6%	82.3%
Commission for Conciliation, Mediation and Arbitration	448.1	478.7	594.4	687.1	15.3%	77.9%	731.8	770.5	808.9	5.6%	79.2%
National Economic Development and Labour Council	23.9	24.2	25.8	27.4	4.7%	3.6%	28.8	30.3	31.8	5.1%	3.1%
Non-profit institutions											
Current	15.1	15.8	16.5	17.3	4.8%	2.3%	17.9	18.9	19.8	4.6%	2.0%
Strengthen Civil Society	15.1	15.8	16.5	17.3	4.8%	2.3%	17.9	18.9	19.8	4.6%	2.0%
Foreign governments and international organisations											
Current	14.2	13.7	15.9	17.4	7.1%	2.2%	17.3	18.3	19.2	3.2%	1.9%
International Labour Organisation	13.7	13.1	15.1	16.6	6.7%	2.1%	16.6	17.4	18.3	3.3%	1.8%
African Regional Labour Administration Centre	0.5	0.6	0.8	0.8	16.2%	0.1%	0.8	0.8	0.9	0.7%	0.1%

Public entities and other agencies

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/Activity/Objective	Outcome	Past			Current	Projected		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of new claims registered per year	Providing an efficient social safety net	Outcome 13: An inclusive and responsive social protection system	141 437	196 509	310 710	245 121	494 788	546 200	646 200
Percentage of registered claims finalised per year	Providing an efficient social safety net		62% (325 502)	36% (70 743)	36% (111 856)	80% (196 097)	86% (425 518)	86% (469 732)	86% (555 732)
Percentage of medical claims finalised per year within a 3-month period	Providing an efficient social safety net		45% (234 905)	45% (201 876)	27% (198 654)	75% (231 201)	80% (267 908)	75% (289 341)	75% (297 908)
Percentage growth in assessment revenue per year	Providing an efficient social safety net		2.3% (R5.3bn)	34% (R7.1bn)	2% (R8.2bn)	5% (R8.6bn)	5% (R9bn)	5% (R9.5bn)	5% (R10bn)
Percentage increase in the number of registered employers per year	Providing an efficient social safety net		2% (452 084)	8% (488 947)	5% (513 395)	5% (539 065)	5% (566 017)	5% (594 320)	5% (624 036)

Expenditure analysis

In line with the objectives 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. This includes increasing access to services through decentralising its functions to provincial service points, tabling amendments to the Compensation for Occupational Injuries and Diseases Act (1993) to include domestic workers and increase benefits, and piloting and implementing an online claims registration portal and an automated adjudication system.

Using existing operational funds, a pilot project ran from February 2014 to July 2014 to field test the Rand Mutual Assurance system in three sites in Gauteng, KwaZulu-Natal and Western Cape, in order to get feedback from the fund's registrations, adjudications, medical and pensions stakeholders about the feasibility of this system being utilised as the fund's claims processing engine. The key benefit of the system is an improved turnaround time for the settlement of claims within 30 days. It is anticipated that this should enable the fund to provide 100 per cent service to qualifying beneficiaries over the medium term.

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. Total revenue collected is expected to grow to R37.7 billion, at an average annual rate of 2.8 per cent over the medium term, due to the use of the online employer assessment system. Revenue collected is used to pay benefits and claims and for the cost of administering the fund.

The fund has decentralised its claims processing services with the aim of increasing access to its services for all 9 provinces and improving the claims processing turnaround time. The decentralisation project started in October 2013, with a total of about 670 staff members relocating to various provinces. The success of the decentralisation project, which is part of the core operations programme, is evidenced by an increase in the number of new claims registered, which is expected to increase from 245 121 in 2014/15 to 646 200 in 2017/18. The number of compensation and medical claims processed is projected to increase from 196 097 in 2014/15 to 555 732 in 2017/18, with a concomitant increase in claims paid increasing from R3.1 billion in 2014/15 to R4.2 billion in 2017/18.

In an effort to strengthen social protection and alleviate poverty, and after a review of the existing benefits, the fund's board increased the benefits to be paid to injured employees and their dependants, in the form of lump sums, loss of earnings and monthly pensions. Benefits are set to increase at an average annual rate of 5.5 per cent over the medium term.

Programmes/objectives/activities

Table 28.11 Compensation Fund 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 (%)
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18		
Administration	639.2	701.9	698.0	749.4	5.4%	13.5%	799.9	823.9	848.6	4.2%	17.2%
Compensation for Occupational Injuries and Diseases Act (1993) operations	5 767.5	4 846.1	5 003.1	3 125.9	-18.5%	86.2%	4 002.8	4 122.9	4 246.6	10.8%	82.0%
Provincial operations: Compensation for Occupational Injuries and Diseases Act (1993) operations	—	—	22.2	35.4	—	0.3%	36.5	43.6	44.9	8.2%	0.9%
Total	6 406.7	5 548.0	5 723.2	3 910.8	-15.2%	100.0%	4 839.2	4 990.3	5 140.0	9.5%	100.0%

Statements of historical financial performance and position

Table 28.12 Compensation Fund statements of historical financial performance and position

Table 2012: Compensation and statements of historical financial performance and position										
Statement of financial position		Approved budget	Audited outcome	Approved budget	Audited outcome	Approved budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget Average (%)
R million		2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15
Revenue										
Non-tax revenue		2 104.3	3 476.8	2 903.3	2 959.4	2 839.0	2 960.4	2 807.5	3 500.9	121.1%
Other non-tax revenue		2 104.3	3 476.8	2 903.3	2 959.4	2 839.0	2 960.4	2 807.5	3 500.9	121.1%
Transfers received		4 923.9	4 978.3	5 571.1	7 152.0	5 328.9	8 185.6	8 208.8	8 373.3	119.4%
Total revenue		7 028.2	8 455.0	8 474.3	10 111.4	8 168.0	11 146.0	11 016.3	11 874.3	119.9%
Expenses										
Current expenses		944.5	781.4	937.3	827.7	929.1	753.9	1 017.7	857.3	84.1%
Compensation of employees		494.5	212.0	342.5	306.9	241.1	343.9	448.2	377.8	81.3%
Goods and services		445.7	566.0	590.7	517.8	684.1	401.1	565.8	470.3	85.5%
Depreciation		3.7	1.9	2.0	2.8	1.9	8.9	3.6	9.2	203.8%
Interest, dividends and rent on land		0.6	1.6	2.1	0.1	2.0	–	0.2	–	35.1%
Transfers and subsidies		5 604.3	5 625.3	3 482.0	4 720.4	5 244.2	4 969.3	4 191.0	3 053.5	99.2%
Total expenses		6 548.8	6 406.7	4 419.3	5 548.0	6 173.3	5 723.2	5 208.7	3 910.8	96.6%
Surplus/(Deficit)		479.0	2 048.0	4 055.0	4 563.0	1 995.0	5 423.0	5 808.0	7 963.0	–
Statement of financial position										
Carrying value of assets		138.2	90.9	85.2	95.0	94.7	89.5	101.9	94.0	88.0%
of which:										
Acquisition of assets		37.3	9.3	7.5	3.4	7.2	7.8	8.3	1.3	36.4%
Investments		25 358.3	29 636.7	34 087.3	35 347.7	36 803.0	41 423.6	37 876.2	43 494.8	111.8%
Inventory		–	–	–	–	–	2.6	–	2.7	–
Accrued investment interest		4.6	–	–	–	–	–	–	–	–
Receivables and prepayments		970.6	2 557.3	1 083.6	3 322.2	2 390.5	1 973.6	4 566.4	2 072.3	110.1%
Cash and cash equivalents		841.0	395.0	83.6	1 092.7	424.0	119.7	1 170.6	125.7	68.8%
Total assets		27 312.7	32 680.0	35 339.9	39 857.7	39 712.1	43 609.1	43 715.1	45 789.6	110.9%
Accumulated surplus/(deficit)		9 069.0	14 166.4	17 880.9	22 280.5	18 196.7	26 351.4	24 110.6	27 669.0	130.6%
Capital and reserves		–	–	–	53.9	–	53.9	–	56.6	–
Trade and other payables		468.8	811.6	482.8	1 002.8	894.1	1 052.6	1 136.9	1 105.2	133.2%
Capitalised value of pensions		–	12 860.0	11 482.4	10 085.5	15 604.5	9 716.2	13 275.3	–	80.9%
Provisions		17 775.0	4 842.0	5 493.8	6 435.0	5 016.7	6 435.0	5 192.3	16 958.8	103.6%
Total equity and liabilities		27 312.7	32 680.0	35 339.9	39 857.7	39 712.1	43 609.1	43 715.1	45 789.6	110.9%

Statements of estimates of financial performance and position

Table 28.13 Compensation Fund statements of financial estimates of performance and position

Table 2016 Compensation and Statements of financial estimates of performance and position								
Statement of financial position		Average growth rate	Expenditure/ Total: Average				Average growth rate	Expenditure/ Total: Average
	Revised estimate	(%)	(%)	Medium-term estimate			(%)	(%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Revenue								
Non-tax revenue	3 500.9	0.2%	31.6%	3 603.8	3 737.9	3 840.3	3.1%	29.6%
Other non-tax revenue	3 500.9	0.2%	31.6%	3 603.8	3 737.9	3 840.3	3.1%	29.6%
Transfers received	8 373.3	18.9%	68.4%	8 624.5	8 797.0	9 060.9	2.7%	70.4%
Total revenue	11 874.3	12.0%	100.0%	12 228.3	12 534.9	12 901.2	2.8%	100.0%
Expenses								
Current expenses	857.3	3.1%	15.6%	911.4	944.7	973.1	4.3%	19.7%
Compensation of employees	377.8	21.2%	6.1%	349.4	359.9	370.6	-0.6%	7.8%
Goods and services	470.3	-6.0%	9.3%	559.0	581.8	599.2	8.4%	11.7%
Depreciation	9.2	69.8%	0.1%	2.9	3.0	3.1	-30.7%	0.1%
Interest, dividends and rent on land	—	-84.2%	—	0.1	0.1	0.1	184.3%	—
Transfers and subsidies	3 053.5	-18.4%	84.4%	3 927.8	4 045.6	4 167.0	10.9%	80.3%
Total expenses	3 910.8	-15.2%	100.0%	4 839.2	4 990.3	5 140.0	9.5%	100.0%
Surplus/(Deficit)	7 963.0	57.2%	—	7 389.0	7 545.0	7 761.0	-0.9%	—
Statement of financial position								
Carrying value of assets	94.0	1.1%	0.2%	97.8	101.7	106.8	4.3%	0.2%
of which:								
Acquisition of assets	1.3	-47.6%	—	1.4	1.4	1.5	3.7%	—
Investments	43 494.8	13.6%	92.3%	45 234.6	47 044.0	49 396.2	4.3%	95.0%
Inventory	2.7	—	—	2.8	3.0	3.1	4.3%	—
Receivables and prepayments	2 072.3	-6.8%	6.3%	2 155.2	2 241.4	2 353.5	4.3%	4.5%
Cash and cash equivalents	125.7	-31.7%	1.1%	130.7	136.0	142.8	4.3%	0.3%
Total assets	45 789.6	11.9%	100.0%	47 621.2	49 526.0	52 002.3	4.3%	100.0%
Accumulated surplus/(deficit)	27 669.0	25.0%	55.0%	28 775.7	29 926.8	31 423.1	4.3%	60.4%
Capital and reserves	56.6	—	0.1%	58.9	61.3	64.3	4.3%	0.1%
Trade and other payables	1 105.2	10.8%	2.5%	1 149.4	1 195.4	1 255.1	4.3%	2.4%
Provisions	16 958.8	51.9%	20.7%	17 637.1	18 342.6	19 259.7	4.3%	37.0%
Total equity and liabilities	45 789.6	11.9%	100.0%	47 621.2	49 526.0	52 002.3	17.3%	100.0%

Personnel information

Table 28.14 Compensation Fund personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015			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 (%)	
			2013/14			2014/15			2015/16			2016/17			2017/18					2014/15 - 2017/18
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Compensation Fund			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	2 031	2 031	1 512	343.9	0.2	1 715	377.8	0.2	1 917	349.4	0.2	2 000	359.9	0.2	2 028	370.6	0.2	-0.6%	100.0%	
1 – 6	1 404	1 404	1 058	167.7	0.2	1 207	198.1	0.2	1 374	171.6	0.1	1 401	155.5	0.1	1 401	160.1	0.1	-6.9%	70.3%	
7 – 10	517	517	364	96.0	0.3	423	97.9	0.2	456	87.1	0.2	489	112.4	0.2	517	115.8	0.2	5.7%	24.6%	
11 – 12	77	77	47	32.1	0.7	52	32.8	0.6	54	34.3	0.6	77	31.4	0.4	77	32.4	0.4	-0.4%	3.4%	
13 – 16	33	33	43	48.1	1.1	33	49.0	1.5	33	56.4	1.7	33	60.6	1.8	33	62.4	1.9	8.4%	1.7%	

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). The fund is financed by contributions from employees and employers, as legislated in the Unemployment Insurance Contributions Act (2002).

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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Percentage of total mandated social responsibility investment invested per year	Labour activation programmes	Outcome 13: An inclusive and responsive social protection system	70% (R2.5bn)	109.4% (R3.6bn)	53.4% (R3.6bn)	80%	80%	80%	80%
Number of labour activation initiatives approved by the Unemployment Insurance Fund per year	Labour activation programmes		3	2	9	9	9	9	9
Percentage (and number) of claims finalised within 5 weeks of application per year	Business operations		80% (578 014)	86% (641 811)	86% (668 799)	90%	95%	95%	95%
Percentage (and amount) increase in revenue contributions per year	Business operations		5.3% (11.3bn)	10% (R13.5bn)	11.8% (R15.3bn)	6%	6%	6%	6%
Percentage of rand value of overpayment balance collected per year	Business operations		18% (R72m)	18.4% (R62.6m)	27% (R68.9m)	25%	25%	30%	30%
Percentage (and number) increase in number of employers using the u-filing system per year	Business operations		56% (14 167)	(6 619)	29% (12 361)	30%	30%	30%	30%

Expenditure analysis

In line with the vision of the national development plan and government's 2014-2019 medium term strategic framework, the Unemployment Insurance Fund will, over the medium term, 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.

The fund's core mandate and job creation initiatives contribute to 3 of the 10 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 give unemployed beneficiaries various artisan skills.

The fund will also continue to pay benefits estimated at R28.9 billion to qualifying persons over the medium term. The increase in expenditure for social benefits over the medium term is as a result of the recommended benefit improvements contained in the draft Unemployment Insurance Amendment Bill. The bill proposes a number of benefit improvements, including the extension of the number of credit days from 243 to 365 days; the provision of full benefits to women who miscarry; the extension of the period from 6 to 18 months during which dependants can claim deceased contributors' benefits; and a reduction in the number of days for the claiming of illness benefits from 14 to 7 days.

In addition to the improvements to benefits, the fund aims to continuously improve efficiency by increasing the rate at which claims are processed and paid. The claims turnaround rate is a tool used to measure this efficiency and is pursued through the target of increasing the percentage of claims finalised within 5 weeks of application from 90 per cent in 2014/15 to 95 per cent over the medium term. Due to a review of organisational structures and the implementation of new technology at both the provincial level and head office, the number of staff is expected to increase by 163 between 2014/15 and 2015/16, which will enable the fund to achieve this projected increase in the percentage of claims finalised.

The fund is financed through contributions from employees and employers as legislated in the Unemployment Insurance Contributions Act (2002). The fund is expected to receive on average 62.3 per cent (R57 billion) of its total revenue over the medium term from unemployment contributions, with income from its own revenue amounting to R37.4 billion, mainly driven by income from investments. The high projected revenue from unemployment contributions is due to an anticipated increase in contributors to the fund as the economy recovers.

The investment portfolio of the fund is R108.5 billion, and this is set to increase in line with the projected increase in net surpluses and portfolio growth. The projected accumulated surpluses are estimated to be R86.1 billion in 2014/15, reaching R138 billion in 2017/18, and the surpluses will enable the fund to contribute to initiatives that support job creation and poverty alleviation. These initiatives include investing in targeted labour intensive priority sectors such as mineral resources beneficiation, tourism, primary agriculture and agro-processing, and are targeted at unemployed youth and beneficiaries of the fund who need to be reintegrated into the labour market.

The implementation of these schemes is through the mandated socially responsible investments allocation, which is 10 per cent of the investment portfolio of the fund. The fund will allocate R1.5 billion, which will cover the cost of training plus a stipend, to initiatives to train 19 500 unemployed beneficiaries in various artisan and related skills programmes over the medium term, and R150 million to fund Productivity South Africa's turnaround solutions programme, which aims to assist 300 distressed companies save an estimated 30 000 jobs and reduce the number of beneficiaries to the fund.

The training layoff scheme is an alternative to the retrenchment of staff for distressed companies. Participation in the scheme will ensure that beneficiaries of the fund do not lose their jobs but are instead reskilled in order to remain active in the labour market. The commitment of R1.2 billion to the scheme will continue to be maintained through an earmarked allocation of R450 million over the medium term.

Programmes/objectives/activities

Table 28.16 Unemployment Insurance 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
Administration	353.5	404.7	548.1	601.5	19.4%	5.7%	645.5	664.1	700.8	5.2%	5.8%
Business operations	6 469.3	6 722.3	8 389.9	8 983.8	11.6%	92.5%	9 510.8	9 915.7	11 083.5	7.3%	88.0%
Labour activation programmes	22.7	32.1	88.0	554.5	190.0%	1.8%	698.7	735.8	776.2	11.9%	6.1%
Total	6 845.6	7 159.1	9 026.1	10 139.7	14.0%	100.0%	10 855.0	11 315.5	12 560.5	7.4%	100.0%

Statements of historical financial performance and position

Table 28.17 Unemployment Insurance Fund statements of historical financial performance and position

Statement of financial performance									
	Approved budget	Audited outcome	Approved budget	Audited outcome	Approved budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget Average (%)
R million	2011/12	2012/13	2012/13	2013/14	2013/14	2014/15	2014/15	2014/15	2011/12 - 2014/15
Revenue									
Non-tax revenue	3 353.7	6 398.8	4 250.2	9 666.9	4 965.9	5 885.0	6 173.7	8 628.7	163.1%
Sale of goods and services other than capital assets	4.2	1.9	3.3	2.1	3.0	2.1	2.7	2.7	67.4%
of which:									
Sales by market establishment	2.2	1.9	2.1	2.1	2.1	2.1	2.3	2.3	96.8%
Other sales	1.9	—	1.2	0.1	0.9	—	0.3	0.3	9.1%
Other non-tax revenue	3 349.5	6 396.9	4 246.9	9 664.8	4 962.9	5 882.8	6 171.0	8 626.0	163.2%
Transfers received	12 202.9	12 284.3	12 828.5	13 498.5	13 964.9	15 077.3	15 975.2	16 420.5	104.2%
Total revenue	15 556.5	18 683.1	17 078.7	23 165.4	18 930.9	20 962.3	22 148.9	25 049.1	119.2%
Expenses									
Current expenses	1 283.9	1 145.0	1 467.0	1 253.9	1 520.9	1 488.7	1 760.0	1 691.1	92.5%
Compensation of employees	657.4	575.5	747.0	649.7	826.5	772.3	899.8	934.6	93.7%
Goods and services	618.9	562.7	710.5	600.0	683.9	706.1	846.5	736.2	91.1%
Depreciation	7.5	6.9	9.5	4.3	10.6	8.5	13.7	20.3	96.8%
Interest, dividends and rent on land	—	—	—	—	—	1.7	—	—	5 390.6%
Transfers and subsidies	8 328.3	5 700.5	7 918.9	5 905.2	10 291.9	7 537.4	10 070.1	8 448.6	75.4%
Total expenses	9 612.2	6 845.6	9 385.9	7 159.1	11 812.9	9 026.1	11 830.2	10 139.7	77.8%
Surplus/(Deficit)	5 944.0	11 838.0	7 693.0	16 006.0	7 118.0	11 936.0	10 319.0	14 909.0	—

Table 28.18 Unemployment Insurance Fund statements of financial performance and position trends

Statement of financial position										Outcome/ Budget Average (%)
	Approved budget	Audited outcome	Approved budget	Audited outcome	Approved budget	Audited outcome	Budget estimate	Revised estimate		
R million	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15	
Carrying value of assets	102.2	78.3	118.9	82.4	103.0	76.4	96.4	270.4		120.7%
of which:										
Acquisition of assets	21.6	10.1	46.6	8.4	7.0	2.4	21.6	214.3		243.1%
Investments	55 991.2	64 069.2	68 217.0	81 172.0	82 271.4	92 822.2	91 566.8	108 517.7		116.3%
Receivables and prepayments	158.8	13.2	110.1	7.9	118.7	19.5	185.0	59.7		17.5%
Cash and cash equivalents	1 126.3	1 787.0	1 217.0	580.3	1 707.3	1 382.8	1 712.5	1 294.9		87.5%
Derivatives financial instruments	—	26.1	—	5.9	—	—	—	—		—
Total assets	57 378.5	65 973.8	69 663.0	81 848.5	84 200.4	94 300.9	93 560.7	110 142.7		115.6%
Accumulated surplus/(deficit)	39 496.7	47 943.9	51 389.7	62 012.3	61 601.2	72 317.0	67 434.3	86 137.8		122.0%
Capital and reserves	13 699.2	14 527.9	14 521.7	16 465.8	15 439.7	18 097.4	16 143.9	19 742.3		115.1%
Borrowings	—	—	7.2	—	—	—	—	—		0.4%
Trade and other payables	58.7	82.5	80.6	96.1	85.6	216.5	87.3	218.4		196.6%
Benefits payable	4 106.0	3 383.3	3 642.4	3 243.0	7 037.7	3 613.5	9 859.1	3 987.7		57.7%
Provisions	17.8	21.6	21.4	24.6	21.6	26.7	21.6	26.7		120.7%
Derivatives financial instruments	—	14.6	—	6.6	14.6	29.8	14.6	29.8		277.3%
Total equity and liabilities	57 378.5	65 973.8	69 663.0	81 848.5	84 200.4	94 300.9	93 560.7	110 142.7		115.6%

Statements of estimates of financial performance and position**Table 28.19 Unemployment Insurance Fund statements of financial performance and position estimates**

Statement of financial performance										
	Revised estimate	Average growth rate (%)	Expen- diture/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expen- diture/ Total: Average (%)		
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18			
Revenue										
Non-tax revenue	8 628.7	10.5%	34.6%	10 309.8	11 415.1	12 976.1	14.6%	36.9%		
Sale of goods and services other than capital assets	2.7	11.5%	0.0%	10.4	35.4	60.4	182.3%	0.1%		
of which:										
Sales by market establishment	2.3	6.5%	—	10.3	35.3	60.3	195.7%	0.1%		
Other sales	0.3	—	—	—	—	—	-71.5%	—		
Other non-tax revenue	8 626.0	10.5%	34.6%	10 299.5	11 379.8	12 915.8	14.4%	36.8%		
Transfers received	16 420.5	10.2%	65.4%	17 722.7	19 065.9	20 428.4	7.6%	63.1%		
Total revenue	25 049.1	10.3%	100.0%	28 032.5	30 481.0	33 404.5	10.1%	100.0%		
Expenses										
Current expenses	1 691.1	13.9%	16.9%	1 840.2	1 933.5	2 044.8	6.5%	16.7%		
Compensation of employees	934.6	17.5%	8.8%	998.6	1 066.2	1 135.0	6.7%	9.2%		
Goods and services	736.2	9.4%	7.9%	818.2	863.2	906.4	7.2%	7.4%		
Depreciation	20.3	43.6%	0.1%	23.4	4.1	3.4	-45.0%	0.1%		
Transfers and subsidies	8 448.6	14.0%	83.1%	9 014.8	9 382.1	10 515.8	7.6%	83.3%		
Total expenses	10 139.7	14.0%	100.0%	10 855.0	11 315.5	12 560.5	7.4%	100.0%		
Surplus/(Deficit)	14 909.0	8.0%		17 178.0	19 165.0	20 844.0	11.8%			

Personnel information**Table 28.20 Unemployment Insurance Fund personnel numbers and cost by salary level¹**

Number of posts estimated for 31 March 2015			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 (%)				
		2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18			
		Unit			Unit			Unit			Unit								
Unemployment Insurance Fund		Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost			
Salary level	3 461	3 461	3 298	772.3	0.2	3 298	934.6	0.3	3 461	998.6	0.3	3 461	1 066.2	0.3	3 461	1 135.0	0.3	6.7%	100.0%
1 – 6	2 103	2 103	2 030	383.1	0.2	2 030	411.6	0.2	2 103	439.4	0.2	2 103	469.3	0.2	2 103	497.5	0.2	6.5%	61.0%
7 – 10	1 191	1 191	1 119	305.1	0.3	1 119	373.8	0.3	1 191	400.1	0.3	1 191	427.2	0.4	1 191	455.6	0.4	6.8%	34.3%
11 – 12	129	129	119	60.6	0.5	119	100.7	0.8	129	107.4	0.8	129	114.5	0.9	129	122.5	0.9	6.7%	3.7%
13 – 16	38	38	30	23.5	0.8	30	48.4	1.6	38	51.6	1.4	38	55.2	1.5	38	59.4	1.6	7.1%	1.1%

¹ Rand million.

Other public entities and agencies

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 **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 in the world. The commission's total budget for 2015/16 is R746.9 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 2015/16 is R29.3 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 2015/16 is R127.6 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		
				2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
R million										
Departmental infrastructure										
Rustenburg labour centre: Construction of building	New labour centre	Construction	16.0	1.9	7.5	0.9	-	-	-	-
Site clearance	New labour centre	On hold	35.1	1.5	1.1	0.6	-	-	-	-
Security: Wendy houses	Labour centres security: Wendy houses	Hand over	-	-	-	-	-	-	-	-
Electrical Repairs and Maintenance	Electrical repairs and maintenance	Hand over	3.9	1.2	0.1	-	-	-	-	-
Supported employment enterprises head office: Second phase of repair and maintenance programme (Silverton, Pretoria)	Maintenance of supported employment enterprises for compliance with the Occupational Health and Safety Act (1993)	On hold	13.6	0.1	-	-	-	-	-	-
Laboria House: First phase of repair and maintenance programme (Pretoria)	Maintenance of head office building to be compliant with the Occupational Health and Safety Act (1993)	On hold	15.4	2.3	-	-	-	-	-	-
Supported employment enterprises: Second phase of repair and maintenance programme (Bloemfontein)	Maintenance of supported employment enterprises to be compliant with the Occupational Health and Safety Act (1993)	On hold	5.9	0.1	-	-	-	-	-	-
Total			89.9	7.1	8.6	1.5	-	-	-	-

Vote 29

Mineral Resources

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	293.2	280.2	2.7	10.3	307.2	325.7
Mine Health and Safety	175.8	175.2	–	0.6	186.3	201.8
Mineral Regulation	260.4	209.5	50.5	0.5	276.2	294.0
Mineral Policy and Promotion	889.0	141.2	747.7	0.1	915.2	911.2
Total expenditure estimates	1 618.5	806.1	800.9	11.5	1 684.9	1 732.6

Executive authority Minister of Mineral Resources
 Accounting officer Director General of Mineral Resources
 Website address www.dmr.gov.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, public entities, donor funding, public private partnerships, conditional allocations 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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
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	8 020	8 632	9 919	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		82	102	192	200	200	200	200
Number of industry workshops on compliance issues conducted per year	Mineral Regulation		34	25	12	9 ²	9	9	9
Number of social and labour plans inspections per year ³	Mineral Regulation		259	181	285	250	150	250	250
Number of environmental authorisation inspections per year	Mineral Regulation	Outcome 10: Protect and enhance our environmental assets and natural resources	1 898	1 751	1 868	1 700	1 700	1 700	1 700
Number of mine economics verification audits per year ⁴	Mineral Regulation	Outcome 4: Decent employment through inclusive economic growth	541	480	546	500	500	500	500
Number of publications per year	Mineral Policy and Promotion		12	35	13	13	13	13	13
Number of legislative instruments reviewed and amended per year ⁵	Mineral Policy and Promotion		2	2	2	3	3	4	3

Table 29.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of derelict and ownerless mines rehabilitated per year	Mineral Policy and Promotion	Outcome 10: Protect and enhance our environmental assets and natural resources	3	13	28	50 ⁶	50	50	50
Number of SMMEs supported (new and established) per year	Mineral Policy and Promotion	Outcome 7: Comprehensive rural development and land reform	85	72	81	67	88	88	88
Number of consultations, and 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	– ⁷	20	10	10	10
Number of beneficiation promotional activities per year	Mineral Policy and Promotion		– ⁷	– ⁷	– ⁷	30	20	15	15
Number of strategic partnerships per year	Mineral Policy and Promotion		7	7	8	7	10	10	10

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 is due to the department's plan going forward to conduct 1 workshop per region.

3. This indicator replaces the previous "number of mining charter inspections per year" indicator.

4. This indicator refers to audits conducted by mine economists to ascertain the levels of mineral extraction occurring at mines.

5. This indicator has been rephrased. It was previously "number of policies and regulations reviewed and amended per year".

6. The target increased from 28 in 2013/14 to 50 in 2014/15 after the department received additional funding for that purpose.

7. No historical data is available, as this is a new indicator measured from 2014/15 onwards.

Expenditure analysis

Over the medium term, the Department of Mineral Resources will contribute to achieving a stable regulatory framework in the mining sector as identified by the national development plan, as well as contributing more broadly to an equitable and inclusive economy. The department will be making key contributions to government's 2014-2019 medium term strategic framework, particularly to outcome 4 (decent employment through inclusive growth), outcome 6 (an effective, competitive and responsive economic infrastructure network) and outcome 10 (protect and enhance our environmental assets and natural resources).

Enforcing compliance with legislation and promoting sustainable resource use and management over the medium term is projected to cost R4.1 billion, or 81.4 per cent of the department's total budget. Ensuring the best utilisation of mineral resources is another medium term priority for the department.

Enforcing compliance with legislation

To increase the department's capacity for enforcing compliance with mining legislation, including carrying out occupational health and safety inspections, social and labour plans inspections, and environmental authorisation inspections, the department's staff is set to grow from 1 197 in 2015/16 to 1 209 in 2017/18. Compensation of employees is set to increase by 7.2 per cent over the medium term to cater for the 12 additional personnel. Compensation of employees drives overall departmental spending due to the labour intensive nature of inspections combined with requirements for considerable technical expertise, and it accounts for 33.7 per cent of the total departmental budget over the medium term. The Mineral Regulations and Mine Health and Safety programmes are set to take up the bulk of the R1.7 billion compensation of employees budget over the medium term.

The department received an additional allocation of R42 million over the medium term towards enforcing compliance with the Mineral and Petroleum Resources Development Act (2002). Among other enforcement activities, such as inspections, the department will be doing research and advocacy work on hydraulic fracturing in preparation for licensing shale gas exploration and for monitoring compliance with the regulations once the exploration starts. The department receives an additional R108 million over the period for this work. Shale gas exploration is expected to contribute to economic growth and job creation. Health and safety inspections and audits will be carried out in compliance with the Mine Health and Safety Act (1996) to contribute to the target of a 20 per cent reduction in occupational fatalities and injuries and a 10 per cent reduction in occupational diseases per year over the medium term. Cabinet approved reductions amount to R73.6 million over the medium term and will be effected mainly on goods and services.

Promoting sustainable resource use and management

Government's 2014-2019 medium term strategic framework advocates for the protection and enhancement of environmental assets and natural resources. In line with this, the department aims to rehabilitate 150 derelict and ownerless mines over the medium term to limit the flow of acid mine water into the environment. This contaminated water from metal mines causes ecological harm and compromises human and animal health. Expenditure on contractors is expected to increase by 23.1 per cent over the medium term to support the rehabilitation work, which requires technical expertise that the department does not have.

Through its transfers in the *Mineral Policy and Promotion* programme to the Council for Geoscience and the Council for Mineral Technology and Research, the department will support the research and development of efficient mineral processing technologies and the provision of advisory services on geohazards and geo-environmental pollution. The *Mineral Policy and Promotion* programme is the department's highest spending programme, accounting for 53.8 per cent of the total departmental budget over the medium term. The purpose of this spending is to attract investment through promoting South Africa's mining and petroleum sectors.

Ensuring the best utilisation of mineral resources

The department will strengthen its capacity to enforce compliance with the conditions of mining rights. The conditions include maximising employment, contributing to state finances, transforming the sector, and environmental stewardship.

In collaboration with the Department of Trade and Industry, the department is developing a comprehensive mineral beneficiation action plan to facilitate the expansion of beneficiation initiatives. Beneficiation, or value added processing, involves the transformation of a primary material (produced by mining and extraction processes) to a more finished product that has a higher export sales value. Each successive level of processing permits the product to be sold at a higher price.

Expenditure trends

Table 29.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Mine Health and Safety														
3. Mineral Regulation														
4. Mineral Policy and Promotion														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Programme 1	247.9	247.9	257.6	238.9	257.3	295.3	271.5	282.3	308.6	284.2	297.6	297.6	111.2%	106.8%
Programme 2	147.5	147.5	141.3	154.5	150.6	140.7	163.7	163.7	153.2	168.0	172.0	172.0	95.8%	95.8%
Programme 3	160.4	162.2	184.4	180.1	187.8	191.4	222.7	211.9	205.5	231.4	236.7	236.7	103.0%	102.4%
Programme 4	480.4	481.4	446.2	595.6	579.9	546.3	735.9	735.9	719.9	787.8	769.2	769.2	95.5%	96.7%
Total	1 036.2	1 039.0	1 029.4	1 169.1	1 175.5	1 173.6	1 393.8	1 393.8	1 387.2	1 471.3	1 475.5	1 475.5	99.9%	99.6%
Change to 2014 Budget estimate											4.3			
Economic classification														
Current payments	587.6	588.8	589.8	602.6	613.6	623.8	747.9	708.1	684.8	742.3	744.3	744.3	98.6%	99.5%
Compensation of employees	377.6	380.4	364.6	401.9	402.3	395.9	435.0	444.1	435.3	476.8	492.0	492.0	99.8%	98.2%
Goods and services of which:	210.0	208.4	222.6	200.7	211.2	227.9	312.9	264.0	249.6	265.6	252.3	252.3	96.3%	101.8%
Communication	7.4	8.4	14.4	10.0	9.7	12.5	10.8	12.4	15.0	13.1	12.8	12.8	132.7%	126.4%
Computer services	21.4	23.6	21.4	17.5	17.5	23.3	27.9	19.9	18.0	22.0	24.8	24.8	98.5%	101.9%
Contractors	2.9	2.0	1.3	4.0	2.9	1.6	75.9	26.7	1.2	40.5	4.3	4.3	6.7%	23.1%
Operating leases	41.1	40.6	82.3	34.6	42.0	85.6	51.3	52.6	91.1	42.3	42.1	42.1	177.8%	169.8%
Travel and subsistence	59.4	56.2	57.6	61.2	62.8	61.8	69.3	68.3	59.3	69.9	68.8	68.8	95.3%	96.7%
Operating payments	4.8	5.8	4.3	8.3	9.7	4.3	13.2	13.9	11.2	14.5	26.1	26.1	112.7%	82.7%
Interest and rent on land	—	—	2.6	—	0.2	—	—	—	—	—	—	—	—	1675.2%
Transfers and subsidies	438.4	438.4	420.8	560.3	541.8	525.1	630.1	669.9	688.5	717.9	719.4	719.4	100.3%	99.3%
Departmental agencies and accounts	199.1	199.1	199.1	266.5	269.1	269.1	315.1	321.1	321.1	340.8	347.3	347.3	101.3%	100.0%
Public corporations and private enterprises	238.3	238.3	220.3	292.6	271.5	253.5	313.7	345.7	364.7	375.8	370.9	370.9	99.1%	98.6%
Households	1.1	1.1	1.5	1.2	1.2	2.4	1.2	3.0	2.7	1.3	1.3	1.3	164.5%	119.9%

Table 29.2 Vote expenditure trends by programme and economic classification

Economic classification														
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Payments for capital assets	10.1	11.7	18.6	6.1	20.1	24.5	15.9	15.9	13.9	11.0	11.8	11.8	159.3%	115.7%
Buildings and other fixed structures	–	0.8	0.9	–	3.4	0.4	3.2	1.8	0.1	2.8	3.8	3.8	86.0%	52.6%
Machinery and equipment	10.1	10.6	17.1	6.1	15.9	24.1	12.7	14.1	13.8	8.2	8.0	8.0	169.4%	129.7%
Software and other intangible assets	–	0.3	0.6	–	0.8	–	–	–	–	–	–	–	–	58.9%
Payments for financial assets	–	–	0.2	–	–	0.2	–	–	–	–	–	–	–	–
Total	1 036.2	1 039.0	1 029.4	1 169.1	1 175.5	1 173.6	1 393.8	1 393.8	1 387.2	1 471.3	1 475.5	1 475.5	99.9%	99.6%

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 (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme 1	297.6	6.3%	22.9%	293.2	307.2	325.7	3.0%	18.8%
Programme 2	172.0	5.3%	12.0%	175.8	186.3	201.8	5.5%	11.3%
Programme 3	236.7	13.4%	16.1%	260.4	276.2	294.0	7.5%	16.4%
Programme 4	769.2	16.9%	49.0%	889.0	915.2	911.2	5.8%	53.5%
Total	1 475.5	12.4%	100.0%	1 618.5	1 684.9	1 732.6	5.5%	100.0%
Change to 2014 Budget estimate				19.3	20.8	36.3		
Economic classification								
Current payments	744.3	8.1%	52.2%	806.1	915.8	973.2	9.3%	52.8%
Compensation of employees	492.0	9.0%	33.3%	528.4	566.6	605.3	7.2%	33.7%
Goods and services	252.3	6.6%	18.8%	277.7	349.2	367.9	13.4%	19.2%
of which:								
Communication	12.8	15.2%	1.1%	13.5	13.5	14.1	3.3%	0.8%
Computer services	24.8	1.7%	1.7%	24.3	23.1	24.7	-0.2%	1.5%
Contractors	4.3	28.9%	0.2%	44.7	109.9	115.3	199.2%	4.2%
Operating leases	42.1	1.2%	5.9%	40.2	42.6	45.6	2.7%	2.6%
Travel and subsistence	68.8	6.9%	4.9%	74.0	75.3	78.5	4.5%	4.6%
Operating payments	26.1	65.4%	0.9%	15.1	16.0	16.8	-13.6%	1.1%
Transfers and subsidies	719.4	17.9%	46.5%	800.9	757.8	747.7	1.3%	46.5%
Departmental agencies and accounts	347.3	20.4%	22.4%	377.8	412.2	412.5	5.9%	23.8%
Public corporations and private enterprises	370.9	15.9%	23.9%	421.8	344.1	333.6	-3.5%	22.6%
Households	1.3	5.5%	0.2%	1.4	1.4	1.5	5.0%	0.1%
Payments for capital assets	11.8	0.1%	1.4%	11.5	11.3	11.8	–	0.7%
Buildings and other fixed structures	3.8	65.7%	0.1%	2.9	3.1	3.2	-5.2%	0.2%
Machinery and equipment	8.0	-9.0%	1.2%	8.6	8.2	8.5	2.4%	0.5%
Total	1 475.5	12.4%	100.0%	1 618.5	1 684.9	1 732.6	5.5%	100.0%

Personnel information

Table 29.4 Vote personnel numbers and cost by salary level and programme¹

Programmes																						
1. Administration																						
2. Mine Health and Safety																						
3. Mineral Regulation																						
4. Mineral Policy and Promotion																						
Number of posts estimated for 31 March 2015			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 (%)					
			2013/14			2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18				
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number				Cost	Unit Cost		
Mineral Resources			1 182	65		1 103	435.3	0.4	1 180	492.0	0.4	1 197	528.4	0.4	1 203	566.6	0.5	1 209	605.3	0.5	0.8%	100.0%
Salary level	1 182	65	1 103	435.3	0.4	1 180	492.0	0.4	1 197	528.4	0.4	1 203	566.6	0.5	1 209	605.3	0.5	0.8%	100.0%			
1 – 6	290	56	271	48.4	0.2	290	54.9	0.2	292	61.5	0.2	292	65.2	0.2	292	67.8	0.2	0.2%	24.3%			
7 – 10	564	7	508	169.9	0.3	562	202.5	0.4	570	221.5	0.4	574	237.4	0.4	578	253.3	0.4	0.9%	47.7%			
11 – 12	244	1	244	140.6	0.6	244	151.6	0.6	249	161.7	0.6	251	175.0	0.7	253	190.2	0.8	1.2%	20.8%			
13 – 16	84	1	80	76.3	1.0	84	83.0	1.0	86	83.8	1.0	86	89.1	1.0	86	93.9	1.1	0.8%	7.1%			
Programme	1 182	65	1 103	435.3	0.4	1 180	492.0	0.4	1 197	528.4	0.4	1 203	566.6	0.5	1 209	605.3	0.5	0.8%	100.0%			
Programme 1	401	17	365	136.3	0.4	399	153.6	0.4	399	156.9	0.4	399	166.9	0.4	399	178.7	0.4	–	33.3%			
Programme 2	283	20	274	119.8	0.4	283	133.6	0.5	283	143.8	0.5	283	154.6	0.5	283	162.7	0.6	–	23.6%			
Programme 3	386	20	355	126.1	0.4	386	150.0	0.4	403	167.4	0.4	409	180.9	0.4	415	194.4	0.5	2.4%	33.7%			
Programme 4	112	8	109	53.1	0.5	112	54.8	0.5	112	60.3	0.5	112	64.1	0.6	112	69.5	0.6	–	9.4%			

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

2. Rand million.

Departmental receipts

Table 29.5 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 (%)
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
R thousand				2014/15		2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Departmental receipts	93 185	93 363	109 034	45 113	53 394	-16.9%	100.0%	118 351	124 860	131 479	35.0%	100.0%
Sales of goods and services produced by department	2 559	4 156	2 415	2 627	2 557	–	3.3%	2 557	2 698	2 842	3.6%	2.5%
Sales by market establishments	392	2 465	499	505	483	7.2%	1.1%	487	514	541	3.9%	0.5%
of which:												
Market establishment: Rental parking:	392	462	499	505	483	7.2%	0.5%	487	514	541	3.9%	0.5%
Covered and open Market establishment: Rental of other machinery and equipment	–	2 003	–	–	–	–	0.6%	–	–	–	–	–
Administrative fees	1 608	1 137	1 356	1 624	1 611	0.1%	1.6%	1 585	1 673	1 761	3.0%	1.5%
of which:												
Application fees in relation to the Mineral and Petroleum Resources Development Act (2000)	1 586	1 105	1 330	1 602	1 585	–	1.6%	1 565	1 650	1 737	3.1%	1.5%
Requested information: Promotion of Access to Information Act (2000)	22	32	26	22	26	5.7%	–	20	23	24	-2.6%	–

Table 29.5 Departmental receipts by economic classification

Departmental receipts				Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ total: Average (%)				Average growth rate (%)	Receipt item/ total: Average (%)
Audited outcome			Medium-term receipts estimate									
R thousand	2011/12	2012/13	2013/14	2014/15		2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Other sales	559	554	560	498	463	-6.1%	0.6%	485	511	540	5.3%	0.5%
of which:												
Services rendered:	139	157	175	176	180	9.0%	0.2%	172	181	191	2.0%	0.2%
Commission on insurance and garnishee												
Services rendered:	395	374	365	272	236	-15.8%	0.4%	265	280	295	7.7%	0.3%
Marking of exam paper												
Services rendered:	21	20	17	46	44	28.0%	—	45	47	50	4.4%	—
Photocopies and faxes												
Replacement of security cards	4	3	3	4	3	-9.1%	—	3	3	4	10.1%	—
Sales of scrap, waste, arms and other used current goods	1	1	1	2	7	91.3%	—	2	2	2	-34.1%	—
of which:												
Sales: Scrap	—	—	—	1	1	—	—	1	1	1	—	—
Sales: Waste paper	1	1	1	1	6	81.7%	—	1	1	1	-45.0%	—
Fines, penalties and forfeits	665	1 206	1 115	924	1 227	22.7%	1.2%	1 213	1 280	1 348	3.2%	1.2%
Interest, dividends and rent on land	89 388	87 158	104 938	39 736	46 610	-19.5%	94.0%	112 411	118 593	124 878	38.9%	94.0%
Interest	195	157	88	62	56	-34.0%	0.1%	175	184	194	51.3%	0.1%
Rent on land	89 193	87 001	104 850	39 674	46 554	-19.5%	93.9%	112 236	118 409	124 684	38.9%	93.9%
Sales of capital assets	8	—	—	—	—	-100.0%	—	—	—	—	—	—
Transactions in financial assets and liabilities	564	842	565	1 824	2 993	74.4%	1.4%	2 168	2 287	2 409	-7.0%	2.3%
Total	93 185	93 363	109 034	45 113	53 394	-16.9%	100.0%	118 351	124 860	131 479	35.0%	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				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome							2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Ministry	23.2	24.5	28.2	25.6	3.3%	8.8%	25.6	27.1	28.7	3.9%	8.7%
Corporate Services	86.3	123.4	151.2	118.6	11.2%	41.4%	110.7	116.9	123.6	1.4%	38.4%
Department Management	15.5	17.4	17.1	24.5	16.5%	6.4%	20.6	21.9	23.1	-1.9%	7.4%
Financial Administration	88.9	87.5	76.4	87.7	-0.5%	29.4%	92.6	95.1	101.6	5.0%	30.8%
Internal Audit	9.7	13.3	11.8	12.8	9.6%	4.1%	14.0	14.9	15.8	7.2%	4.7%
Office Accommodation	34.0	29.2	23.8	28.4	-5.7%	10.0%	29.7	31.3	32.9	5.0%	10.0%
Total	257.6	295.3	308.6	297.6	4.9%	100.0%	293.2	307.2	325.7	3.0%	100.0%
Change to 2014				13.4			(3.5)	(7.3)	(6.7)		
Budget estimate											
Economic classification											
Current payments	238.3	275.1	294.8	286.6	6.3%	94.5%	280.2	294.0	311.8	2.8%	95.8%
Compensation of employees	115.2	127.7	136.3	153.6	10.1%	46.0%	156.9	166.9	178.7	5.2%	53.6%
Goods and services	120.6	147.4	158.6	133.0	3.3%	48.3%	123.4	127.1	133.0	–	42.2%
of which:											
Communication	8.3	5.1	5.8	4.9	-16.2%	2.1%	5.6	5.7	6.0	7.0%	1.8%
Computer services	17.0	19.8	16.0	19.3	4.4%	6.2%	15.9	15.8	16.5	-5.2%	5.5%
Consultants and professional services:	2.0	1.3	1.5	7.2	53.6%	1.0%	6.3	6.4	6.7	-2.5%	2.2%
Business and advisory services											
Operating leases	51.8	77.0	88.8	40.7	-7.8%	22.3%	33.0	34.6	36.3	-3.7%	11.8%

Table 29.6 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 (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
R million											
Travel and subsistence	18.8	21.3	18.0	20.4	2.8%	6.8%	22.5	22.7	23.8	5.2%	7.3%
Operating payments	2.2	2.6	3.9	5.0	30.6%	1.2%	5.4	5.7	6.0	6.7%	1.8%
Interest and rent on land	2.6	–	–	–	-100.0%	0.2%	–	–	–	–	–
Transfers and subsidies	1.5	2.4	2.7	2.7	23.3%	0.8%	2.7	2.9	3.0	3.3%	0.9%
Departmental agencies and accounts	–	–	–	1.4	–	0.1%	1.3	1.4	1.5	1.7%	0.5%
Households	1.5	2.4	2.7	1.3	-3.6%	0.7%	1.4	1.4	1.5	5.0%	0.5%
Payments for capital assets	17.6	17.7	11.0	8.3	-22.3%	4.7%	10.3	10.4	10.9	9.7%	3.3%
Buildings and other fixed structures	0.9	0.4	0.1	2.8	47.8%	0.4%	2.9	3.1	3.2	5.0%	1.0%
Machinery and equipment	16.1	17.3	10.9	5.5	-30.3%	4.3%	7.4	7.3	7.7	11.9%	2.3%
Software and other intangible assets	0.6	–	–	–	-100.0%	0.1%	–	–	–	–	–
Payments for financial assets	0.2	–	–	–	-100.0%	–	–	–	–	–	–
Total	257.6	295.3	308.6	297.6	4.9%	100.0%	293.2	307.2	325.7	3.0%	100.0%
Proportion of total programme expenditure to vote expenditure	25.0%	25.2%	22.2%	20.2%	–	–	18.1%	18.2%	18.8%	–	–
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	1.4	2.4	2.7	1.1	-8.5%	0.6%	1.1	1.2	1.2	4.9%	0.4%
Employee social benefits	1.4	2.4	2.7	1.1	-8.5%	0.6%	1.1	1.2	1.2	4.9%	0.4%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	–	–	–	1.4	–	0.1%	1.3	1.4	1.5	1.7%	0.5%
Mining Qualification Authority	–	–	–	1.2	–	0.1%	1.3	1.4	1.5	7.3%	0.4%
Public Service Sector Education and Training Authority	–	–	–	0.2	–	–	–	–	–	-100.0%	–

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 of mine workers by 10 per cent over the medium term.
- Contribute to skills development in the mining sector by conducting an ongoing review and implementation, of the certificate of competency model developed together with the Mining Qualifications Authority and universities.
- Improve health care turnaround times 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 and 80 per cent adherence to timeframes for applications in terms of the Mineral and Petroleum Resources Development Act (2002) over the medium term.

Subprogrammes

- Governance Policy and Oversight* develops policy and draft 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.

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 (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
R million											
Governance Policy and Oversight	40.9	39.1	39.0	48.5	5.8%	27.6%	50.7	54.4	58.0	6.2%	28.8%
Mine Health and Safety Regions	95.0	97.1	109.2	118.3	7.6%	69.1%	125.1	131.9	137.7	5.2%	69.7%
Mine Health and Safety Council	5.3	4.5	5.0	5.2	-0.6%	3.3%	—	—	6.2	5.8%	1.5%
Total	141.3	140.7	153.2	172.0	6.8%	100.0%	175.8	186.3	201.8	5.5%	100.0%
Change to 2014				4.0			(1.9)	(2.6)	1.6		
Budget estimate											
Economic classification											
Current payments	135.8	134.0	147.4	166.2	7.0%	96.1%	175.2	185.7	195.0	5.5%	98.1%
Compensation of employees	100.4	106.1	119.8	133.6	10.0%	75.7%	143.8	154.6	162.7	6.8%	80.8%
Goods and services	35.4	27.9	27.6	32.7	-2.7%	20.4%	31.4	31.0	32.3	-0.4%	17.3%
of which:											
Communication	1.0	2.0	2.5	2.2	28.9%	1.3%	1.9	1.9	2.0	-2.5%	1.1%
Consultants and professional services:	0.1	0.3	1.1	1.3	125.9%	0.5%	1.5	1.5	1.6	6.6%	0.8%
Business and advisory services											
Consumables: Stationery, printing and office supplies	0.1	0.3	0.6	2.3	178.9%	0.5%	2.1	2.0	2.0	-3.5%	1.1%
Travel and subsistence	16.7	17.5	18.8	20.0	6.2%	12.0%	19.1	18.6	19.3	-1.2%	10.5%
Training and development	0.2	0.2	0.4	0.9	66.6%	0.3%	0.9	1.0	1.0	2.6%	0.5%
Operating payments	0.5	0.7	0.3	1.2	32.1%	0.5%	1.2	1.3	1.3	3.5%	0.7%
Transfers and subsidies	5.3	4.5	5.0	5.2	-0.9%	3.3%	—	—	6.2	5.8%	1.5%
Departmental agencies and accounts	5.3	4.5	5.0	5.2	-0.6%	3.3%	—	—	6.2	5.8%	1.5%
Households	0.1	—	—	—	-100.0%	—	—	—	—	—	—
Payments for capital assets	0.1	2.1	0.8	0.6	72.1%	0.6%	0.6	0.7	0.7	5.0%	0.3%
Machinery and equipment	0.1	2.1	0.8	0.6	72.1%	0.6%	0.6	0.7	0.7	5.0%	0.3%
Payments for financial assets	—	0.2	—	—	-100.0%	—	—	—	—	—	—
Total	141.3	140.7	153.2	172.0	6.8%	100.0%	175.8	186.3	201.8	5.5%	100.0%
Proportion of total programme expenditure to vote expenditure	13.7%	12.0%	11.0%	11.7%	—	—	10.9%	11.1%	11.6%	—	—
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	5.3	4.5	5.0	5.2	-0.6%	3.3%	—	—	6.2	5.8%	1.5%
Mine Health and Safety Council	5.3	4.5	5.0	5.2	-0.6%	3.3%	—	—	6.2	5.8%	1.5%

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 600 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 implementation and support of small, medium and micro enterprises (SMMEs) by facilitating the implementation of 360 enterprises and local development projects by mining companies over the medium term.
- Promote sustainable resource use and mine environmental management by evaluating and approving work programmes, social and labour plans, and environmental management plans, and 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 550 legal compliance inspections and 5 100 environmental management inspections, 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 environmental protection requirements.
- *Management Mineral Regulation* provides overall management of the programme. This subprogramme is responsible for, among other things, the development of the South African mineral resources administration system and implementing the National Environmental Management Act (1998).
- *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 (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
R million											
Mineral Regulation and Administration	132.1	140.5	145.6	167.8	8.3%	71.6%	169.6	178.8	188.4	3.9%	66.0%
Management Mineral Regulation	13.0	9.3	15.1	21.1	17.7%	7.1%	40.3	44.1	49.7	33.0%	14.5%
South African Diamond and Precious Metals Regulator	39.4	41.6	44.8	47.8	6.7%	21.2%	50.5	53.2	55.9	5.3%	19.4%
Total	184.4	191.4	205.5	236.7	8.7%	100.0%	260.4	276.2	294.0	7.5%	100.0%
Change to 2014				5.3			15.2	16.2	18.9		
Budget estimate											
Economic classification											
Current payments	144.2	148.0	159.8	186.1	8.9%	78.0%	209.5	222.9	238.1	8.5%	80.3%
Compensation of employees	105.0	114.4	126.1	150.0	12.6%	60.6%	167.4	180.9	194.4	9.0%	64.9%
Goods and services	39.1	33.7	33.8	36.1	-2.7%	17.4%	42.0	42.0	43.7	6.6%	15.3%
of which:											
Communication	4.6	4.2	5.3	4.3	-2.1%	2.3%	4.6	4.3	4.4	0.4%	1.6%
Computer services	3.0	1.9	1.2	4.1	11.3%	1.3%	7.1	5.8	6.7	17.2%	2.2%
Fleet services (including government motor transport)	—	—	2.0	1.7	—	0.4%	1.8	1.9	1.9	4.7%	0.7%
Consumables: Stationery, printing and office supplies	0.1	0.5	1.0	1.8	226.9%	0.4%	1.8	1.9	1.9	2.2%	0.7%
Operating leases	13.1	1.9	0.8	0.7	-62.8%	2.0%	3.0	2.9	3.3	69.6%	0.9%
Travel and subsistence	15.5	13.7	11.3	15.9	0.9%	6.9%	17.3	18.6	18.8	5.7%	6.6%
Transfers and subsidies	39.4	41.6	44.8	47.8	6.7%	21.2%	50.5	53.2	55.9	5.3%	19.4%
Departmental agencies and accounts	39.4	41.6	44.8	47.8	6.7%	21.2%	50.5	53.2	55.9	5.3%	19.4%
Payments for capital assets	0.8	1.7	0.9	2.8	50.0%	0.8%	0.5	—	—	-75.9%	0.3%
Buildings and other fixed structures	—	—	—	1.0	—	0.1%	—	—	—	-100.0%	0.1%
Machinery and equipment	0.8	1.7	0.9	1.8	29.3%	0.6%	0.5	—	—	-72.0%	0.2%
Total	184.4	191.4	205.5	236.7	8.7%	100.0%	260.4	276.2	294.0	7.5%	100.0%
Proportion of total programme expenditure to vote expenditure	17.9%	16.3%	14.8%	16.0%	—	—	16.1%	16.4%	17.0%	—	—

Table 29.8 Mineral Regulation 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					2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	39.4	41.6	44.8	47.8	6.7%	21.2%	50.5	53.2	55.9	5.3%	19.4%
South African Diamond and Precious Metals Regulator	39.4	41.6	44.8	47.8	6.7%	21.2%	50.5	53.2	55.9	5.3%	19.4%

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 and upstream petroleum sectors by:
 - growing the sector through 50 beneficiation promotional activities for local and foreign investment over the medium term
 - ensuring 100 per cent implementation of the plans for developing the ocean economy (oil and gas) through Operation Phakisa over the medium term
 - engaging in 30 consultation, advocacy, research, and promotional activities for shale gas exploration over the medium term
 - producing 39 publications with various state owned entities, which will inform investors on how to invest in the country's mining and petroleum sectors, over the medium term
 - establishing and implementing 30 partnerships, including memoranda of understanding with research institutions, other government departments and agencies, over the medium term
 - supporting 240 small scale mining projects over the medium term.
- Ensure transformation and competitiveness in the mining sector by:
 - implementing the mining sector strategy over the medium term
 - constantly identifying barriers to growth in investment in the mining industry and intervening where necessary, over the medium term.
- Promote sustainable resource use and management by:
 - promoting a lower carbon economy drive through the continuous rehabilitation and closure of 150 derelict and ownerless mines over the medium term
 - implementing 15 technical partnerships on the strategic mine water research programme and derelict and ownerless mines rehabilitation programmes with state owned enterprises over the medium term
 - reviewing the mining sector strategy for sustainable growth and meaningful transformation to ensure alignment with the national development plan over the medium term.
- Facilitate transformation in the mining and minerals sector over the medium term by:
 - developing 6 policy impact study reports on investment in the sector
 - reviewing and amending the Mine Health and Safety Regulations Act (1996)
 - developing regulations for the state owned mining company
 - assessing the Broad Based Socioeconomic Charter for the South African Mining Industry to ensure that previously disadvantaged South Africans participate in the economy through mining while ensuring mine workers health and safety.

Subprogrammes

- *Management* provides overall management to the programme.
- *Mineral Policy* develops new policies, reviews existing policies and amends legislation to promote investment growth and achieve transformation in the mining industry. This entails research to develop and revise policies, consultation with stakeholders, attending parliamentary hearings on related bills, and gazetting the bills once they are assented to. It also represents the department in regional and international forums such as the Kimberley Process certification scheme, the African Mineral and Producers Association, and the Pan African Mining and 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 pursues promotional activities geared towards encouraging investment into the sector through publications, participation in mining conferences and providing support for national initiatives to beneficiate minerals.
- *Assistance to Mines* transfers funds to prevent 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.
- *Council for Geoscience* transfers funds on an annual basis to the Council for Geoscience.
- *Council for Mineral Technology* transfers funds on an annual basis to the Council for Mineral Technology.
- *Economic Advisory Services* undertakes research, and participates in activities to promote transformation and enhance competitiveness in the mining industry. This entails the mining industry growth, development and employment task team stakeholder forum, which has been tasked with analysing the economic impact of the regulatory and legislative framework of the mining and minerals sector.
- *Mine Environmental Management* provides guidance on mine environmental management and mine closure by managing the rehabilitation of derelict and ownerless mines.

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	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Management	13.4	10.8	12.2	12.8	-1.7%	2.0%	25.4	27.9	33.2	37.5%	2.9%
Mineral Policy	10.6	14.1	24.0	39.2	54.4%	3.5%	18.8	19.5	20.6	-19.3%	2.8%
Mineral Promotion and International Coordination	50.4	34.3	37.2	41.4	-6.3%	6.6%	69.3	72.8	76.8	22.8%	7.5%
Assistance to Mines	—	—	—	—	—	—	5.0	5.3	5.6	—	0.5%
Council for Geoscience	154.4	223.0	271.2	292.8	23.8%	37.9%	325.9	357.6	349.0	6.0%	38.0%
Council for Mineral Technology	197.0	253.5	364.7	370.9	23.5%	47.8%	390.7	311.4	299.3	-6.9%	39.4%
Economic Advisory Services	2.7	4.1	3.3	2.9	2.6%	0.5%	3.5	4.9	5.1	20.1%	0.5%
Mine Environmental Management	17.6	6.6	7.3	9.2	-19.6%	1.6%	50.4	115.8	121.6	136.8%	8.5%
Total	446.2	546.3	719.9	769.2	19.9%	100.0%	889.0	915.2	911.2	5.8%	100.0%
Change to 2014 Budget estimate				(18.6)			9.5	14.5	22.6		
Economic classification											
Current payments	71.5	66.7	82.8	105.4	13.8%	13.2%	141.2	213.3	228.4	29.4%	19.8%
Compensation of employees	44.0	47.8	53.1	54.8	7.6%	8.0%	60.3	64.1	69.5	8.2%	7.1%
Goods and services	27.5	19.0	29.6	50.6	22.5%	5.1%	80.9	149.2	158.9	46.5%	12.6%
of which:											
Administrative fees	0.4	1.0	0.8	1.5	53.8%	0.1%	2.0	2.2	2.5	18.8%	0.2%
Contractors	—	—	0.2	0.1	67.1%	—	41.7	106.7	111.9	1000.4%	7.5%
Operating leases	4.8	3.9	1.0	0.5	-52.7%	0.4%	3.8	4.7	5.6	122.5%	0.4%
Travel and subsistence	6.7	9.4	11.2	12.4	23.2%	1.6%	15.0	15.4	16.7	10.3%	1.7%
Operating payments	0.9	0.2	6.2	19.1	173.5%	1.1%	7.6	7.9	8.3	-24.2%	1.2%
Venues and facilities	1.0	1.5	1.0	1.4	10.7%	0.2%	3.4	4.0	4.7	49.5%	0.4%
Transfers and subsidies	374.7	476.5	635.9	663.7	21.0%	86.7%	747.7	701.8	682.6	0.9%	80.2%
Departmental agencies and accounts	154.4	223.0	271.2	292.8	23.8%	37.9%	325.9	357.6	349.0	6.0%	38.0%
Public corporations and private enterprises	220.3	253.5	364.7	370.9	19.0%	48.7%	421.8	344.1	333.6	-3.5%	42.2%
Payments for capital assets	—	3.0	1.2	0.1	—	0.2%	0.1	0.1	0.2	4.7%	—
Machinery and equipment	—	3.0	1.2	0.1	—	0.2%	0.1	0.1	0.2	4.7%	—
Total	446.2	546.3	719.9	769.2	19.9%	100.0%	889.0	915.2	911.2	5.8%	100.0%
Proportion of total programme expenditure to vote expenditure	43.3%	46.5%	51.9%	52.1%	—	—	54.9%	54.3%	52.6%	—	—

Table 29.9 Mineral Policy and Promotion 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	152.9	210.5	248.6	265.1	20.1%	35.3%	290.9	320.7	313.6	5.8%	34.2%
Council for Geoscience	152.9	210.5	248.6	265.1	20.1%	35.3%	290.9	320.7	313.6	5.8%	34.2%
Capital	1.5	12.5	22.6	27.8	164.5%	2.6%	35.0	36.9	35.4	8.5%	3.9%
Council for Geoscience	1.5	12.5	22.6	27.8	164.5%	2.6%	35.0	36.9	35.4	8.5%	3.9%
Public corporations and private enterprises											
Public corporations											
Public corporations - subsidies on products and production											
Current	200.6	204.1	308.8	320.8	16.9%	41.7%	352.4	280.0	271.5	-5.4%	35.1%
Industrial Development Corporation	23.3	-	-	-	-100.0%	0.9%	26.1	27.4	28.8	-	2.4%
Council for Mineral Technology	177.3	204.1	308.8	320.8	21.9%	40.7%	326.4	252.6	242.7	-8.9%	32.8%
Capital	19.7	49.4	55.9	50.1	36.5%	7.1%	64.4	58.8	56.6	4.1%	6.6%
Council for Mineral Technology	19.7	49.4	55.9	50.1	36.5%	7.1%	64.4	58.8	56.6	4.1%	6.6%
Public corporations and private enterprises											
Private enterprises											
Private enterprises - subsidies on products and production											
Current	-	-	-	-	-	-	5.0	5.3	5.6	-	0.5%
Marginal mines	-	-	-	-	-	-	5.0	5.3	5.6	-	0.5%

Public entities and other agencies

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 **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 2015/16 is R396.1 million.
- The **Council for Mineral Technology** develops appropriate and innovative technology for transfer to the industry, and provides the industry with test work; and consultancy, analytical and mineralogical services. The council's total budget for 2015/16 is R583 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's total budget for 2015/16 is R75.6 million.
- 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 2015/16 is R88.4 million.
- The **State Diamond Trader** is mandated to buy and sell rough diamonds to promote equitable access to diamonds and local beneficiation of diamond resources. Its revenue is generated by means of selling rough diamonds to clients, who consist mainly of diamond polishers and cutters. The entity's total budget for 2015/16 is R562.7 million.

Vote 30

Science and Technology

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	299.8	284.7	12.8	2.3	304.1	320.8
Technology Innovation	1 008.8	62.7	946.1	–	1 011.6	1 044.3
International Cooperation and Resources	122.0	60.9	61.0	–	123.9	130.8
Research, Development and Support	4 247.1	44.9	4 202.1	–	4 265.3	4 448.5
Socio-Economic Innovation Partnerships	1 804.5	43.1	1 761.4	–	1 857.3	1 664.3
Total expenditure estimates	7 482.1	496.4	6 983.4	2.3	7 562.2	7 608.6
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, public entities, donor funding, public private partnerships, conditional allocations 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		
			2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
Total number of pilot plants supported as a result of department funded energy research, development and innovation initiatives	Technology Innovation	Outcome 4: Decent employment through inclusive economic growth	1	2	2	3	7	8	7
Number of commercial biotechnology products, prototypes and services developed per year	Technology Innovation		26	37	4	6	8	4	6
Value of foreign science, technology and innovative funds secured for knowledge production, technology transfer, enhanced innovation and science, technology, and innovative human capital development from international partners through agreed instruments per year	International Cooperation and Resources	Outcome 5: A skilled and capable workforce to support an inclusive growth path	R285m	R241.2m	R436.38m	R330m	R388.6m	R414.2m	R429.8m
Number of South African researchers and students participating in international human capital development opportunities relevant to the priorities of the department and government's 2014-2019 medium term strategic framework per year	International Cooperation and Resources		– ¹	– ¹	– ¹	1 456	1 571	1 962	2 000

Table 30.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Total number of postgraduate research students awarded bursaries as reflected in the National Research Foundation project reports	Research, Development and Support	Outcome 4: Decent employment through inclusive economic growth	7 083	8 379	9 771	11 440	14 880	14 880	14 880
Total number of researchers awarded research grants through National Research Foundation managed programmes as reflected in the foundation's project reports	Research, Development and Support		2 886	1 665	3 569	3 820	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		14	26	2	21	27	37	42

1. Historical data is not available, as this is a new indicator.

Expenditure analysis

The Department of Science and Technology is expected to use 93 per cent of its total budget of R22.7 billion over the medium term to fund research and development entities that drive science and technology and innovation.

Research and development

57.2 per cent, or R13 billion of the department's budget over the medium term is in the *Research, Development, and Support* programme. Transfers to the National Research Foundation of R2.7 billion are for the foundation to support 4 539 researchers, 15 918 masters students and 9 615 doctoral students over the period. These priorities are in line with outcome 5 of government's 2014-2019 medium term strategic framework (a skilled and capable workforce to support an inclusive growth path). Cabinet approved budget reductions of R27.8 million over the medium term, due to accumulated surpluses in the foundation, are projected to decrease growth in transfers to only 2.2 per cent over the period.

The transfers to the foundation also support the construction of the Square Kilometre Array, which will be the world's largest and most sensitive radio telescope. Slow spending as a result of contractual delays and delays in the testing phase led to a Cabinet approved budget reduction of R21.8 million over the medium term to be effected on the budget for the Square Kilometre Array.

Innovation

The national development plan identifies the innovation system as a key element in South Africa's long term development, including the role of innovation in driving technological growth and higher living standards. One of the proposals of the national development plan is centred on a larger, more effective innovation system, closely aligned with firms that operate in the sectors that drive government's growth strategy. Through fully funded or co-funded research initiatives, the department intends to increase the number of knowledge and innovation products (patents, prototypes, technology demonstrators or technology transfer packages) added to the national intellectual property portfolio to 42 by 2017/18, among other initiatives to support innovation. Innovation initiatives are funded through the *Socio-Economic Innovation Partnerships* programme, with a projected budget of R5.3 billion (23.6 per cent of the department's total budget) over the medium term. Expenditure is expected to grow by 2.1 per cent over the period. Spending has been prioritised towards: developing science and technology indicators and supporting the implementation of high impact science and technology interventions; initiating science and technology programmes that support the growth of environmental technologies and services; and facilitating policy and strategy development that will grow the ICT sector.

Launched early in 2014, the bioeconomy strategy positions bio-innovation as essential to achieving government's industrial and social development goals, as expressed in the national development plan and the 2014-2019 medium term strategic framework, as well as contributing to poverty alleviation, health care, and local innovation. The bioeconomy strategy will encourage industry, science councils, government departments and academia to cooperate closely to ensure that biotechnology and bio-innovations are applicable in the South

African market. For example, a new pathway has been discovered for the development of potent, broadly neutralising antibodies, which might be useful in preventing HIV infection. The bioeconomy strategy is funded through the *Technology Innovation* programme, and is allocated R420.7 million over the MTEF period. The *Technology Innovation* programme's budget as a whole is R3.1 billion over the medium term, or 13.5 per cent of the department's total budget.

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	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12	2014/15
Programme 1	192.1	195.7	195.6	202.7	229.4	225.3	268.2	245.7	257.5	291.0	291.9	291.9	101.7%	100.8%
Programme 2	854.6	854.6	945.7	1 156.4	1 142.8	1 033.2	1 627.1	1 122.1	1 150.4	991.6	1 008.9	1 008.9	89.4%	100.2%
Programme 3	137.2	137.2	99.8	141.2	139.3	102.9	148.4	110.2	104.5	119.7	119.3	119.3	78.0%	84.3%
Programme 4	1 950.4	1 950.4	1 977.6	2 035.9	2 064.7	2 302.8	2 476.8	3 170.0	3 198.8	3 503.8	3 496.9	3 496.9	110.1%	102.8%
Programme 5	1 270.3	1 269.1	1 184.8	1 419.8	1 423.4	1 309.2	1 677.6	1 550.3	1 458.2	1 564.1	1 562.8	1 562.8	93.0%	95.0%
Total	4 404.6	4 407.0	4 403.5	4 955.9	4 999.6	4 973.3	6 198.2	6 198.2	6 169.5	6 470.2	6 479.9	6 479.9	100.0%	99.7%
Change to 2014 Budget estimate											9.7			
Economic classification														
Current payments	369.7	365.3	345.9	393.5	409.3	386.8	454.1	414.1	402.6	486.7	494.5	495.7	95.7%	96.9%
Compensation of employees	225.3	227.6	207.2	242.3	247.6	221.8	260.7	251.4	241.6	283.8	284.9	284.9	94.4%	94.5%
Goods and services	144.5	137.7	138.3	151.2	161.7	164.6	193.3	162.7	161.0	202.9	209.6	210.8	97.5%	100.4%
of which:														
Advertising	3.1	3.1	14.0	3.2	4.2	15.0	13.6	3.9	16.5	15.0	15.0	16.4	177.3%	236.5%
Consultants and professional services:	17.1	16.9	3.9	17.6	14.8	3.8	16.0	16.1	7.3	18.0	24.7	23.8	56.6%	53.6%
Business and advisory services														
Contractors	7.1	7.1	4.9	7.2	7.1	5.0	11.6	9.1	4.4	11.6	11.6	11.4	68.5%	73.5%
Agency and support/outourced services	17.7	14.7	24.8	18.4	14.9	22.0	16.6	11.7	13.5	17.7	17.7	15.0	106.9%	127.5%
Travel and subsistence	38.6	36.2	34.2	40.9	40.4	39.5	45.0	36.1	40.4	48.3	48.3	50.3	95.1%	102.1%
Venues and facilities	5.1	6.3	13.2	5.4	9.7	18.0	17.8	18.1	14.6	23.5	23.5	24.8	136.3%	122.6%
Interest and rent on land	—	—	0.5	—	—	0.4	—	—	—	—	—	—	—	—
Transfers and subsidies	4 031.6	4 038.4	4 050.4	4 559.0	4 587.7	4 580.0	5 741.9	5 754.4	5 703.9	5 981.2	5 983.1	5 983.1	100.0%	99.8%
Departmental agencies and accounts	2 619.9	2 633.5	2 618.1	2 823.8	2 844.7	3 058.9	4 174.9	4 303.5	3 762.9	4 409.3	4 393.7	4 492.4	99.3%	98.3%
Higher education institutions	—	—	139.3	33.6	—	124.2	—	115.8	156.2	21.4	38.9	127.7	995.2%	353.9%
Foreign governments and international organisations	—	—	—	—	—	—	—	—	0.5	—	—	—	—	—
Public corporations and private enterprises	924.8	924.8	1 248.8	972.6	1 015.7	1 329.0	1 034.2	1 101.2	1 698.0	1 140.8	1 145.5	1 228.2	135.2%	131.4%
Non-profit institutions	486.9	480.1	43.6	728.9	727.3	67.3	532.8	233.8	84.7	409.7	405.0	134.8	15.3%	17.9%
Households	—	—	0.6	—	—	0.6	—	—	1.7	—	—	—	—	—

Table 30.2 Vote expenditure trends by programme and economic classification

Economic classification	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Payments for capital assets	3.3	3.3	6.9	3.4	2.6	6.5	2.2	29.7	63.0	2.3	2.3	1.1	694.9%	205.1%
Machinery and equipment	3.3	3.3	6.9	3.4	2.6	6.5	2.2	29.7	8.2	2.3	2.3	1.1	203.4%	60.1%
Software and other intangible assets	–	–	–	–	–	–	–	–	54.9	–	–	–	–	–
Payments for financial assets	–	–	0.2	–	–	–	–	–	–	–	–	–	–	–
Total	4 404.6	4 407.0	4 403.5	4 955.9	4 999.6	4 973.3	6 198.2	6 198.2	6 169.5	6 470.2	6 479.9	6 479.9	100.0%	99.7%

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 (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme 1	291.9	14.3%	4.4%	299.8	304.1	320.8	3.2%	4.2%
Programme 2	1 008.9	5.7%	21.3%	1 008.8	1 011.6	1 044.3	1.2%	14.0%
Programme 3	119.3	-4.5%	2.4%	122.0	123.9	130.8	3.1%	1.7%
Programme 4	3 496.9	21.5%	45.2%	4 247.1	4 265.3	4 448.5	8.4%	56.5%
Programme 5	1 562.8	7.2%	26.7%	1 804.5	1 857.3	1 664.3	2.1%	23.6%
Total	6 479.9	13.7%	100.0%	7 482.1	7 562.2	7 608.6	5.5%	100.0%
Change to 2014				(72.2)	(72.6)	(82.8)		
Budget estimate								
Economic classification								
Current payments	494.5	10.6%	7.4%	496.4	507.9	536.4	2.7%	7.0%
Compensation of employees	284.9	7.8%	4.3%	291.3	302.4	321.3	4.1%	4.1%
Goods and services	209.6	15.0%	3.1%	205.1	205.5	215.1	0.9%	2.9%
of which:								
Advertising	15.0	69.2%	0.2%	17.2	17.7	18.7	7.8%	0.2%
Consultants and professional services: Business and advisory services	24.7	13.5%	0.2%	14.5	13.5	14.0	-17.3%	0.2%
Contractors	11.6	17.9%	0.1%	11.0	11.0	11.6	-0.1%	0.2%
Agency and support/outsourced services	17.7	6.6%	0.3%	16.9	16.4	17.0	-1.4%	0.2%
Travel and subsistence	48.3	10.1%	0.7%	47.9	49.1	50.8	1.7%	0.7%
Venues and facilities	23.5	55.4%	0.3%	25.0	25.7	27.1	4.8%	0.3%
Transfers and subsidies	5 983.1	14.0%	92.2%	6 983.4	7 052.0	7 069.8	5.7%	93.0%
Departmental agencies and accounts	4 393.7	18.6%	62.5%	5 466.0	5 487.7	5 443.1	7.4%	71.4%
Higher education institutions	38.9	–	2.3%	114.6	115.2	105.1	39.3%	1.3%
Public corporations and private enterprises	1 145.5	7.4%	24.7%	1 253.3	1 299.4	1 364.3	6.0%	17.4%
Non-profit institutions	405.0	-5.5%	2.8%	149.6	149.8	157.3	-27.0%	3.0%
Payments for capital assets	2.3	-10.8%	0.4%	2.3	2.3	2.4	1.5%	–
Machinery and equipment	2.3	-10.8%	0.1%	2.3	2.3	2.4	1.5%	–
Total	6 479.9	13.7%	100.0%	7 482.1	7 562.2	7 608.6	5.5%	100.0%

Personnel information

Table 30.4 Vote personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. Technology Innovation																			
3. International Cooperation and Resources																			
4. Research, Development and Support																			
5. Socio-Economic Innovation Partnerships																			
Number of posts estimated for 31 March 2015		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 (%)			
		2013/14			2014/15			2015/16		2016/17		2017/18					2014/15 - 2017/18		
		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	–	434	241.6	0.6	484	284.9	0.6	470	291.3	0.6	470	302.4	0.6	470	321.3	0.7	-1.0%	100.0%
1 – 6	66	–	71	11.3	0.2	65	12.7	0.2	65	13.2	0.2	65	13.3	0.2	65	14.0	0.2	–	13.7%
7 – 10	139	–	126	57.2	0.5	141	70.0	0.5	142	60.1	0.4	142	62.5	0.4	142	66.3	0.5	0.2%	29.9%
11 – 12	154	–	137	70.4	0.5	154	81.6	0.5	149	95.5	0.6	149	100.0	0.7	149	106.4	0.7	-1.1%	31.7%
13 – 16	122	–	100	102.7	1.0	124	120.6	1.0	114	122.5	1.1	114	126.6	1.1	114	134.6	1.2	-2.8%	24.6%
Programme	481	–	434	241.6	0.6	484	284.9	0.6	470	291.3	0.6	470	302.4	0.6	470	321.3	0.7	-1.0%	100.0%
Programme 1	255	–	236	123.0	0.5	255	137.0	0.5	264	142.0	0.5	264	146.6	0.6	264	155.5	0.6	1.2%	55.3%
Programme 2	56	–	42	30.9	0.7	60	41.4	0.7	50	41.4	0.8	50	42.6	0.9	50	45.3	0.9	-5.9%	11.1%
Programme 3	63	–	57	33.2	0.6	61	43.4	0.7	57	43.7	0.8	57	45.1	0.8	57	48.2	0.8	-2.2%	12.2%
Programme 4	50	–	45	24.5	0.5	50	29.1	0.6	45	30.1	0.7	45	31.1	0.7	45	33.0	0.7	-3.5%	9.8%
Programme 5	57	–	54	30.0	0.6	58	33.9	0.6	54	34.1	0.6	54	37.0	0.7	54	39.3	0.7	-2.4%	11.6%

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

2. Rand million.

Departmental receipts

Table 30.5 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 (%)
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
Departmental receipts	1 365	1 219	1 658	116	1 332	-0.8%	100.0%	121	121	121	-55.0%	100.0%
Sales of goods and services produced by department	56	64	47	28	32	-17.0%	3.6%	29	29	29	-3.2%	7.0%
Other sales	56	64	47	28	32	-17.0%	3.6%	29	29	29	-3.2%	7.0%
of which:												
Services rendered:	56	64	47	27	32	-17.0%	3.6%	28	28	28	-4.4%	6.8%
Commission on insurance	–	–	–	1	–	–	–	1	1	1	–	0.2%
Replacement of security cards	7	81	8	8	2	-34.1%	1.8%	8	8	8	58.7%	1.5%
Interest, dividends and rent on land	7	81	8	8	2	-34.1%	1.8%	8	8	8	58.7%	1.5%
Interest	7	81	8	8	2	-34.1%	1.8%	8	8	8	58.7%	1.5%
Sales of capital assets	257	577	–	–	–	-100.0%	15.0%	–	–	–	–	–
Transactions in financial assets and liabilities	1 045	497	1 603	80	1 298	7.5%	79.7%	84	84	84	-59.9%	91.4%
Total	1 365	1 219	1 658	116	1 332	-0.8%	100.0%	121	121	121	-55.0%	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				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome							2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Ministry	3.5	2.8	3.4	4.1	5.6%	1.4%	4.3	4.3	4.5	3.8%	1.4%
Management	63.7	65.9	78.5	101.7	16.9%	31.9%	103.0	104.8	110.8	2.9%	34.5%
Corporate Services	119.7	146.9	164.6	172.5	13.0%	62.2%	178.7	181.1	190.8	3.4%	59.4%
Governance	5.9	6.6	7.8	9.0	15.4%	3.0%	9.1	9.2	9.8	2.8%	3.0%
Office Accommodation	2.9	3.1	3.2	4.7	17.6%	1.4%	4.7	4.7	4.9	1.5%	1.6%
Total	195.6	225.3	257.5	291.9	14.3%	100.0%	299.8	304.1	320.8	3.2%	100.0%
Change to 2014				1.0			(9.4)	(7.1)	(8.9)		
Budget estimate											
Economic classification											
Current payments	189.7	219.8	235.1	278.7	13.7%	95.2%	284.7	289.0	304.9	3.0%	95.1%
Compensation of employees	102.9	111.3	123.0	137.0	10.0%	48.9%	142.0	146.6	155.5	4.3%	47.8%
Goods and services	86.5	108.2	112.2	141.7	17.9%	46.2%	142.7	142.4	149.4	1.8%	47.4%
of which:											
Advertising	12.9	13.8	15.6	15.5	6.1%	5.9%	16.3	16.9	17.6	4.5%	5.4%
Computer services	3.9	7.6	7.4	7.4	23.7%	2.7%	7.7	7.8	8.2	3.3%	2.6%
Contractors	4.8	2.8	4.3	11.4	33.2%	2.4%	11.0	11.0	11.6	0.7%	3.7%
Agency and support/outsourced services	13.4	13.2	10.4	7.8	-16.4%	4.6%	8.2	8.2	8.6	3.3%	2.7%
Travel and subsistence	16.5	17.9	17.2	25.0	15.0%	7.9%	24.5	24.2	25.3	0.4%	8.1%
Venues and facilities	6.1	9.9	7.7	16.2	39.0%	4.1%	17.4	17.4	18.3	4.1%	5.7%
Interest and rent on land	0.3	0.2	—	—	-100.0%	0.1%	—	—	—	—	—
Transfers and subsidies	1.0	0.9	14.3	12.1	126.8%	2.9%	12.8	12.9	13.5	3.8%	4.2%
Departmental agencies and accounts	—	—	11.2	—	—	1.2%	—	—	—	—	—
Higher education institutions	0.3	—	1.3	—	-100.0%	0.2%	—	—	—	—	—
Foreign governments and international organisations	—	—	0.5	—	—	—	—	—	—	—	—
Public corporations and private enterprises	—	0.5	0.3	—	—	0.1%	—	—	—	—	—
Non-profit institutions	0.7	0.3	0.2	12.1	158.7%	1.4%	12.8	12.9	13.5	3.8%	4.2%
Households	0.1	0.1	0.8	—	-100.0%	0.1%	—	—	—	—	—
Payments for capital assets	4.8	4.5	8.0	1.1	-38.4%	1.9%	2.3	2.3	2.4	29.3%	0.7%
Machinery and equipment	4.8	4.5	8.0	1.1	-38.4%	1.9%	2.3	2.3	2.4	29.3%	0.7%
Total	195.6	225.3	257.5	291.9	14.3%	100.0%	299.8	304.1	320.8	3.2%	100.0%
Proportion of total programme expenditure to vote expenditure	4.4%	4.5%	4.2%	4.5%			4.0%	4.0%	4.2%		
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	—	—	11.2	—	—	1.2%	—	—	—	—	—
Institutional and programme support	—	—	11.2	—	—	1.2%	—	—	—	—	—
Higher education institutions											
Current	0.3	—	1.3	—	-100.0%	0.2%	—	—	—	—	—
Institutional and programme support	0.3	—	1.3	—	-100.0%	0.2%	—	—	—	—	—
Non-profit institutions											
Current	0.7	0.3	0.2	12.1	158.7%	1.4%	12.8	12.9	13.5	3.8%	4.2%
Institutional and programme support	0.7	0.3	0.2	12.1	158.7%	1.4%	12.8	12.9	13.5	3.8%	4.2%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	—	0.5	0.3	—	—	0.1%	—	—	—	—	—
Institutional and programme support	—	0.5	0.3	—	—	0.1%	—	—	—	—	—
Foreign governments and international organisations											
Current	—	—	0.5	—	—	—	—	—	—	—	—
Institutional and programme support	—	—	0.5	—	—	—	—	—	—	—	—

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

- Lead, inform and influence policy development in areas of strategic science and technology innovation by implementing 5 innovation enabling programmes, and developing and approving 10 technology development and innovation policy directives by 31 March 2018.
- Oversee, monitor and regulate key policy instruments, including institutional arrangements and support interventions, by developing 24 evaluation and assessment reports in the areas of strategic and emerging science and technology by 31 March 2018.
- Coordinate and support research and high end skills development by supporting 1 351 postgraduate students (masters and doctorates) through department funded research and development initiatives, generating 350 publications in the strategic, emerging and converging areas, and filing 27 patents in these areas by 31 March 2018.
- Support 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 2018, by:
 - implementing 16 new technologies from publicly funded research and development institutions to address South Africa's socioeconomic challenges
 - supporting 8 demonstration plants as a result of department funded energy research, development and innovation initiatives
 - completing 1 satellite mission, and developing, designing and launching 1 indigenous satellite constellation
 - ensuring full operation and functioning of the Houwteq assembly, integration and testing facility, mission control centre and secondary ground station facilities
 - licensing 1 emerging and converging technology; developing 3 commercial health innovation products, processes and services, and 3 agricultural biotechnology products, prototypes or services; and commercialising 6 products, processes and services based on indigenous knowledge systems.

Subprogrammes

- *Space Science* supports the creation of an environment that is conducive to the implementation of the national space strategy and the South African earth observation strategy, which address the development of innovative applications and human capital to respond to national priorities.
- *Hydrogen and Energy* provides policy leadership in 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, which was 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 the 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 (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	Expenditure/ Total: Average (%)	2015/16	2016/17	2017/18	2014/15 - 2017/18	Expenditure/ Total: Average (%)
R million											
Space Science	115.7	170.3	230.6	169.9	13.7%	16.6%	167.2	166.8	173.7	0.7%	16.6%
Hydrogen and Energy	145.6	131.9	139.9	146.4	0.2%	13.6%	152.3	152.6	160.2	3.0%	15.0%
Bioeconomy	107.4	125.7	139.4	128.1	6.1%	12.1%	137.7	138.0	145.0	4.2%	13.5%
Innovation Priorities and Instruments	550.3	574.1	608.8	520.9	-1.8%	54.5%	526.2	528.1	554.5	2.1%	52.3%
National Intellectual Property Management Office	26.7	31.2	31.7	43.6	17.8%	3.2%	25.3	26.2	11.0	-36.8%	2.6%
Total	945.7	1 033.2	1 150.4	1 008.9	2.2%	100.0%	1 008.8	1 011.6	1 044.3	1.2%	100.0%
Change to 2014				17.3			(9.7)	(11.5)	(13.7)		
Budget estimate											
Economic classification	44.6	49.1	45.3	60.0	10.3%	4.8%	62.7	63.9	67.3	4.0%	6.2%
Current payments											
Compensation of employees	29.5	30.1	30.9	41.4	12.0%	3.2%	41.4	42.6	45.3	3.0%	4.2%
Goods and services	15.1	19.0	14.3	18.5	7.0%	1.6%	21.3	21.4	22.1	6.0%	2.0%
of which:											
Communication	0.9	0.8	0.8	0.7	-10.9%	0.1%	0.7	0.7	0.9	9.6%	0.1%
Consultants and professional services:	1.2	1.0	1.5	2.6	30.2%	0.2%	1.6	1.6	1.6	-14.8%	0.2%
Business and advisory services											
Agency and support/outsource services	3.8	4.5	0.9	4.5	5.7%	0.3%	7.1	6.6	6.7	13.9%	0.6%
Entertainment	0.0	0.0	0.0	3.4	465.3%	0.1%	4.3	3.7	3.8	3.6%	0.4%
Travel and subsistence	4.7	4.7	5.5	4.8	0.9%	0.5%	4.6	5.7	5.4	4.0%	0.5%
Venues and facilities	1.9	1.4	1.5	1.5	-8.3%	0.2%	1.6	1.8	2.0	10.5%	0.2%
Transfers and subsidies	900.4	983.5	1 050.1	949.0	1.8%	93.8%	946.1	947.7	977.0	1.0%	93.8%
Departmental agencies and accounts	658.7	741.9	770.6	644.1	-0.7%	68.0%	646.3	647.3	677.4	1.7%	64.2%
Higher education institutions	102.1	83.2	102.4	127.7	7.7%	10.0%	114.6	115.2	105.1	-6.3%	11.4%
Public corporations and private enterprises	129.0	139.1	140.8	92.4	-10.5%	12.1%	96.0	96.0	100.8	3.0%	9.5%
Non-profit institutions	10.5	19.1	36.3	84.8	100.5%	3.6%	89.2	89.2	93.6	3.3%	8.8%
Households	-	0.1	0.1	-	-	-	-	-	-	-	-
Payments for capital assets	0.7	0.6	55.0	-	-100.0%	1.4%	-	-	-	-	-
Machinery and equipment	0.7	0.6	0.1	-	-100.0%	-	-	-	-	-	-
Software and other intangible assets	-	-	54.9	-	-	1.3%	-	-	-	-	-
Total	945.7	1 033.2	1 150.4	1 008.9	2.2%	100.0%	1 008.8	1 011.6	1 044.3	1.2%	100.0%
Proportion of total programme expenditure to vote expenditure	21.5%	20.8%	18.6%	15.6%	-	-	13.5%	13.4%	13.7%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	647.1	725.9	765.9	644.1	-0.2%	67.3%	646.3	647.3	677.4	1.7%	64.2%
Academy of Science of South Africa:	5.0	-	-	-	-100.0%	0.1%	-	-	-	-	-
Biofuels											
Biotechnology strategy	19.5	24.0	11.6	-	-100.0%	1.3%	-	-	-	-	-
Energy Grand Challenge	11.8	32.0	32.5	33.8	42.0%	2.7%	35.2	34.9	36.6	2.7%	3.5%
Health innovation	28.5	28.9	36.9	-	-100.0%	2.3%	-	-	-	-	-
HIV and AIDS prevention and treatment technologies	4.3	4.0	1.8	22.6	73.9%	0.8%	23.6	23.8	24.9	3.3%	2.3%
Hydrogen strategy	16.9	15.0	16.8	-	-100.0%	1.2%	-	-	-	-	-
Innovation projects	-	-	-	28.6	-	0.7%	30.0	30.1	31.6	3.3%	3.0%
International Centre for Generic Engineering and Biotechnology	-	-	-	11.6	-	0.3%	12.1	12.2	12.8	3.3%	1.2%
Space science	-	19.6	30.5	40.0	-	2.2%	31.4	29.7	28.9	-10.3%	3.2%
National Research Foundation: Indigenous knowledge systems	2.1	-	10.0	-	-100.0%	0.3%	-	-	-	-	-
Technology Innovation Agency	433.8	456.3	481.1	385.4	-3.9%	42.4%	385.2	387.4	406.7	1.8%	38.4%
South African National Space Agency	106.7	126.0	123.7	118.3	3.5%	11.5%	124.4	125.0	131.2	3.5%	12.2%
Emerging research areas	18.5	20.0	21.0	-	-100.0%	1.4%	-	-	-	-	-
Indigenous knowledge systems	-	-	-	3.8	-	0.1%	4.4	4.4	4.6	6.7%	0.4%
Capital	11.7	16.1	4.7	-	-100.0%	0.8%	-	-	-	-	-
Technology transfer offices support	11.7	16.1	4.7	-	-100.0%	0.8%	-	-	-	-	-

Table 30.7 Technology Innovation 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											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Higher education institutions											
Current	50.2	28.7	45.1	66.9	10.1%	4.6%	51.0	51.3	38.0	-17.2%	5.1%
Biotechnology strategy	10.6	3.2	7.5	–	-100.0%	0.5%	–	–	–	–	–
Technology transfer offices support	3.0	–	10.2	32.5	121.7%	1.1%	15.0	15.1	–	-100.0%	1.5%
Energy Grand Challenge	21.8	2.4	3.1	–	-100.0%	0.7%	–	–	–	–	–
Health innovation	–	2.8	1.9	–	–	0.1%	–	–	–	–	–
Hydrogen strategy	8.8	15.3	14.8	34.4	57.6%	1.8%	36.0	36.2	38.0	3.3%	3.6%
National Research Foundation: Indigenous knowledge systems	–	–	1.9	–	–	–	–	–	–	–	–
Square Kilometre Array	0.5	–	–	–	-100.0%	–	–	–	–	–	–
Emerging research areas	5.5	5.0	5.6	–	-100.0%	0.4%	–	–	–	–	–
Capital	51.9	54.5	57.3	60.8	5.4%	5.4%	63.6	63.9	67.1	3.3%	6.3%
Hydrogen strategy	51.9	54.5	57.3	60.8	5.4%	5.4%	63.6	63.9	67.1	3.3%	6.3%
Non-profit institutions											
Current	5.3	15.0	36.2	84.8	152.0%	3.4%	89.2	89.2	93.6	3.3%	8.8%
Academy of Science of South Africa: Biofuels	–	–	–	6.2	–	0.1%	6.5	6.5	6.8	3.3%	0.6%
Biotechnology strategy	–	3.5	6.8	33.6	–	1.1%	35.6	35.5	37.3	3.6%	3.5%
Energy Grand Challenge	2.5	1.0	3.7	–	-100.0%	0.2%	–	–	–	–	–
Health innovation	2.8	0.1	0.2	41.7	146.0%	1.1%	43.6	43.6	45.8	3.2%	4.3%
Innovation projects	–	–	8.4	–	–	0.2%	–	–	–	–	–
International Centre for Genetic Engineering and Biotechnology	–	10.4	10.9	–	–	0.5%	–	–	–	–	–
Space science	–	–	1.7	–	–	–	–	–	–	–	–
Technology top 100	–	–	–	3.4	–	0.1%	3.5	3.5	3.7	3.3%	0.3%
Emerging research areas	–	–	4.5	–	–	0.1%	–	–	–	–	–
Capital	5.2	4.1	–	–	-100.0%	0.2%	–	–	–	–	–
Technology transfer offices support	5.2	4.1	–	–	-100.0%	0.2%	–	–	–	–	–
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	81.0	91.6	84.5	52.6	-13.4%	7.5%	45.6	45.4	37.3	-10.8%	4.4%
Biotechnology strategy	5.4	9.8	10.4	–	-100.0%	0.6%	–	–	–	–	–
Technology transfer offices support	–	–	6.5	–	–	0.2%	–	–	–	–	–
Energy Grand Challenge	12.5	3.5	2.2	–	-100.0%	0.4%	–	–	–	–	–
Health innovation	7.0	6.1	4.8	–	-100.0%	0.4%	–	–	–	–	–
HIV and AIDS prevention and treatment technologies	15.0	16.3	19.5	–	-100.0%	1.2%	–	–	–	–	–
Hydrogen strategy	4.7	0.4	0.8	–	-100.0%	0.1%	–	–	–	–	–
Innovation projects	4.7	6.0	–	–	-100.0%	0.3%	–	–	–	–	–
Space science	–	16.4	12.8	–	–	0.7%	–	–	–	–	–
National Research Foundation: Indigenous knowledge systems	–	–	2.0	–	–	–	–	–	–	–	–
Biofuels	0.3	–	–	–	-100.0%	–	–	–	–	–	–
Emerging research areas	31.5	33.2	25.6	52.6	18.6%	3.5%	45.6	45.4	37.3	-10.8%	4.4%
Capital	42.4	44.5	45.8	39.8	-2.1%	4.2%	50.4	50.7	63.5	16.9%	5.0%
National nanotechnology	42.4	44.5	45.8	39.8	-2.1%	4.2%	50.4	50.7	63.5	16.9%	5.0%
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	5.6	3.0	10.4	–	-100.0%	0.5%	–	–	–	–	–
Technology transfer offices support	–	–	0.3	–	–	–	–	–	–	–	–
Innovation projects	0.3	–	7.0	–	-100.0%	0.2%	–	–	–	–	–
Technology top 100	5.3	3.0	3.2	–	-100.0%	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 of R1.4 billion by 31 March 2018.
- Enhance South Africa's national science, technology and innovation capabilities, thus contributing to the attainment of the department's targets for human capital development, by accessing international knowledge and resources through securing the participation of 550 South African researchers in international postgraduate training programmes, by 31 March 2018.
- Build capacity in and support initiatives for the Southern African Development Community (SADC) and African Union (AU), thus advancing Africa's growth and development agenda, by strengthening cooperation in science, technology and innovation through the technical and financial support of 30 approved SADC and AU science, technology and innovation initiatives and programmes by 31 March 2018.
- 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 that South Africa occupies 10 leadership positions in international science, technology and innovation governance structures by 31 March 2018.

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 efforts to promote investment 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 (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Multilateral Cooperation and Africa	26.7	24.8	25.3	27.3	0.8%	24.4%	27.7	28.5	30.1	3.3%	22.9%
International Resources	42.6	44.7	50.4	54.9	8.8%	45.1%	56.6	57.2	60.2	3.2%	46.2%
Overseas Bilateral Cooperation	30.5	33.4	28.9	37.1	6.7%	30.4%	37.7	38.1	40.4	2.9%	30.9%
Total	99.8	102.9	104.5	119.3	6.1%	100.0%	122.0	123.9	130.8	3.1%	100.0%
Change to 2014				(0.4)			(3.2)	(2.4)	(2.0)		
Budget estimate											

Table 30.8 International Cooperation and Resources 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million				2014/15	2011/12	2014/15				2014/15	2017/18
Current payments	48.2	56.6	53.2	68.5	12.4%	53.1%	60.9	62.5	66.4	-1.1%	52.1%
Compensation of employees	31.8	33.9	33.2	43.4	10.9%	33.4%	43.7	45.1	48.2	3.5%	36.4%
Goods and services	16.3	22.6	20.0	25.1	15.4%	19.7%	17.2	17.4	18.2	-10.2%	15.7%
of which:											
Communication	1.0	0.6	0.6	1.8	22.7%	0.9%	1.3	1.3	1.4	-8.0%	1.2%
Agency and support/outourced services	0.7	0.8	0.7	1.3	23.5%	0.8%	0.6	0.6	0.7	-20.2%	0.6%
Entertainment	0.1	0.4	0.2	0.9	97.3%	0.4%	0.7	0.7	0.8	-2.9%	0.6%
Travel and subsistence	8.2	10.3	11.2	10.4	8.0%	9.4%	7.8	7.9	8.2	-7.3%	6.9%
Operating payments	0.8	1.0	1.0	1.0	6.9%	0.9%	1.1	1.1	1.1	3.4%	0.9%
Venues and facilities	2.5	5.5	3.8	3.8	15.3%	3.7%	3.7	3.7	3.9	1.1%	3.1%
Interest and rent on land	0.1	—	—	—	-100.0%	—	—	—	—	—	—
Transfers and subsidies	51.1	45.7	51.3	50.8	-0.2%	46.6%	61.0	61.4	64.4	8.2%	47.9%
Departmental agencies and accounts	19.8	16.6	17.6	12.9	-13.3%	15.7%	13.5	13.6	14.3	3.3%	11.0%
Higher education institutions	5.6	13.8	17.0	—	-100.0%	8.5%	—	—	—	—	—
Public corporations and private enterprises	22.5	12.5	16.3	—	-100.0%	12.0%	—	—	—	—	—
Non-profit institutions	2.9	2.9	0.3	37.9	135.9%	10.3%	47.5	47.8	50.1	9.8%	37.0%
Households	0.2	—	0.1	—	-100.0%	0.1%	—	—	—	—	—
Payments for capital assets	0.5	0.6	—	—	-100.0%	0.3%	—	—	—	—	—
Machinery and equipment	0.5	0.6	—	—	-100.0%	0.3%	—	—	—	—	—
Total	99.8	102.9	104.5	119.3	6.1%	100.0%	122.0	123.9	130.8	3.1%	100.0%
Proportion of total programme expenditure to vote expenditure	2.3%	2.1%	1.7%	1.8%	—	—	1.6%	1.6%	1.7%	—	—
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	0.2	—	0.1	—	-100.0%	0.1%	—	—	—	—	—
Households	0.2	—	0.1	—	-100.0%	0.1%	—	—	—	—	—
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	19.8	16.6	17.6	12.9	-13.3%	15.7%	13.5	13.6	14.3	3.3%	11.0%
National Research Foundation: Global science: Bilateral cooperation	11.5	9.6	12.2	12.9	4.0%	10.8%	13.5	13.6	14.3	3.3%	11.0%
Global science: International resources	3.1	3.2	1.6	—	-100.0%	1.9%	—	—	—	—	—
Global science: African multilateral agreements	5.2	3.8	3.8	—	-100.0%	3.0%	—	—	—	—	—
Higher education institutions											
Current	5.6	13.8	17.0	—	-100.0%	8.5%	—	—	—	—	—
Global science: International resources	3.1	10.2	13.1	—	-100.0%	6.2%	—	—	—	—	—
Global science: African multilateral agreements	2.5	3.6	3.9	—	-100.0%	2.3%	—	—	—	—	—
Non-profit institutions											
Current	2.9	2.9	0.3	37.9	135.9%	10.3%	47.5	47.8	50.1	9.8%	37.0%
Global science: International resources	2.9	2.9	0.3	33.5	126.5%	9.3%	39.0	39.2	41.2	7.1%	30.8%
Global science: African multilateral agreements	—	—	—	4.3	—	1.0%	8.5	8.5	9.0	27.5%	6.1%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	22.0	12.5	9.4	—	-100.0%	10.3%	—	—	—	—	—
National Research Foundation: Global science: Bilateral cooperation	1.5	2.0	—	—	-100.0%	0.8%	—	—	—	—	—
Global science: International resources	16.9	10.5	9.4	—	-100.0%	8.6%	—	—	—	—	—
Global science: African multilateral agreements	3.6	—	—	—	-100.0%	0.8%	—	—	—	—	—
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	0.5	—	6.9	—	-100.0%	1.7%	—	—	—	—	—
Global science: International resources	0.5	—	6.9	—	-100.0%	1.7%	—	—	—	—	—

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 demographically representative, high level human capital that is capable of pursuing locally relevant, globally competitive research and innovation activities by:
 - maintaining the total number of postgraduate students and postdoctoral fellows awarded bursaries at 44 640 over the MTEF period
 - maintaining the total number of graduates and students placed in department funded work preparation programmes in science, engineering and technology institutions at 2 700 over the MTEF period.
- Ensure the availability of and access to internationally comparable research and innovation infrastructure by:
 - increasing the number of researchers awarded research infrastructure grants to 70 in 2017/18
 - increasing the average amount of bandwidth per South African National Research Network site from 3 500bps in 2015/16 to 5 000Mbps in 2017/18, which will assist in providing more efficient transmission of data to all research and academic institutions.
- Support and promote research that develops basic and applied sciences through the production of new knowledge and relevant training opportunities by:
 - maintaining the total number of researchers awarded research grants through National Research Foundation managed programmes at 13 617 over the MTEF period
 - maintaining the number of Institute for Scientific Information accredited research articles published by National Research Foundation funded researchers at 21 000 over the medium term.
- Strategically develop priority science areas in which South Africa enjoys a competitive advantage by:
 - increasing the total number of MeerKAT antennae installed from 28 in 2015/16 to 64 in 2016/17
 - ensuring that a number of regulations on astronomy advantage areas are gazetted in 2015/16
 - ensuring that a functional climate change research network is in place and 1 report on the state of climate change in South Africa is approved by Cabinet by 2017/18.

Subprogrammes

- *Human Capital and Science Promotion* formulates and implements policies and strategies that address the availability of human capital for science, technology and innovation, and provides support for research activities.
- *Science Missions* promotes the development of research, the production of scientific knowledge, and the development of human capital 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 infrastructure to promote knowledge production in areas that are of national priority and to sustain innovation led by research and development.
- *Astronomy* supports the development of astronomical sciences around a research strategy on multi-wavelength astronomy, and provides strategic guidance and support to relevant astronomy institutions in the implementation of the department's 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Human Capital and Science Promotions	1 357.9	1 413.9	1 683.1	1 874.6	11.3%	57.7%	2 345.4	2 356.3	2 441.2	9.2%	54.8%
Science Missions	81.7	83.9	151.3	160.4	25.2%	4.3%	165.9	164.2	175.9	3.1%	4.0%
Basic Science and Infrastructure	510.8	561.4	710.2	783.7	15.3%	23.4%	1 010.0	1 015.2	1 065.6	10.8%	23.5%
Astronomy	27.2	243.6	654.2	678.2	192.1%	14.6%	725.7	729.6	765.7	4.1%	17.6%
Total	1 977.6	2 302.8	3 198.8	3 496.9	20.9%	100.0%	4 247.1	4 265.3	4 448.5	8.4%	100.0%
Change to 2014				(6.8)			(53.1)	(58.4)	(61.3)		
Budget estimate											
Economic classification											
Current payments	32.6	28.9	32.4	44.2	10.7%	1.3%	44.9	46.4	49.0	3.5%	1.1%
Compensation of employees	21.6	21.2	24.5	29.1	10.4%	0.9%	30.1	31.1	33.0	4.3%	0.7%
Goods and services	10.9	7.7	7.9	15.1	11.5%	0.4%	14.9	15.3	16.0	2.0%	0.4%
of which:											
Catering: Departmental activities	0.1	0.2	0.1	0.4	93.1%	–	0.5	0.5	0.6	10.3%	–
Communication	0.4	0.3	0.4	0.8	26.0%	–	0.6	0.6	0.6	-7.8%	–
Consultants and professional services: Business and advisory services	0.2	–	0.7	1.6	105.5%	–	1.3	1.3	1.4	-5.1%	–
Agency and support/outsource services	2.4	0.9	1.1	1.2	-21.2%	0.1%	0.8	0.8	0.9	-9.0%	–
Travel and subsistence	2.7	3.9	3.9	7.4	39.7%	0.2%	8.5	8.6	9.0	6.6%	0.2%
Venues and facilities	2.3	1.1	0.4	2.5	2.2%	0.1%	1.6	1.9	2.0	-7.1%	–
Transfers and subsidies	1 944.6	2 273.6	3 166.4	3 452.7	21.1%	98.7%	4 202.1	4 218.9	4 399.4	8.4%	98.9%
Departmental agencies and accounts	1 608.4	1 918.9	2 617.3	3 248.7	26.4%	85.6%	3 988.6	4 004.3	4 174.2	8.7%	93.7%
Higher education institutions	19.2	22.6	31.0	–	-100.0%	0.7%	–	–	–	–	–
Public corporations and private enterprises	294.5	293.1	482.3	204.0	-11.5%	11.6%	213.5	214.5	225.3	3.4%	5.2%
Non-profit institutions	22.4	38.5	35.2	–	-100.0%	0.9%	–	–	–	–	–
Households	0.3	0.4	0.6	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	0.4	0.3	–	–	-100.0%	–	–	–	–	–	–
Machinery and equipment	0.4	0.3	–	–	-100.0%	–	–	–	–	–	–
Total	1 977.6	2 302.8	3 198.8	3 496.9	20.9%	100.0%	4 247.1	4 265.3	4 448.5	8.4%	100.0%
Proportion of total programme expenditure to vote expenditure	44.9%	46.3%	51.8%	54.0%	–	–	56.8%	56.4%	58.5%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 394.8	1 445.3	1 798.6	2 045.4	13.6%	60.9%	2 523.2	2 531.7	2 628.7	8.7%	59.1%
Square Kilometre Array	10.8	11.8	12.5	13.2	7.0%	0.4%	13.8	13.9	14.6	3.3%	0.3%
Academy of Science of South Africa	14.0	16.3	–	21.6	15.6%	0.5%	23.0	23.1	24.3	4.0%	0.6%
Astronomy	12.2	11.7	12.7	13.3	3.0%	0.5%	14.0	14.1	14.8	3.5%	0.3%
Human and social development dynamics	17.1	10.1	11.1	10.0	-16.4%	0.4%	10.4	10.5	11.0	3.3%	0.3%
Human resources development	146.2	191.0	410.0	470.7	47.7%	11.1%	883.1	884.3	895.9	23.9%	19.0%
National Research Foundation	1 099.0	1 063.9	1 112.9	851.3	-8.2%	37.6%	885.9	882.8	926.0	2.8%	21.5%
Science awareness	37.8	53.9	40.3	66.0	20.4%	1.8%	69.2	69.5	73.0	3.4%	1.7%
South African Research Chairs Initiative	19.4	60.4	74.0	451.8	185.6%	5.5%	470.4	482.2	506.9	3.9%	11.6%
Strategic science platforms	38.4	26.2	125.1	147.6	56.6%	3.1%	153.3	151.3	162.2	3.2%	3.7%
Capital	213.6	473.7	818.7	1 203.3	77.9%	24.7%	1 465.4	1 472.6	1 545.5	8.7%	34.6%
Square Kilometre Array	–	218.7	420.1	641.6	–	11.7%	687.4	690.8	724.9	4.2%	16.7%
Research and development infrastructure	213.6	255.0	398.6	561.6	38.0%	13.0%	778.0	781.9	820.6	13.5%	17.9%
Higher education institutions											
Current	11.6	10.1	15.4	–	-100.0%	0.3%	–	–	–	–	–
Human resources development	0.6	1.2	0.6	–	-100.0%	–	–	–	–	–	–
Science awareness	8.5	8.1	8.8	–	-100.0%	0.2%	–	–	–	–	–
Strategic science platforms	2.5	0.8	6.1	–	-100.0%	0.1%	–	–	–	–	–
Capital	7.6	12.5	15.6	–	-100.0%	0.3%	–	–	–	–	–
Research and development infrastructure	7.6	12.5	15.6	–	-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				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome							2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15				2014/15 - 2017/18		
Non-profit institutions											
Current	22.4	38.5	24.2	–	-100.0%	0.8%	–	–	–	–	–
Academy of Science of South Africa	–	–	20.7	–	–	0.2%	–	–	–	–	–
Human resources development	7.9	8.3	–	–	-100.0%	0.1%	–	–	–	–	–
Science awareness	–	–	2.2	–	–	–	–	–	–	–	–
Strategic science platforms	14.4	30.2	1.3	–	-100.0%	0.4%	–	–	–	–	–
Capital	–	–	11.0	–	–	0.1%	–	–	–	–	–
Research and development infrastructure	–	–	11.0	–	–	0.1%	–	–	–	–	–
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	19.9	15.0	4.7	–	-100.0%	0.4%	–	–	–	–	–
Human resources development	4.0	–	–	–	-100.0%	–	–	–	–	–	–
Strategic science platforms	15.9	15.0	4.7	–	-100.0%	0.3%	–	–	–	–	–
Capital	252.7	278.1	474.8	204.0	-6.9%	11.0%	213.5	214.5	225.3	3.4%	5.2%
Square Kilometre Array	–	–	208.0	–	–	1.9%	–	–	–	–	–
Council for Scientific and Industrial Research: Cyber infrastructure	186.7	216.0	192.4	204.0	3.0%	7.3%	213.5	214.5	225.3	3.4%	5.2%
Research and development infrastructure	66.0	62.1	74.5	–	-100.0%	1.8%	–	–	–	–	–
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	8.0	–	2.8	–	-100.0%	0.1%	–	–	–	–	–
Science awareness	8.0	–	–	–	-100.0%	0.1%	–	–	–	–	–
Strategic science platforms	–	–	2.8	–	–	–	–	–	–	–	–
Capital	13.9	–	–	–	-100.0%	0.1%	–	–	–	–	–
Research and development infrastructure	13.9	–	–	–	-100.0%	0.1%	–	–	–	–	–

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

- Identify, grow and sustain science, technology and innovation capabilities for sustainable development and the greening of society and the economy by fully funding or co-funding 350 masters and doctoral students, and 24 knowledge and innovation products (patents, prototypes, technology demonstrators or technology transfer packages) in designated niche areas that support the green economy and sustainable development, by 31 March 2018.
- Identify, grow and sustain science, technology and innovation capabilities that improve the competitiveness of existing and emerging economic sectors, and that facilitate the development of new targeted industries with growth potential in aerospace, advanced manufacturing, chemicals, mining, advanced metals, beneficiation and ICT sector innovation funds by:
 - funding or co-funding 863 masters and doctoral students in designated niche areas by 31 March 2018
 - adding 100 knowledge and innovation products to the intellectual property portfolio by 31 March 2018.
- Enhance understanding and analysis that supports improvements in the functioning and performance of the national system of innovation by publishing 18 reports and policy briefings on the innovation system and innovation policy that have been approved by the department's executive committee, by 31 March 2018.

- Strengthen provincial and rural innovation and production systems through analysis and catalytic interventions by supporting 7 innovation interventions implemented in provinces or priority district municipalities, by 31 March 2018.

Subprogrammes

- Sector Innovation and Green Economy* provides support in policy, strategy and direction setting for research and development led growth in strategic sectors of the economy; and supports the transition to a green economy.
- Innovation for Inclusive Development* supports the development of science and technology based innovations for tackling poverty, including the creation of sustainable jobs, 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* advances strategic medium and long term priorities for sustainable economic growth and sector development, and 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 (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
Sector Innovation and Green Economy	739.1	833.6	812.8	878.6	5.9%	59.2%	881.3	925.0	965.3	3.2%	53.0%
Innovation for Inclusive Development	287.5	316.0	325.1	341.9	5.9%	23.0%	370.0	371.8	390.5	4.5%	21.4%
Science and Technology Investment	30.9	32.0	25.4	28.3	-2.9%	2.1%	29.0	29.4	31.0	3.0%	1.7%
Technology Localisation, Beneficiation and Advanced Manufacturing	127.3	127.7	295.0	314.0	35.1%	15.7%	524.1	531.1	277.6	-4.0%	23.9%
Total	1 184.8	1 309.2	1 458.2	1 562.8	9.7%	100.0%	1 804.5	1 857.3	1 664.3	2.1%	100.0%
Change to 2014				(1.4)			3.1	6.6	3.1		
Budget estimate											
Economic classification	30.7	32.4	36.5	44.3	12.9%	2.6%	43.1	46.1	48.8	3.3%	2.6%
Current payments											
Compensation of employees	21.3	25.2	30.0	33.9	16.7%	2.0%	34.1	37.0	39.3	5.1%	2.1%
Goods and services	9.4	7.1	6.5	10.4	3.5%	0.6%	9.0	9.0	9.5	-3.1%	0.5%
of which:											
Advertising	0.5	0.1	0.2	0.3	-15.9%	—	0.2	0.2	0.2	-9.7%	—
Catering: Departmental activities	0.1	0.1	0.2	0.3	50.0%	—	0.3	0.3	0.3	3.6%	—
Communication	0.7	0.4	0.4	0.9	10.6%	—	1.1	0.9	1.0	1.6%	0.1%
Consultants and professional services:	0.2	—	0.8	5.1	213.4%	0.1%	3.8	3.6	3.8	-9.5%	0.2%
Business and advisory services											
Travel and subsistence	2.1	2.7	2.6	2.7	8.7%	0.2%	2.4	2.7	2.8	2.1%	0.2%
Venues and facilities	0.4	0.1	1.2	0.8	25.3%	—	0.8	0.8	0.8	3.9%	—
Transfers and subsidies	1 153.3	1 276.3	1 421.7	1 518.5	9.6%	97.4%	1 761.4	1 811.2	1 615.5	2.1%	97.4%
Departmental agencies and accounts	331.1	381.5	346.2	586.7	21.0%	29.8%	817.5	822.4	577.3	-0.5%	40.7%
Higher education institutions	12.2	4.6	4.4	—	-100.0%	0.4%	—	—	—	—	—
Public corporations and private enterprises	802.8	883.8	1 058.3	931.8	5.1%	66.7%	943.9	988.8	1 038.2	3.7%	56.7%
Non-profit institutions	7.1	6.4	12.7	—	-100.0%	0.5%	—	—	—	—	—
Households	0.1	—	0.1	—	-100.0%	—	—	—	—	—	—
Payments for capital assets	0.6	0.5	—	—	-100.0%	—	—	—	—	—	—
Machinery and equipment	0.6	0.5	—	—	-100.0%	—	—	—	—	—	—
Payments for financial assets	0.2	—	—	—	-100.0%	—	—	—	—	—	—
Total	1 184.8	1 309.2	1 458.2	1 562.8	9.7%	100.0%	1 804.5	1 857.3	1 664.3	2.1%	100.0%
Proportion of total programme expenditure to vote expenditure	26.9%	26.3%	23.6%	24.1%	—	—	24.1%	24.6%	21.9%	—	—

Table 30.10 Socio-Economic Innovation Partnerships 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	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	331.1	381.5	346.2	586.7	21.0%	29.8%	817.5	822.4	577.3	-0.5%	40.7%
Advanced manufacturing technology strategy	25.5	—	—	—	-100.0%	0.5%	—	—	—	—	—
Innovation for Inclusive Development	13.3	39.8	8.3	58.1	63.6%	2.2%	73.6	71.9	75.5	9.1%	4.1%
Human Sciences Research Council	238.6	247.8	258.9	276.0	5.0%	18.5%	288.7	290.1	304.7	3.3%	16.8%
Local manufacturing capacity	8.2	7.0	40.0	113.3	140.3%	3.1%	213.1	214.2	124.3	3.2%	9.7%
Local systems of innovation	—	—	25.0	106.1	—	2.4%	208.0	209.0	37.2	-29.5%	8.1%
Quality of life nuclear technologies	0.7	—	—	—	-100.0%	—	—	—	—	—	—
Research information management system	10.6	14.0	4.5	6.9	-13.6%	0.7%	7.2	7.2	7.6	3.3%	0.4%
Science and technology indicators	8.5	9.0	9.5	10.1	5.8%	0.7%	10.5	10.6	11.1	3.4%	0.6%
Environmental Innovation	25.8	63.9	—	16.3	-14.1%	1.9%	16.5	19.4	16.9	1.1%	1.0%
Higher education institutions											
Current	12.2	4.6	4.4	—	-100.0%	0.4%	—	—	—	—	—
Advanced manufacturing technology strategy	1.5	0.6	0.2	—	-100.0%	—	—	—	—	—	—
Innovation for Inclusive Development	8.5	—	—	—	-100.0%	0.2%	—	—	—	—	—
ICT	—	—	1.0	—	—	—	—	—	—	—	—
Local manufacturing capacity	—	—	0.5	—	—	—	—	—	—	—	—
Local systems of innovation	1.7	2.6	1.2	—	-100.0%	0.1%	—	—	—	—	—
Resource based industries	0.5	1.5	1.5	—	-100.0%	0.1%	—	—	—	—	—
on-profit institutions											
Current	7.1	6.4	12.7	—	-100.0%	0.5%	—	—	—	—	—
Advanced manufacturing technology strategy	0.1	—	—	—	-100.0%	—	—	—	—	—	—
Innovation for Inclusive Development	—	—	2.5	—	—	—	—	—	—	—	—
Local systems of innovation	6.0	5.0	10.0	—	-100.0%	0.4%	—	—	—	—	—
Resource based industries	1.0	1.4	0.2	—	-100.0%	—	—	—	—	—	—
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	104.5	141.0	248.9	106.0	0.5%	10.9%	116.2	116.7	122.6	4.9%	6.7%
Advanced manufacturing technology strategy	12.3	42.4	22.6	38.3	46.2%	2.1%	40.5	45.8	53.3	11.7%	2.6%
Innovation for Inclusive Development	22.5	23.4	37.8	—	-100.0%	1.5%	—	—	—	—	—
ICT	18.4	17.3	20.2	24.3	9.7%	1.5%	26.1	22.7	21.3	-4.3%	1.4%
Local manufacturing capacity	14.4	13.9	71.4	—	-100.0%	1.8%	—	—	—	—	—
Local systems of innovation	—	—	57.7	—	—	1.0%	—	—	—	—	—
Resource based industries	37.0	44.1	39.1	43.5	5.6%	3.0%	49.5	48.2	48.0	3.3%	2.7%
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	11.2	—	27.4	—	-100.0%	0.7%	—	—	—	—	—
Advanced manufacturing technology strategy	9.4	—	15.1	—	-100.0%	0.4%	—	—	—	—	—
Innovation for Inclusive Development	—	—	12.3	—	—	0.2%	—	—	—	—	—
Local systems of innovation	1.2	—	—	—	-100.0%	—	—	—	—	—	—
Resource based industries	0.5	—	—	—	-100.0%	—	—	—	—	—	—
Public corporations and private enterprises											
Public corporations											
Public corporations - subsidies on products and production											
Current	687.2	742.8	782.0	825.7	6.3%	55.1%	827.7	872.0	915.6	3.5%	50.0%
Council for Scientific and Industrial Research	687.2	742.8	782.0	825.7	6.3%	55.1%	827.7	872.0	915.6	3.5%	50.0%

Public entities and other agencies

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 **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 2015/16 is R26.1 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 2015/16 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 2015/16 is R481.9 million.
- The **National Research Foundation** is an independent statutory agency, which 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 generating knowledge and promoting high level research capacity development. The foundation's total budget for 2015/16 is R3.5 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, like the South African earth observation network. The agency's total budget for 2015/16 is R287.1 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 at the beginning of April 2010. The agency is an intervention to improve research and development from higher education institutions, science councils, public entities, private companies and commercialisation, thereby increasing technological innovation in the economy. The agency's total budget for 2015/16 is R457.2 million.

Additional table: Summary of expenditure on infrastructure

National tender Summary of expenditure on infrastructure											
Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate			
				2011/12	2012/13	2013/14		2014/15	2015/16	2016/17	2017/18
Infrastructure transfers to other spheres, agencies and departments											
R million											
Square Kilometre Array	Construction of telescopes	Construction	1 649.2	218.7	218.7	328.1	647.8		687.4	690.8	724.9
Space infrastructure	Construction of satellite	Construction	290.8	–	36.0	45.0	40.0		37.5	37.7	39.5
Hydrogen strategy	Purchase of equipment	Various	440.7	51.9	54.5	57.2	60.8		63.6	63.9	67.1
National nanotechnology centres	Equipping of centres	Various	310.0	42.4	44.5	46.8	39.8		41.2	40.9	43.0
Cyber infrastructure	Creation of broadband network connectivity and high performance computing	Various	833.2	104.7	129.9	101.9	204.0		213.5	214.5	225.3
Total			3 523.8	417.7	483.7	579.1	992.4		1 043.1	1 047.8	1 099.8

Vote 31

Small Business Development

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	64.0	63.5	–	0.6	66.6	69.1
Cooperatives Support and Development	15.2	15.0	–	0.2	16.1	16.7
Enterprise Development and Entrepreneurship	1 024.0	87.7	935.8	0.4	1 042.5	1 171.5
Total expenditure estimates	1 103.2	166.2	935.8	1.1	1 125.2	1 257.4
Executive authority	Minister of Small Business Development					
Accounting officer	Director General of Small Business Development					
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, public entities, donor funding, public private partnerships, conditional allocations 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 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) as amended
- 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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of enterprises approved for the women business development scheme per year	Enterprise Development and Entrepreneurship	Outcome 5: A skilled and capable workforce to support an inclusive growth path	– ¹	– ¹	– ¹	100	300	500	700
Number of women entrepreneurs trained on the Bavumile skills development programme per year	Enterprise Development and Entrepreneurship		– ¹	– ¹	– ¹	65	300	500	700
Number of companies financially assisted through the black business supplier development programme per year	Enterprise Development and Entrepreneurship	Outcome 4: Decent employment through inclusive economic growth	299	1 212	1 066	1 872	796	796	850

Table 31.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of companies financially assisted through the cooperative incentive scheme per year	Enterprise Development and Entrepreneurship	Outcome 5: A skilled and capable workforce to support an inclusive growth path	183	314	243	431	300	300	310
Number of export ready SMMEs developed per year	Enterprise Development and Entrepreneurship		— ¹	— ¹	— ¹	— ¹	1 200	1 300	1 400

1. Historical data is not available, as this is a new indicator in line with the establishment of the new department.

Expenditure analysis

The national development plan articulates the important role of small businesses and cooperatives in achieving inclusive economic growth, and that these small enterprises are key to achieving the plan's job creation target for 2030. The plan further identifies that regulatory compliance costs need to be reduced in order to transform the economy, for small businesses in particular. Against this background, a designated department to advance the interests and role of small businesses and cooperatives was established in 2014. The department's work will contribute to outcome 4 of government's medium term strategic framework: decent employment through inclusive economic growth, particularly sub-outcome 3, which deals with the elimination of unnecessary regulatory burdens and lower price increases for key inputs and wage goods.

The department will advocate for a conducive regulatory environment for small businesses and cooperatives to access finance, investment and markets, in an equitable and sustainable manner. The department provides various customised intervention programmes, designed to increase the sustainability of cooperatives so that they can contribute to the economy, particularly in the manufacturing, agro-processing, mining and services sector. By encouraging government procurement with small businesses and cooperatives, the department will facilitate their development and growth. It will facilitate partnerships with all spheres of government as well as the private sector to ensure mutual cooperation that will benefit small businesses and cooperatives.

The department's total budget is R3.5 billion over the MTEF period, including a Cabinet approved additional allocation of R139.3 million to support the establishment of the department. Expenditure on compensation of employees is expected to grow by 13.3 per cent over the medium term as the department expands its personnel to 171 in 2017/18. 64.3 per cent of personnel will be in the *Enterprise Development and Entrepreneurship* programme to provide customised interventions to support small businesses and cooperatives. This is also where the bulk of the department's spending over the medium term is, at R3.2 billion over the period. The *Cooperative Support and Development* programme funds the implementation of a new support model for cooperatives, including implementing the Cooperatives Amendment Act (2013). The programme's budget over the medium term is R48 million.

Regulatory and institutional support for cooperatives

Over the medium term, the department will finalise regulations for cooperatives to ensure that the Cooperatives Amendment Act (2013) will be properly implemented. The act aims to improve the failure rate of cooperatives and address past problems in cooperative governance, structures, compliance and sustainability. It will also improve coordination between national, provincial and local government to strengthen their support for cooperatives. The department will conclude transversal agreements with other government departments to enhance the implementation of the act in support of the growth of cooperatives. These activities are funded in the *Cooperatives Support and Development* programme.

Non-financial and financial support for small businesses and cooperatives

Transfers and subsidies account for 85.5 per cent of the department's expenditure over the medium term. R2 billion, the bulk of this funding, is earmarked for the Small Enterprise Development Agency, which provides non-financial support services to small businesses and cooperatives, including business and technology incubation services in specific sectors, focusing on start-ups and enterprises that need rehabilitation. The department will also provide R686 million in incentives to small enterprises in the mining, manufacturing, agro-processing and services sectors through transfers to the black business supplier development programme, as well as R229 million to cooperatives through transfers to the cooperatives incentive scheme. Both these

incentive initiatives are also funded in the *Enterprise Development and Entrepreneurship* programme. Over 3 000 small businesses and cooperatives are expected to be supported over the medium term by these incentives.

Women, youth and people with disabilities

The department supports the South African Women Entrepreneurs Network and the Isivande Women's Fund through transfers in the *Enterprise Development and Entrepreneurship* programme. Over the medium term, these transfers total R83.6 million. The department's Bavumile skills enhancement programme aims to enhance women's existing skills to produce quality, commercially viable products for major local and international markets. Over the medium term, the programme prioritises the creative industries and women in rural areas and townships, and aims to train 1 500 women entrepreneurs, a significant increase from the 65 women that were trained in 2014/15. Women with craft skills such as sewing and beading are provided with specialist skills training and assistance in establishing their own enterprises and cooperatives. Funding is in the *Enterprise Development and Entrepreneurship* programme's *Gender, Youth and People with Disabilities Economic Empowerment* subprogramme, which is allocated R154.9 million over the medium term. The department will facilitate the implementation of the Youth Black Business Supplier Development Programme which is intended to benefit 1 100 youth enterprises by 2017/18.

Expenditure trends

Table 31.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Cooperatives Support and Development														
3. Enterprise Development and Entrepreneurship														
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	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Programme 1	–	–	10.7	–	–	9.5	–	10.8	13.5	11.3	45.0	45.0	694.7%	140.9%
Programme 2	–	–	12.4	–	–	10.4	–	14.1	13.5	11.8	12.2	12.2	409.7%	184.7%
Programme 3	–	–	712.4	–	–	821.6	–	1 017.7	1 012.6	1 125.0	1 027.4	1 027.4	317.7%	174.8%
Total	–	–	735.5	–	–	841.6	–	1 042.6	1 039.5	1 148.1	1 084.6	1 084.6	322.4%	174.0%
Change to 2014 Budget estimate											(63.6)			
Economic classification														
Current payments	–	–	70.2	–	–	75.9	–	89.1	87.1	95.5	130.7	130.7	381.1%	165.5%
Compensation of employees	–	–	40.3	–	–	47.1	–	57.0	55.3	68.9	84.0	84.0	329.0%	160.8%
Goods and services	–	–	29.9	–	–	28.9	–	32.1	31.8	26.6	46.8	46.8	516.3%	174.0%
of which:														
Consultants and professional services:	–	–	6.8	–	–	3.2	–	2.6	1.5	2.6	4.5	4.5	603.5%	226.2%
Business and advisory services														
Contractors	–	–	0.3	–	–	0.6	–	2.5	2.2	0.9	4.1	4.1	765.1%	109.7%
Travel and subsistence	–	–	16.8	–	–	17.9	–	18.9	20.6	14.7	19.2	19.2	506.0%	195.6%
Training and development	–	–	0.2	–	–	0.8	–	1.3	1.3	–	4.8	4.8	–	115.7%
Operating payments	–	–	1.3	–	–	0.2	–	1.2	0.7	2.0	4.0	4.0	320.8%	121.6%
Venues and facilities	–	–	2.0	–	–	3.4	–	1.0	1.4	3.2	2.7	2.7	293.5%	253.8%
Transfers and subsidies	–	–	664.1	–	–	765.2	–	952.3	951.4	1 052.2	949.2	949.2	316.5%	175.1%
Departmental agencies and accounts	–	–	561.5	–	–	594.6	–	648.7	648.7	624.7	624.7	624.7	388.9%	190.8%
Public corporations and private enterprises	–	–	99.3	–	–	162.1	–	295.1	294.1	411.2	308.2	308.2	210.0%	143.1%
Non-profit institutions	–	–	3.1	–	–	7.9	–	8.3	8.3	16.3	16.3	16.3	218.6%	144.7%
Households	–	–	0.2	–	–	0.6	–	0.1	0.3	–	–	–	–	813.3%
Payments for capital assets	–	–	1.2	–	–	0.5	–	1.2	1.0	0.5	4.7	4.7	1 442.7%	125.5%
Machinery and equipment	–	–	1.2	–	–	0.5	–	1.2	1.0	0.5	4.7	4.7	1 442.7%	125.5%
Total	–	–	735.5	–	–	841.6	–	1 042.6	1 039.5	1 148.1	1 084.6	1 084.6	322.4%	174.0%

Expenditure estimates

Table 31.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Cooperatives Support and Development								
3. Enterprise Development and Entrepreneurship								
Programme	Revised estimate	Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ total: Average (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme 1	45.0	–	2.1%	64.0	66.6	69.1	15.4%	5.4%
Programme 2	12.2	–	1.3%	15.2	16.1	16.7	11.2%	1.3%
Programme 3	1 027.4	–	96.6%	1 024.0	1 042.5	1 171.5	4.5%	93.3%
Total	1 084.6	–	100.0%	1 103.2	1 125.2	1 257.4	5.1%	100.0%
Change to 2014				(5.3)	(27.5)	48.8		
Budget estimate								
Economic classification								
Current payments	130.7	–	9.8%	166.2	173.9	182.0	11.7%	14.3%
Compensation of employees	84.0	–	6.1%	109.7	114.8	122.2	13.3%	9.4%
Goods and services	46.8	–	3.7%	56.5	59.1	59.8	8.5%	4.9%
of which:		–						
Consultants and professional services: Business and advisory services	4.5	–	0.4%	2.9	3.4	2.7	-15.7%	0.3%
Contractors	4.1	–	0.2%	3.0	3.3	3.4	-5.8%	0.3%
Travel and subsistence	19.2	–	2.0%	25.9	27.1	27.6	12.9%	2.2%
Training and development	4.8	–	0.2%	2.7	3.0	3.2	-12.4%	0.3%
Operating payments	4.0	–	0.2%	12.3	12.4	12.4	46.1%	0.9%
Venues and facilities	2.7	–	0.3%	3.0	2.8	2.6	-1.6%	0.2%
Transfers and subsidies	949.2	–	90.0%	935.8	949.0	1 074.1	4.2%	85.5%
Departmental agencies and accounts	624.7	–	65.6%	610.4	620.7	729.3	5.3%	56.6%
Public corporations and private enterprises	308.2	–	23.3%	308.8	309.2	324.7	1.8%	27.4%
Non-profit institutions	16.3	–	1.0%	16.7	19.1	20.1	7.2%	1.6%
Payments for capital assets	4.7	–	0.2%	1.1	2.2	1.3	-35.0%	0.2%
Machinery and equipment	4.7	–	0.2%	1.1	2.2	1.3	-35.0%	0.2%
Total	1 084.6	–	100.0%	1 103.2	1 125.2	1 257.4	5.1%	100.0%

Personnel information

Table 31.4 Vote personnel numbers and cost by salary level and programme¹

Programmes																				
1. Administration																				
2. Cooperatives Support and Development																				
3. Enterprise Development and Entrepreneurship																				
Number of posts estimated for 31 March 2015			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 (%)	
			2013/14			2014/15			2015/16			2016/17			2017/18					2014/15 - 2017/18
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Small Business Development			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	157	–	116	55.3	0.5	168	84.0	0.5	171	109.7	0.6	170	114.8	0.7	171	122.2	0.7	0.6%	100.0%	
1 – 6	15	–	8	1.2	0.2	16	2.7	0.2	16	2.9	0.2	16	3.1	0.2	16	3.2	0.2	–	9.4%	
7 – 10	69	–	63	21.6	0.3	76	25.5	0.3	76	31.7	0.4	76	33.6	0.4	76	33.8	0.4	–	44.7%	
11 – 12	31	–	25	14.7	0.6	35	20.9	0.6	36	27.0	0.8	36	27.3	0.8	36	30.7	0.9	0.9%	21.0%	
13 – 16	42	–	20	17.9	0.9	41	34.9	0.9	43	48.0	1.1	42	50.8	1.2	43	54.5	1.3	1.6%	24.9%	
Programme	157	–	116	55.3	0.5	168	84.0	0.5	171	109.7	0.6	170	114.8	0.7	171	122.2	0.7	0.6%	100.0%	
Programme 1	36	–	4	3.8	1.0	45	21.1	0.5	45	31.5	0.7	45	33.0	0.7	45	35.7	0.8	–	26.5%	
Programme 2	15	–	13	7.8	0.6	16	10.3	0.6	16	12.8	0.8	15	13.1	0.9	16	13.8	0.9	–	9.3%	
Programme 3	106	–	99	43.7	0.4	107	52.6	0.5	110	65.4	0.6	110	68.7	0.6	110	72.8	0.7	0.9%	64.3%	

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

2. Rand million.

Programme 1: Administration

Programme purpose

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

Table 31.5 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Ministry	10.7	9.5	13.5	45.0	61.4%	100.0%	20.9	22.3	21.8	-21.4%	45.0%
Departmental Management	–	–	–	–	–	–	14.9	15.2	17.3	–	19.3%
Corporate Services	–	–	–	–	–	–	28.2	29.1	30.0	–	35.7%
Total	10.7	9.5	13.5	45.0	61.4%	100.0%	64.0	66.6	69.1	15.4%	100.0%
Change to 2014				33.7			30.1	32.1	33.9		
Budget estimate											
Economic classification											
Current payments	10.0	9.4	12.5	41.0	59.8%	92.8%	63.5	65.0	68.5	18.7%	97.2%
Compensation of employees	3.3	3.1	3.8	21.1	86.5%	39.8%	31.5	33.0	35.7	19.1%	49.6%
Goods and services	6.8	6.4	8.7	19.9	43.0%	53.0%	31.9	32.0	32.8	18.2%	47.6%
of which:											
Communication	0.3	0.3	0.4	0.5	11.3%	1.9%	0.9	0.9	0.9	24.8%	1.3%
Consultants and professional services:	–	–	–	1.5	–	1.9%	0.9	0.9	1.3	-5.1%	1.9%
Business and advisory services											
Operating leases	0.4	0.6	0.5	0.2	-25.0%	2.0%	1.3	1.5	1.8	125.3%	1.9%
Travel and subsistence	5.9	5.4	7.8	8.5	12.9%	35.1%	13.1	13.4	13.3	16.2%	19.7%
Operating payments	–	–	–	1.1	231.1%	1.5%	12.0	11.9	12.0	119.9%	15.1%
Venues and facilities	–	–	–	0.5	206.2%	0.7%	1.6	1.5	1.3	37.4%	2.0%
Payments for capital assets	0.7	0.1	0.9	4.0	82.8%	7.2%	0.6	1.6	0.7	-45.6%	2.8%
Machinery and equipment	0.7	0.1	0.9	4.0	82.8%	7.2%	0.6	1.6	0.7	-45.6%	2.8%
Total	10.7	9.5	13.5	45.0	61.4%	100.0%	64.0	66.6	69.1	15.4%	100.0%
Proportion of total programme expenditure to vote expenditure	1.5%	1.1%	1.3%	4.2%	–	–	5.8%	5.9%	5.5%	–	–

Programme 2: Cooperatives Support and Development

Programme purpose

Implement a new support model for cooperatives, including the implementation of the Cooperatives Amendment Act (2013).

Objectives

- Increase the number of cooperatives accessing the various customised intervention programmes to ensure their sustainability and economic contribution by implementing sector catalytic projects through:
 - growing and facilitating the entry of cooperative enterprises in the mining, manufacturing, agro-processing and services sectors, over the medium term
 - providing supplier development programmes for cooperatives through the Cooperatives Development Agency, over the medium term.

Subprogrammes

- *Cooperatives Development* promotes the development of cooperatives and the participation of youth in the economy, contributing towards increased employment, economic growth and poverty reduction.

Expenditure trends and estimates

Table 31.6 Cooperatives Support 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 (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2011/12 - 2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2014/15 - 2017/18
Cooperatives Development	12.4	10.4	13.5	12.2	-0.6%	100.0%		15.2	16.1	16.7	11.2%	100.0%
Total	12.4	10.4	13.5	12.2	-0.6%	100.0%		15.2	16.1	16.7	11.2%	100.0%
Change to 2014				0.3				4.7	4.8	4.9		
Budget estimate												
Economic classification												
Current payments	12.3	10.2	13.4	12.1	-0.6%	99.2%		15.0	15.9	16.6	11.0%	99.1%
Compensation of employees	7.2	6.6	7.8	10.3	12.7%	65.5%		12.8	13.1	13.8	10.3%	82.9%
Goods and services	5.2	3.7	5.6	1.9	-28.9%	33.6%		2.3	2.8	2.8	14.6%	16.2%
of which:												
Catering: Departmental activities	–	–	0.1	–	–	0.3%		0.1	0.1	0.1	77.5%	0.6%
Communication	–	–	–	0.1	29.4%	0.4%		0.1	0.1	0.1	-1.1%	0.6%
Contractors	–	–	1.2	–	-16.2%	2.6%		0.1	0.1	0.1	91.3%	0.4%
Consumables: Stationery, printing and office supplies	0.1	0.1	0.1	0.5	90.6%	1.5%		0.1	0.2	0.2	-28.7%	1.5%
Travel and subsistence	3.1	1.9	2.7	1.2	-27.6%	18.2%		1.6	2.0	2.0	20.4%	11.3%
Venues and facilities	0.1	–	0.1	–	-100.0%	0.5%		0.1	0.2	0.1	–	0.7%
Transfers and subsidies	–	0.1	0.1	–	44.2%	0.3%		–	–	–	-100.0%	–
Households	–	0.1	0.1	–	44.2%	0.3%		–	–	–	-100.0%	–
Payments for capital assets	–	0.1	–	–	2.3%	0.5%		0.2	0.2	0.2	53.3%	0.9%
Machinery and equipment	–	0.1	–	–	2.3%	0.5%		0.2	0.2	0.2	53.3%	0.9%
Total	12.4	10.4	13.5	12.2	-0.6%	100.0%		15.2	16.1	16.7	11.2%	100.0%
Proportion of total programme expenditure to vote expenditure	1.7%	1.2%	1.3%	1.1%	–	–		1.4%	1.4%	1.3%	–	–

Programme 3: Enterprise Development and Entrepreneurship

Programme purpose

Provide customised interventions to support small, medium and micro enterprises (SMMEs) and cooperatives.

Objectives

- Increase contribution to GDP, sustainable livelihoods and the creation of job opportunities by implementing the youth black business supplier development programme to provide financial support to 900 businesses over the medium term.
- Increase the participation of SMMEs and cooperatives in the mainstream economy by implementing the global exporter passport programme to ensure an accelerated development of export ready SMMEs by 2017/18.
- Promote broader participation of small businesses and cooperatives in the mainstream economy by providing financial incentives through the black business supplier development programme and cooperatives incentive scheme, over the medium term.
- Contribute to women's development by providing training to 1 500 women entrepreneurs through the Bavumile skills development programme, by 2017/18.

Subprogrammes

- *Enterprise and Supplier Development* focuses on tools and mechanisms to assist and support previously disadvantaged SMMEs.
- *Gender, Youth and People with Disabilities Economic Empowerment* provides economic support to women, youth and people with disabilities.
- *SMMEs Local Economic Development* provides business development services for SMMEs.

- *Incentives, Grants and Soft Loans* manages incentives, grants and soft loans to provide targeted funding for SMMEs and cooperatives.
- *Entrepreneurship, Intellectual Property and Indigenous Knowledge Systems* promotes, develops and supports entrepreneurship and innovation, and indigenous knowledge systems.

Expenditure trends and estimates

Table 31.7 Enterprise Development and Entrepreneurship expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	Average (%)	2015/16	2016/17	2017/18	2014/15 - 2017/18	Average (%)
R million											
Enterprise and Supplier Development	588.1	624.2	674.1	659.3	3.9%	71.2%	644.6	657.6	767.6	5.2%	64.0%
Gender, Youth and People with Disabilities											
Economic Empowerment	25.4	21.2	25.2	35.7	12.0%	3.0%	47.9	52.1	54.9	15.4%	4.5%
SMMEs Local Economic Development	–	–	–	3.4	–	0.1%	4.6	4.7	4.4	8.7%	0.4%
Incentives, Grants and Soft Loans	98.9	176.3	313.3	329.0	49.3%	25.7%	322.2	323.4	339.8	1.1%	30.8%
Entrepreneurship, Intellectual Property and Indigenous Knowledge Systems	–	–	–	–	–	–	4.7	4.8	4.9	–	0.3%
Total	712.4	821.6	1 012.6	1 027.4	13.0%	100.0%	1 024.0	1 042.5	1 171.5	4.5%	100.0%
Change to 2014				(97.6)			(40.0)	(64.3)	9.9		
Budget estimate											
Economic classification											
Current payments	47.8	56.2	61.1	77.6	17.6%	6.8%	87.7	93.0	96.9	7.7%	8.3%
Compensation of employees	29.9	37.4	43.7	52.6	20.7%	4.6%	65.4	68.7	72.8	11.5%	6.1%
Goods and services	17.9	18.8	17.4	25.1	11.8%	2.2%	22.3	24.3	24.2	-1.2%	2.2%
of which:											
Consultants and professional services:	6.0	1.8	0.9	2.9	-20.9%	0.3%	2.0	2.5	1.4	-22.4%	0.2%
Business and advisory services											
Contractors	0.2	0.6	1.0	2.5	117.0%	0.1%	2.4	2.9	3.0	5.6%	0.3%
Consumables: Stationery, printing and office supplies	0.4	0.3	0.3	0.6	10.2%	–	0.6	0.6	0.7	8.9%	0.1%
Travel and subsistence	7.8	10.6	10.1	9.5	6.8%	1.1%	11.2	11.8	12.2	8.7%	1.0%
Training and development	0.2	0.8	1.3	3.3	166.3%	0.2%	2.7	3.0	3.2	-0.6%	0.3%
Venues and facilities	1.9	3.3	1.3	2.2	5.2%	0.2%	1.3	1.1	1.1	-20.3%	0.1%
Transfers and subsidies	664.1	765.0	951.4	949.2	12.6%	93.2%	935.8	949.0	1 074.1	4.2%	91.6%
Departmental agencies and accounts	561.5	594.6	648.7	624.7	3.6%	68.0%	610.4	620.7	729.3	5.3%	60.6%
Public corporations and private enterprises	99.3	162.1	294.1	308.2	45.9%	24.2%	308.8	309.2	324.7	1.8%	29.3%
Non-profit institutions	3.1	7.9	8.3	16.3	73.5%	1.0%	16.7	19.1	20.1	7.2%	1.7%
Households	0.2	0.5	0.3	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	0.5	0.3	0.1	0.6	8.4%	–	0.4	0.5	0.5	-8.0%	–
Machinery and equipment	0.5	0.3	0.1	0.6	8.4%	–	0.4	0.5	0.5	-8.0%	–
Total	712.4	821.6	1 012.6	1 027.4	13.0%	100.0%	1 024.0	1 042.5	1 171.5	4.5%	100.0%
Proportion of total programme expenditure to vote expenditure	96.9%	97.6%	97.4%	94.7%	–	–	92.8%	92.7%	93.2%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	561.5	594.6	648.7	624.7	3.6%	68.0%	610.4	620.7	729.3	5.3%	60.6%
Small Enterprise Development Agency	441.5	441.6	525.4	498.3	4.1%	53.4%	478.2	481.5	583.2	5.4%	47.9%
Small Enterprise Development Agency: Technology programme	120.0	153.0	123.3	126.4	1.7%	14.6%	132.2	139.2	146.1	5.0%	12.8%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	10.7	–	–	–	-100.0%	0.3%	8.8	9.2	9.7	–	0.6%
Industrial Development Corporation: Isivande Women's Fund	10.7	–	–	–	-100.0%	0.3%	8.8	9.2	9.7	–	0.6%
Non-profit institutions											
Current	3.1	7.9	8.3	16.3	73.5%	1.0%	16.7	19.1	20.1	7.2%	1.7%
South African Women Entrepreneurs' Network	3.1	7.9	8.3	16.3	73.5%	1.0%	16.7	19.1	20.1	7.2%	1.7%

Table 31.7 Enterprise Development and Entrepreneurship 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											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	88.6	162.1	294.1	308.2	51.5%	23.9%	300.0	300.0	315.0	0.7%	28.7%
Black business supplier development programme	39.5	97.1	218.6	233.2	80.8%	16.5%	225.0	225.0	236.3	0.4%	21.6%
Cooperatives incentive scheme	49.1	65.0	75.5	75.0	15.2%	7.4%	75.0	75.0	78.8	1.6%	7.1%

Public entities and other agencies

Small Enterprise Development Agency

Mandate

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.

Selected performance indicators

Table 34.8 Small Enterprise Development Agency performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Percentage of clients satisfied with the quality of the organisation's services per year	Enhance competitiveness and capabilities of small enterprises through coordinated services, programmes and products	Outcome 4: Decent employment through inclusive economic growth	80%	98%	97%	93%	94%	95%	96%
Percentage of existing SMME clients whose turnover increased per year	Enhance competitiveness and capabilities of small enterprises through coordinated services, programmes and products		35%	63%	67%	52%	54%	56%	58%
Percentage of existing SMME clients whose number of employees increased per year	Enhance competitiveness and capabilities of small enterprises through coordinated services, programmes and products		25%	35%	40%	33%	35%	37%	39%
Number of clients working with the agency per year	Ensure equitable access to business support services		15 931	10 208	10 619	12 000	11 400	10 830	10 290
Number of supported secondary cooperatives per year	Ensure equitable access to business support services		23	28	28	27	36	45	54
Value of service provision costs covered by provincial and local government partners per year	Ensure equitable access to business support services		R7.6m	R9.6m	R5.7m	R10m	R10.3m	R10.6m	R10.9m
Number of partnerships operational per year	Ensure equitable access to business support services		30	44	41	68	70	72	74
Number of jobs created through the incubation programme per year	Assist SMMEs with technology through the organisation's technology programme		– ¹	2 301	2 900	1 650	1 730	1 820	1 910
Number of clients supported through the incubation programme per year	Assist SMMEs with technology through the organisation's technology programme		– ¹	2 282	1 587	1 710	1 795	1 885	1 980
Number of clients assisted with technology transfer incentives per year	Assist SMMEs with technology through the organisation's technology programme		– ¹	99	44	63	66	69	72

Table 34.8 Small Enterprise Development Agency performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of clients supported with conformity assessment and product testing per year	Assist SMMEs with technology through the organisation's technology programme	Outcome 4: Decent employment through inclusive economic growth	– ¹	159	173	137	144	151	157
Number of clients trained on national and international standards per year	Assist SMMEs with technology through the organisation's technology programme		– ¹	571	825	510	536	563	590
Number of clients supported with systems implementation per year	Assist SMMEs with technology through the organisation's technology programme		– ¹	35	43	32	34	36	38
Number of incubators supported per year	Assist SMMEs with technology through the organisation's technology programme		– ²	– ²	– ²	48	51	54	57

1. Historical data is not available, as this indicator was not in use at the time.

2. Historical data is not available, as this is a new indicator in line with the organisation's annual performance plan.

Expenditure analysis

The national development plan and outcome 4 of government's 2014-19 medium term strategic framework (decent employment through inclusive economic growth) identify small businesses as a key element in achieving the nation's job creation targets by 2030. In support of these objectives, the Small Enterprise Development Agency strives to ensure that the small enterprise sector grows and increases its contribution to sustainable and equitable social and economic development, employment and wealth creation. The agency does this through providing business advice, consultancy, training and mentoring, and by assisting SMMEs with technology through the technology programme. It also provides for the incubation of businesses through technology demonstration centres, technology incubators, and hybrid centres as part of the technology programme, as well as for the development of rural enterprises and cooperatives through the cooperatives and community private partnerships programme.

In line with the medium term strategic framework's objectives, the agency's focus over the medium term will be on continuing to develop, support and promote small enterprises to ensure their growth and sustainability by providing them with non-financial services. Thus, goods and services will remain a key cost driver, accounting for 55.8 per cent of the agency's total expenditure over the medium term. The agency intends to increase its support of clients through the incubation programme from 1 710 in 2014/15 to 1 980 in 2017/18, and increase its assistance of clients through technology transfer incentives from 63 in 2014/15 to 72 in 2017/18.

Expenditure on compensation of employees will continue to drive the expenditure in the agency, accounting for an estimated 41.8 per cent of total expenditure over the medium term. This expenditure is expected to increase to R315.1 million by 2017/18 to account for inflationary increases due to the delivery network being national. The agency's network comprises 1 national office, 9 provincial offices and 46 branches nationwide, with a projected 32 520 clients over the medium term.

An average of 94.6 per cent of the agency's revenue is expected to be derived from transfers from the Department of Small Business Development over the medium term. Other sources of revenue include funding from provincial and local governments, and specific projects from signed memorandums of agreement. Revenue is expected to decrease by R123.2 million over the medium term as a result of Cabinet approved budget reductions of R49.3 million in 2015/16 and R73.9 million in 2016/17 being effected on the agency's allocation due to its accumulated level of reserves.

Programmes/objectives/activities

Table 31.9 Small Enterprise Development Agency 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
Enhance competitiveness and capabilities of small enterprises through coordinated services, programmes and products	154.1	151.3	161.4	173.8	4.1%	25.6%	184.6	196.1	208.3	6.2%	27.9%
Ensure equitable access to business support services	130.6	140.4	146.8	161.4	7.3%	23.1%	169.1	177.5	186.6	5.0%	25.4%
Strengthen the organisation to deliver on its mandate	191.9	193.9	174.4	206.0	2.4%	30.6%	167.5	151.9	205.3	-0.1%	26.7%
Assist SMMEs with technology through the organisation's technology programme	109.7	149.8	135.6	126.4	4.8%	20.8%	132.2	138.3	146.1	5.0%	19.9%
Total	586.3	635.5	618.2	667.6	4.4%	100.0%	653.4	663.7	746.3	3.8%	100.0%

Statements of historical financial performance and position

Table 31.10 Small Enterprise Development Agency statements of historical financial performance and position

Statement of financial performance									Outcome/ Budget Average (%)
	Approved budget	Audited outcome	Approved budget	Audited outcome	Approved budget	Audited outcome	Budget estimate	Revised estimate	
R million	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15
Revenue									
Non-tax revenue	42.6	36.3	19.4	66.9	13.0	64.1	43.0	43.0	178.2%
Other non-tax revenue	42.6	36.3	19.4	66.9	13.0	64.1	43.0	43.0	178.2%
Transfers received	530.9	508.3	540.7	566.9	603.7	577.0	624.7	624.7	99.0%
Total revenue	573.4	544.6	560.0	633.8	616.7	641.1	667.7	667.6	102.9%
Expenses									
Current expenses	573.4	586.3	560.0	635.5	608.5	618.2	667.7	667.6	104.1%
Compensation of employees	226.9	206.1	220.0	221.4	241.2	224.2	257.2	257.2	96.1%
Goods and services	333.2	360.8	325.0	396.3	351.0	379.0	393.8	393.7	109.0%
Depreciation	10.9	17.3	12.8	15.9	14.5	13.0	14.8	14.8	115.4%
Interest, dividends and rent on land	2.5	2.1	2.3	1.9	1.8	2.1	1.9	1.9	93.6%
Total expenses	573.4	586.3	560.0	635.5	608.5	618.2	667.7	667.6	104.1%
Surplus/(Deficit)	–	(42.0)	–	(2.0)	8.0	23.0	–	–	–
Statement of financial position									
Carrying value of assets	40.7	40.7	45.8	38.4	44.6	34.3	44.0	44.0	89.9%
of which:									
Acquisition of assets	(5.9)	(12.9)	(9.5)	(14.0)	(13.5)	(10.2)	(9.0)	(10.1)	125.0%
Inventory	0.3	0.2	0.3	0.3	0.3	0.4	0.3	0.3	101.1%
Receivables and prepayments	5.5	32.1	4.3	3.9	9.8	9.6	8.5	8.5	192.6%
Cash and cash equivalents	95.6	153.7	99.4	211.2	130.5	308.0	135.0	265.5	203.8%
Total assets	142.1	226.7	149.8	253.7	185.1	352.3	187.8	318.2	173.1%
Accumulated surplus/(deficit)	0.9	25.2	20.1	23.5	18.0	46.4	15.0	15.0	203.7%
Capital reserve fund	–	–	–	–	0.1	–	–	–	–
Finance lease	–	12.2	17.6	12.1	11.0	11.8	11.3	11.3	118.7%
Deferred income	–	–	6.1	–	–	–	–	–	–
Trade and other payables	124.0	173.0	90.0	200.5	137.5	275.6	140.9	271.4	186.9%
Provisions	17.2	16.2	16.0	17.6	18.6	18.6	20.5	20.5	101.0%
Total equity and liabilities	142.1	226.7	149.8	253.7	185.1	352.3	187.8	318.2	173.1%

Statements of estimates of financial performance and position

Table 31.11 Small Enterprise Development Agency 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	2014/15			2015/16	2016/17	2017/18		
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Revenue								
Non-tax revenue	43.0	5.8%	8.4%	43.0	43.0	17.0	-26.6%	5.4%
Other non-tax revenue	43.0	5.8%	8.4%	43.0	43.0	17.0	-26.6%	5.4%
Transfers received	624.7	7.1%	91.6%	610.4	620.7	729.3	5.3%	94.6%
Total revenue	667.6	7.0%	100.0%	653.4	663.7	746.3	3.8%	100.0%
Expenses								
Current expenses	667.6	4.4%	100.0%	653.4	663.7	746.3	3.8%	100.0%
Compensation of employees	257.2	7.7%	36.2%	275.2	294.5	315.1	7.0%	41.8%
Goods and services	393.7	3.0%	61.0%	361.5	352.7	414.9	1.8%	55.8%
Depreciation	14.8	-5.2%	2.4%	14.9	14.9	14.9	0.2%	2.2%
Interest, dividends and rent on land	1.9	-2.9%	0.3%	1.8	1.6	1.5	-7.6%	0.3%
Total expenses	667.6	4.4%	100.0%	653.4	663.7	746.3	3.8%	100.0%
Surplus/(Deficit)	-	-100.0%	-	-	-	-	-	-
Statement of financial position								
Carrying value of assets	44.0	2.6%	14.2%	45.0	47.0	50.0	4.4%	18.1%
of which:								
Acquisition of assets	(10.1)	-7.8%	-4.3%	(8.0)	(8.0)	(8.7)	-4.9%	-3.3%
Inventory	0.3	5.2%	0.1%	0.3	0.3	0.3	4.9%	0.1%
Receivables and prepayments	8.5	-35.8%	5.3%	10.0	11.0	12.0	12.2%	4.1%
Cash and cash equivalents	265.5	20.0%	80.5%	200.6	161.6	190.9	-10.4%	77.7%
Total assets	318.2	12.0%	100.0%	255.9	219.9	253.2	-7.3%	100.0%
Accumulated surplus/(deficit)	15.0	-15.9%	9.6%	15.0	15.0	15.0	-	5.8%
Finance lease	11.3	-2.4%	4.3%	11.1	10.6	10.1	-3.8%	4.2%
Trade and other payables	271.4	16.2%	79.7%	208.1	171.1	203.3	-9.2%	81.2%
Provisions	20.5	8.2%	6.5%	21.7	23.2	24.8	6.5%	8.8%
Total equity and liabilities	318.2	12.0%	100.0%	255.9	219.9	253.2	-6.5%	100.0%

Personnel information

Table 31.12 Small Enterprise Development Agency personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015			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 (%)			
			2013/14			2014/15			2015/16			2016/17					2017/18		
			2014/15 - 2017/18																
Small Enterprise Development Agency			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	659	659	659	224.2	0.3	659	257.2	0.4	659	275.2	0.4	659	294.5	0.4	659	315.1	0.5	7.0%	100.0%
1 – 6	200	200	200	33.8	0.2	200	36.1	0.2	200	38.7	0.2	200	41.4	0.2	200	44.3	0.2	7.0%	30.3%
7 – 10	379	379	379	132.5	0.3	379	153.6	0.4	379	164.4	0.4	379	175.9	0.5	379	188.2	0.5	7.0%	57.5%
11 – 12	70	70	70	45.7	0.7	70	54.3	0.8	70	58.1	0.8	70	62.2	0.9	70	66.5	1.0	7.0%	10.6%
13 – 16	10	10	10	12.3	1.2	10	13.1	1.3	10	14.0	1.4	10	15.0	1.5	10	16.1	1.6	7.0%	1.5%

¹. Rand million.

Vote 32

Telecommunications and Postal Services

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	173.7	172.0	–	1.7	178.6	188.2
International Affairs and Trade	43.4	20.7	22.2	0.5	45.8	48.2
Policy, Research and Capacity Development	105.6	104.5	–	1.1	111.8	118.1
ICT Enterprise Development and SOE Oversight	447.9	31.1	416.3	0.6	195.2	212.6
ICT Infrastructure Support	642.8	351.4	290.2	1.2	1 014.3	708.2
Total expenditure estimates	1 413.3	679.7	728.6	5.1	1 545.7	1 275.3

Executive authority Minister of Telecommunications and Postal Services

Accounting officer Director General of Telecommunications and Postal Services

Website address www.doc.gov.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, public entities, donor funding, public private partnerships, conditional allocations 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 an 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) allows 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 underserved areas; promote the participation of small business in the ICT sector; and enhance the capacity of and exercise oversight of state owned enterprises. The department also contributes to building an ICT skills base in the country in order 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 African Post Office SOC Ltd Act (2011)
- the South African Postbank Limited Act (2010)
- the State Information Technology Agency Act (1998)
- the Broadband Infraco Act (2007).

Selected performance indicators

Table 32.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of ICT position papers developed for international engagements per year	International Affairs	Outcome 6: An efficient, competitive and responsive economic infrastructure network	5	5	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	1 296	500	500
Number of identified schools connected as part of the national broadband plan: digital development (phase 1) per year	ICT Infrastructure Support		– ¹	– ¹	– ¹	– ¹	972	300	300

1. Historical data is not available, as this is a new indicator starting from 2015/16.

Expenditure analysis

The national development plan considers ICT to be a critical enabler of economic development, mainly because enhanced communication and information flows improve productivity and efficiency. The Department of Telecommunications and Postal Services will thus focus on the development of various aspects of ICT policy, increased broadband coverage, the migration to digital broadcasting, and a new postal services delivery model over the medium term. These activities all contribute to outcome 6 of government's 2014-2019 medium term strategic framework (an efficient, competitive and responsive economic infrastructure network).

In accordance with the national macro organisation of the state announced by the president in May 2014, all telecommunications and postal services functions must be moved from the old Department of Communications to the newly created Department of Telecommunications and Postal Services. The department takes over the State Information Technology Agency from the Department of Public Service and Administration, and Broadband Infracore from the Department of Public Enterprises. The Independent Communications Authority of South Africa and the South African Broadcasting Corporation move to the new Department of Communications. The human resources migration process has been finalised. At the end of September 2014, the Department of Telecommunications and Postal Services had 376 funded posts, of which 39 are expected to be vacant by the end of 2014/15.

ICT policy

The department aims to create favourable conditions for economic growth by developing 5 ICT position papers over the medium term. The department will also contribute to decreasing the cost of communicating by developing a local loop strategy. (Local loop refers to the final section of a physical circuit that links a subscriber's premises to the edge of a service provider's network.) In addition, it will issue a policy directive on pricing transparency and conduct a study on agreements between operators to share their networks to provide services in areas where they do not have coverage (national roaming). The department will release a white paper on the national integrated ICT policy and draft the National Integrated ICT Bill for tabling in Parliament in 2016/17.

These activities are funded in the *ICT Policy, Research and Capacity Development* programme, and account for the high proportion of spending on goods and services for consultants over the medium term (an average 26.2 per cent per year). Expenditure in the *Economic and Market Analysis* subprogramme is expected to grow at an average annual rate of 66.9 per cent over the medium term as capacity is developed within the department to support the development of these policies.

Broadband coverage

South Africa Connect is the 2013 broadband policy, strategy and plan to improve broadband penetration in South Africa. The purpose is to catalyse broadband connectivity, aiming to provide access to broadband to 50 per cent of the population by 2016 and 90 per cent by 2020. The policy also calls for the appointment of a broadband council and the creation of a wholesale open access network. The policy is based on 4 pillars: digital readiness, digital future, digital opportunity and digital development. An additional allocation of R740 million over the medium term in the *Broadband* subprogramme of the *ICT Infrastructure Support* programme supports the implementation of the first phase of the digital development pillar. This phase focuses on providing

broadband connection services to schools, health clinics and other government facilities in 8 districts where national health insurance is being piloted. Spending translates as average annual growth of 88 per cent over the medium term in the subprogramme, and will deliver 2 296 connected government institutions and 1 572 connected schools by 2017/18. Implementing agents and service providers will be contracted to assist with project management and developing the required infrastructure and services.

Migration to digital broadcasting

The department will support the Department of Communications to ensure that South Africa meets the International Telecommunications Union deadline of June 2015 for countries to migrate from analogue to digital broadcasting. The Universal Service and Access Agency of South Africa will administer a subsidy scheme to support the technology change, and the department will provide a subsidy to Sentech for implementing dual illumination. Transfers to the Universal Service and Access Fund are projected to be R1 billion over the medium term. R109 million is to be reprioritised in 2015/16 from the allocations for broadcasting digital migration in the Universal Service and Access Fund to Sentech, and R196 million is to be reprioritised to the Universal Service and Access Agency for distribution and project management tasks. Spending on broadcasting digital migration is in the *ICT Infrastructure Support* programme, which accounts for 53.3 per cent of the department's expected total spending over the medium term. Transfers and subsidies to the Universal Service and Access Fund are projected to decrease over the medium term as the migration is expected to be completed, reflected in the projected average annual decrease of 34.7 per cent in the *Digital Terrestrial Television* subprogramme over the period.

Universal postal services

Additional funding of R64.9 million has been approved for 2015/16 for the South African Post Office to implement a new delivery model to meet its universal service obligations. The new model involves a combination of mobile units and retail postal agencies as opposed to bricks and mortar structures, and is expected to lower the cost of postal services delivery in underserved areas. Spending is in the *ICT Enterprise Development and SOE Oversight* programme.

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 SOE 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	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Programme 1	148.5	149.7	156.4	152.6	197.0	199.4	216.1	216.1	201.2	216.4	230.4	171.3	99.3%	91.8%
Programme 2	40.9	41.4	39.2	38.0	41.0	41.5	33.3	33.3	38.5	36.8	36.8	33.9	102.8%	100.4%
Programme 3	111.7	112.8	106.4	100.2	107.9	114.3	84.4	89.4	88.3	98.0	121.0	111.3	106.5%	97.5%
Programme 4	1 029.6	1 030.5	372.9	1 106.0	1 073.6	218.8	708.1	761.1	176.5	719.2	742.4	210.6	27.5%	27.1%
Programme 5	558.4	668.5	650.6	315.5	235.5	443.9	1 002.0	1 272.2	1 196.9	523.0	1 106.0	1 008.4	137.6%	100.5%
Total	1 889.1	2 002.9	1 325.4	1 712.3	1 655.0	1 017.9	2 043.9	2 372.1	1 701.5	1 593.4	2 236.7	1 535.4	77.1%	67.5%
Change to 2014											643.2			
Budget estimate														

Table 32.2 Vote expenditure trends by programme and economic classification

Economic classification	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Current payments	585.2	589.1	356.3	475.5	421.0	402.2	484.8	760.0	744.9	503.4	524.7	427.2	94.2%	84.1%
Compensation of employees	171.7	173.2	144.8	182.9	184.5	148.2	195.0	195.0	158.5	204.6	204.6	176.5	83.3%	82.9%
Goods and services	413.6	415.9	211.4	292.6	236.5	254.0	289.8	565.0	586.4	298.8	320.1	250.7	100.6%	84.7%
of which:														
Consultants and professional services:	123.4	125.8	56.4	156.9	71.9	71.7	83.3	396.4	410.1	86.3	81.3	79.4	137.3%	91.5%
Business and advisory services														
Agency and support/ outsourced services	27.4	27.4	–	0.7	0.7	0.9	27.5	0.8	0.1	29.3	52.5	26.5	32.5%	33.9%
Operating leases	29.0	29.0	38.4	29.7	31.7	38.4	28.7	28.7	38.0	31.2	31.2	31.2	123.2%	121.1%
Property payments	12.1	12.1	9.3	12.3	10.9	10.9	10.7	10.7	9.8	11.4	11.4	11.4	89.4%	92.1%
Travel and subsistence	32.6	32.6	34.5	22.8	22.7	37.9	19.3	18.7	28.6	25.2	25.2	24.6	125.6%	126.5%
Training and development	8.2	8.2	10.5	6.5	6.5	4.6	7.9	7.9	2.2	10.9	10.9	10.9	84.0%	84.0%
Transfers and subsidies	1 299.6	1 409.5	964.6	1 131.9	1 229.1	609.5	1 554.0	1 607.0	953.5	1 084.5	1 704.5	1 101.1	71.6%	61.0%
Departmental agencies and accounts	692.7	692.7	379.3	759.4	775.4	369.4	773.4	788.4	395.9	771.4	1 322.4	946.2	69.8%	58.4%
Higher education institutions	–	–	0.1	–	–	0.1	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	11.7	–	16.2	21.4	16.2	16.2	20.9	16.2	16.2	16.2	216.9%	144.6%
Public corporations and private enterprises	603.2	713.1	569.4	368.6	433.6	217.8	764.4	802.4	535.4	297.0	366.0	138.8	71.9%	63.1%
Non-profit institutions	3.7	3.7	4.0	3.9	3.9	0.3	–	–	0.4	–	–	–	62.4%	62.4%
Households	–	–	0.1	–	–	0.5	–	–	1.0	–	–	–	–	–
Payments for capital assets	4.3	4.3	2.5	104.9	4.9	5.9	5.2	5.2	2.5	5.5	7.5	7.1	15.0%	82.5%
Buildings and other fixed structures	–	–	–	100.0	–	–	–	–	–	–	–	–	–	–
Machinery and equipment	4.3	4.3	2.3	4.8	4.8	5.5	5.2	5.2	2.4	5.5	5.5	5.1	77.8%	77.8%
Software and other intangible assets	–	–	0.2	0.1	0.1	0.4	–	–	0.1	–	2.0	2.0	4041.5%	127.2%
Payments for financial assets	–	–	2.1	–	–	0.3	–	–	0.6	–	–	–	–	–
Total	1 889.1	2 002.9	1 325.4	1 712.3	1 655.0	1 017.9	2 043.9	2 372.1	1 701.5	1 593.4	2 236.7	1 535.4	77.1%	67.5%

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 SOE 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	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme 1	171.3	4.6%	13.1%	173.7	178.6	188.2	3.2%	12.3%
Programme 2	33.9	-6.5%	2.7%	43.4	45.8	48.2	12.5%	3.0%
Programme 3	111.3	-0.4%	7.5%	105.6	111.8	118.1	2.0%	7.7%
Programme 4	210.6	-41.1%	17.5%	447.9	195.2	212.6	0.3%	18.5%
Programme 5	1 008.4	14.7%	59.1%	642.8	1 014.3	708.2	-11.1%	58.5%
Total	1 535.4	-8.5%	100.0%	1 413.3	1 545.7	1 275.3	-6.0%	100.0%
Change to 2014 Budget estimate				176.1	155.9	233.3		

Table 32.3 Vote expenditure estimates by programme and economic classification

Economic classification		Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ total: Average (%)
	Revised estimate							
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Current payments	427.2	-10.2%	34.6%	679.7	766.6	796.1	23.1%	46.3%
Compensation of employees	176.5	0.6%	11.3%	191.8	204.7	217.1	7.1%	13.7%
Goods and services	250.7	-15.5%	23.3%	487.9	561.8	579.0	32.2%	32.6%
of which:								
Consultants and professional services: Business and advisory services	79.4	-14.2%	11.1%	95.9	142.4	149.1	23.4%	8.1%
Agency and support/outourced services	26.5	-1.1%	0.5%	230.0	268.7	272.1	117.3%	13.8%
Operating leases	31.2	2.6%	2.6%	42.7	44.6	46.6	14.2%	2.9%
Property payments	11.4	-1.8%	0.7%	12.0	12.6	13.3	5.1%	0.9%
Travel and subsistence	24.6	-9.0%	2.2%	28.7	25.0	26.4	2.5%	1.8%
Training and development	10.9	9.7%	0.5%	11.9	12.4	12.9	6.0%	0.8%
Transfers and subsidies	1 101.1	-7.9%	65.0%	728.6	774.1	474.0	-24.5%	53.3%
Departmental agencies and accounts	946.2	11.0%	37.5%	532.6	750.8	449.5	-22.0%	46.4%
Foreign governments and international organisations	16.2	–	1.3%	22.2	23.4	24.5	14.9%	1.5%
Public corporations and private enterprises	138.8	-42.0%	26.2%	173.9	–	–	-100.0%	5.4%
Payments for capital assets	7.1	18.6%	0.3%	5.1	5.0	5.3	-9.6%	0.4%
Machinery and equipment	5.1	6.3%	0.3%	5.1	5.0	5.3	1.0%	0.4%
Software and other intangible assets	2.0	–	–	–	–	–	-100.0%	–
Payments for financial assets	–	–	0.1%	–	–	–	–	–
Total	1 535.4	-8.5%	100.0%	1 413.3	1 545.7	1 275.3	-6.0%	100.0%

Personnel information

Table 32.4 Vote personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. International Affairs and Trade																			
3. Policy, Research and Capacity Development																			
4. ICT Enterprise Development and SOE Oversight																			
5. ICT Infrastructure Support																			
Number of posts estimated for 31 March 2015			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 (%)				
		2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost						
Telecommunications and Postal Services																			
Salary level	376	52	312	158.5	0.5	337	176.5	0.5	337	191.8	0.6	337	204.7	0.6	337	217.1	0.6	–	100.0%
1 – 6	33	52	51	3.2	0.1	29	5.4	0.2	29	5.5	0.2	29	6.2	0.2	29	6.6	0.2	–	8.6%
7 – 10	126	–	109	30.7	0.3	118	36.7	0.3	118	38.6	0.3	118	45.5	0.4	118	48.2	0.4	–	35.0%
11 – 12	85	–	66	41.9	0.6	76	36.5	0.5	76	41.7	0.5	76	43.7	0.6	76	47.2	0.6	–	22.6%
13 – 16	127	–	84	79.1	0.9	110	92.3	0.8	110	99.7	0.9	110	102.6	0.9	110	108.1	1.0	–	32.6%
Other	5	–	2	3.7	1.8	4	5.6	1.4	4	6.3	1.6	4	6.8	1.7	4	7.0	1.7	–	1.2%
Programme	376	52	312	158.5	0.5	337	176.5	0.5	337	191.8	0.6	337	204.7	0.6	337	217.1	0.6	–	100.0%
Programme 1	192	52	164	64.0	0.4	172	70.1	0.4	172	70.9	0.4	172	76.6	0.4	172	81.7	0.5	–	51.0%
Programme 2	23	–	18	10.3	0.6	19	10.8	0.6	19	13.3	0.7	19	14.1	0.7	19	14.9	0.8	–	5.6%
Programme 3	92	–	70	52.1	0.7	88	55.3	0.6	88	68.4	0.8	88	72.8	0.8	88	77.2	0.9	–	26.1%
Programme 4	34	–	10	9.5	0.9	29	21.0	0.7	29	20.0	0.7	29	21.6	0.7	29	22.5	0.8	–	8.6%
Programme 5	35	–	50	22.7	0.5	29	19.3	0.7	29	19.1	0.7	29	19.6	0.7	29	20.8	0.7	–	8.6%

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

2. Rand million.

Departmental receipts

Table 32.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate 2014/15	Revised estimate	Average growth rate (%)	Receipt item/ total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ total: Average (%)
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
Departmental receipts	1 419 736	1 668 613	1 710 048	1 745 226	1 669 934	5.6%	94.4%	1 669 902	1 669 954	1 669 891	-	100.0%
Sales of goods and services produced by department	159	170	123	60	60	-27.7%	-	62	64	66	3.2%	-
Sales by market establishments	98	117	65	-	-	-100.0%	-	-	-	-	-	-
of which:												
Rent received	98	117	65	-	-	-100.0%	-	-	-	-	-	-
Administrative fees	1	9	8	10	25	192.4%	-	25	25	25	-	-
of which:												
Cryptography law annual fees	1	9	8	10	25	192.4%	-	25	25	25	-	-
Other sales	60	44	50	50	35	-16.4%	-	37	39	41	5.4%	-
of which:												
Commission on insurance	34	44	50	50	35	1.0%	-	37	39	41	5.4%	-
Other	26	-	-	-	-	-100.0%	-	-	-	-	-	-
Sales of scrap, waste, arms and other used current goods	-	36	-	-	-	-	-	-	-	-	-	-
of which:												
Sales tender documents	-	36	-	-	-	-	-	-	-	-	-	-
Transfers received	-	-	-	728	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	1 418 988	1 667 467	1 708 937	1 742 926	1 669 593	5.6%	94.4%	1 669 559	1 669 609	1 669 539	-	100.0%
Interest	712	746	807	633	2 872	59.2%	0.1%	2 838	2 888	2 818	-0.6%	0.2%
Dividends	1 418 276	1 666 721	1 708 130	1 742 293	1 666 721	5.5%	94.3%	1 666 721	1 666 721	1 666 721	-	99.8%
of which:												
Telkom dividend	300 219	-	-	-	-	-100.0%	4.4%	-	-	-	-	-
Vodacom dividend	1 118 057	1 666 721	1 708 130	1 742 293	1 666 721	14.2%	89.9%	1 666 721	1 666 721	1 666 721	-	99.8%
Transactions in financial assets and liabilities	589	940	988	1 512	281	-21.9%	-	281	281	286	0.6%	-
National Revenue Fund receipts	-	381 560	-	-	-	-	5.6%	-	-	-	-	-
of which:												
2010 FIFA close-up project	-	381 560	-	-	-	-	5.6%	-	-	-	-	-
Total	1 419 736	2 050 173	1 710 048	1 745 226	1 669 934	5.6%	100.0%	1 669 902	1 669 954	1 669 891	-	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 (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
R million											
Ministry	3.6	3.6	3.7	4.1	4.2%	2.0%	4.3	4.6	4.9	5.8%	2.4%
Departmental Management	33.5	33.3	35.3	40.4	6.4%	18.6%	29.8	26.5	28.0	-11.4%	16.6%
Internal Audit	3.2	5.5	3.8	6.5	26.7%	2.5%	8.2	8.6	8.9	11.2%	4.3%
Corporate Services	54.0	87.9	89.1	95.1	20.8%	42.4%	52.3	54.2	57.9	-15.2%	34.5%
Financial Management	54.9	63.5	63.3	56.5	1.0%	31.0%	69.9	75.1	78.3	11.5%	37.2%
Office Accommodation	7.2	5.5	6.0	8.7	6.8%	3.6%	9.1	9.6	10.1	5.0%	5.0%
Total	156.4	199.4	201.2	211.3	10.6%	100.0%	173.7	178.6	188.2	-3.8%	100.0%
Change to 2014				40.0							
Budget estimate											
Economic classification											
Current payments	153.1	193.4	199.0	207.3	10.6%	98.0%	172.0	176.8	186.4	-3.5%	98.8%
Compensation of employees	58.3	65.4	64.0	70.1	6.3%	33.5%	70.9	76.6	81.7	5.3%	39.8%
Goods and services	94.8	128.0	135.1	137.2	13.1%	64.4%	101.0	100.2	104.6	-8.6%	58.9%
of which:											
Advertising	5.4	35.5	46.3	45.3	103.6%	17.2%	6.4	6.4	6.3	-48.1%	8.6%
Consultants and professional services:	2.0	4.5	3.2	13.9	90.8%	3.1%	6.3	6.6	6.9	-20.9%	4.5%
Business and advisory services											
Consumables: Stationery, printing and office supplies	3.9	3.5	2.8	3.8	-0.9%	1.8%	3.2	3.4	3.6	-2.2%	1.9%
Operating leases	36.4	36.6	36.8	28.7	-7.6%	18.0%	40.0	41.6	43.4	14.7%	20.4%
Property payments	7.5	10.9	9.5	11.4	15.3%	5.1%	12.0	12.6	13.3	5.1%	6.6%
Travel and subsistence	16.0	15.6	13.2	7.7	-21.8%	6.8%	10.9	6.3	6.8	-3.8%	4.2%
Transfers and subsidies	0.4	0.3	0.4	0.3	-9.8%	0.2%	-	-	-	-100.0%	-
Departmental agencies and accounts	0.2	-	-	0.3	5.5%	0.1%	-	-	-	-100.0%	-
Non-profit institutions	-	-	0.3	-	-	-	-	-	-	-	-
Households	0.1	0.3	0.1	-	-100.0%	0.1%	-	-	-	-	-
Payments for capital assets	0.8	5.3	1.2	3.7	66.6%	1.4%	1.7	1.8	1.8	-21.1%	1.2%
Machinery and equipment	0.8	5.0	1.2	1.7	29.1%	1.1%	1.7	1.8	1.8	1.8%	0.9%
Software and other intangible assets	-	0.4	0.1	2.0	-	0.3%	-	-	-	-100.0%	0.3%
Payments for financial assets	2.1	0.3	0.6	-	-100.0%	0.4%	-	-	-	-	-
Total	156.4	199.4	201.2	211.3	10.6%	100.0%	173.7	178.6	188.2	-3.8%	100.0%
Proportion of total programme expenditure to vote expenditure	11.8%	19.6%	11.8%	9.4%	-	-	12.3%	11.6%	14.8%	-	-

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

- Contribute to the harmonisation and coordination of the frequency spectrum with neighbouring countries through bilateral agreements with neighbouring countries by March 2016.
- Strengthen national and regional capacity in the postal sector in the SADC region through international cooperation by:
 - collaborating with the International Telecommunications Union and Universal Postal Union to deliver improved connectivity and financial services in rural and underserved areas of South Africa through the postal network by March 2016
 - implementing the Universal Postal Union Quality of Service Fund projects to improve sub-regional postal services by March 2016.

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						Average growth rate (%)	Expenditure/ Total: Average (%)				Average growth rate (%)	Expenditure/ Total: Average (%)
	Audited outcome			Adjusted appropriation				Medium-term expenditure estimate				
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18		
International Affairs	16.7	11.8	11.5	12.4	-9.4%	34.3%	14.3	15.1	15.9	8.6%	33.7%	
ICT Trade/Partnership	22.5	29.7	27.0	21.5	-1.6%	65.7%	29.2	30.7	32.3	14.6%	66.3%	
Total	39.2	41.5	38.5	33.9	-4.8%	100.0%	43.4	45.8	48.2	12.5%	100.0%	
Economic classification												
Current payments	23.8	20.1	17.3	17.2	-10.2%	51.2%	20.7	21.9	23.1	10.3%	48.4%	
Compensation of employees	10.0	9.3	10.3	10.8	2.6%	26.4%	13.3	14.1	14.9	11.2%	31.0%	
Goods and services	13.8	10.8	7.0	6.4	-22.6%	24.8%	7.4	7.8	8.2	8.7%	17.4%	
of which:												
Communication	0.5	0.5	0.4	0.8	14.2%	1.4%	0.8	0.8	0.8	2.3%	1.9%	
Consultants and professional services:	0.3	0.1	—	0.4	15.6%	0.6%	0.5	0.5	0.5	4.9%	1.1%	
Business and advisory services												
Contractors	0.4	—	0.2	0.4	2.2%	0.7%	0.4	0.5	0.5	5.6%	1.1%	
Travel and subsistence	5.1	7.0	4.9	2.9	-17.2%	13.0%	2.4	2.5	2.7	-2.9%	6.1%	
Operating payments	1.3	—	—	0.1	-54.3%	0.9%	1.5	1.6	1.7	142.1%	2.9%	
Venues and facilities	4.2	0.8	0.6	0.5	-50.8%	4.0%	0.5	0.6	0.6	6.3%	1.3%	
Transfers and subsidies	15.4	21.4	20.9	16.2	1.7%	48.2%	22.2	23.4	24.5	14.9%	50.3%	
Foreign governments and international organisations	11.6	21.4	20.9	16.2	11.5%	45.8%	22.2	23.4	24.5	14.9%	50.3%	
Non-profit institutions	3.7	—	—	—	-100.0%	2.4%	—	—	—	—	—	
Payments for capital assets	0.1	0.1	0.3	0.5	98.2%	0.6%	0.5	0.5	0.6	4.8%	1.2%	
Machinery and equipment	0.1	0.1	0.3	0.5	98.2%	0.6%	0.5	0.5	0.6	4.8%	1.2%	
Total	39.2	41.5	38.5	33.9	-4.8%	100.0%	43.4	45.8	48.2	12.5%	100.0%	
Proportion of total programme expenditure to vote expenditure	3.0%	4.1%	2.3%	1.5%	—	—	3.1%	3.0%	3.8%	—	—	
Details of selected transfers and subsidies												
Foreign governments and international organisations												
Current	11.6	21.4	20.9	16.2	11.5%	45.8%	22.2	23.4	24.5	14.9%	50.3%	
Universal Postal Union	—	7.4	4.7	3.6	—	10.2%	4.7	5.0	5.2	13.7%	10.8%	
International Telecommunications Union	10.2	12.5	14.2	10.8	2.1%	31.1%	14.8	15.5	16.3	14.6%	33.5%	
African Telecommunications Union	0.7	0.7	0.9	0.7	2.1%	1.9%	1.0	1.0	1.1	15.4%	2.2%	
Pan African Postal Union	0.5	0.7	0.8	0.7	11.2%	1.7%	0.9	1.0	1.0	13.8%	2.1%	
Organisation for Economic Cooperation and Development	0.1	0.1	0.4	0.1	1.6%	0.5%	0.4	0.5	0.5	64.1%	0.9%	
Commonwealth Telecommunication Organisation	0.2	—	—	0.3	11.1%	0.3%	0.4	0.4	0.4	14.0%	0.9%	
Non-profit institutions												
Current	3.7	—	—	—	-100.0%	2.4%	—	—	—	—	—	
New Partnership for Africa's Development e-Africa Commission	3.7	—	—	—	-100.0%	2.4%	—	—	—	—	—	

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 ICTs by the majority of the South African population in order to bridge the digital divide.

Objectives

- Ensure that broadband connectivity provides secure and affordable access for all citizens to education, health and other government services, and stimulates socioeconomic development by:
 - implementing the digital readiness programme in line with South Africa Connect (the national broadband policy and strategy)
 - compiling a report on legislation and regulations that inhibit the achievement of broadband policy objectives by March 2016
 - developing policy to enable the rapid deployment of electronic communications networks by March 2016

- developing and facilitating the implementation of capacity building programmes focusing on IT literacy for educators, government officials, health care workers and other provincial governments by March 2018.
- Implement the cost to communication programme of action aimed at promoting affordable ICT services for consumers by:
 - developing an approved roaming policy by March 2016
 - developing an approved local loop unbundling strategy by March 2017
 - developing a policy directive on the reduction of data costs by March 2016.
- Ensure that broadband connectivity stimulates socioeconomic development by implementing the digital opportunities programme of the broadband policy and strategy of South Africa Connect, through developing and facilitating the implementation of the digital entrepreneurship programme to enhance ICT adoption and usage by SMMEs by March 2018.
- Ensure that citizens have access to postal services to achieve economic inclusion by developing and facilitating the implementation of the national address system policy by March 2018.

Subprogrammes

- *ICT Policy Development* drafts legislation, regulations, policy and guidelines that govern the telecommunications, postal and IT sectors to ensure broad based economic development within the ICT sector.
- *Economic and Market Analysis* conducts economic analyses of the telecommunications, postal and IT sectors to determine trends and make growth projections. This subprogramme also undertakes market research to explore areas that require policy intervention, and is responsible for the reduction of the cost to communicate.
- *Research* is responsible for understanding the ICT landscape and delivering a national ICT strategy.
- *Information Society Development* supports the effective and efficient functioning of the information society; and the development of institutional mechanisms such as the interministerial committee on information society and development, the information society and development intergovernmental relations forum, the forum of South African directors general for information society and development, and the intergovernmental relations forum technical committee.
- *Capacity Development* provides direction for the advancement of e-skills graduates and society in general to function effectively in the emerging information society.

Expenditure trends and estimates

Table 32.8 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
ICT Policy Development	19.2	36.8	21.8	35.4	22.5%	26.5%	28.3	29.6	31.0	-4.3%	27.3%
Economic and Market Analysis	1.3	1.9	8.3	1.3	-0.7%	3.0%	5.9	5.9	6.0	66.9%	4.2%
Research	4.6	5.1	6.0	8.5	22.6%	5.7%	5.4	6.0	6.6	-8.3%	5.8%
Information Society Development	55.8	52.4	43.3	44.8	-7.1%	45.9%	53.5	56.8	60.2	10.3%	47.3%
Capacity Development	25.4	18.1	8.8	29.3	4.9%	19.0%	12.5	13.4	14.3	-21.2%	15.3%
Total	106.4	114.3	88.3	119.3	3.9%	100.0%	105.6	111.8	118.1	-0.3%	100.0%
Change to 2014				8.0							
Budget estimate											

Table 32.8 Policy, Research and Capacity Development expenditure trends and estimates by subprogramme and economic classification

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome							2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Current payments	104.6	113.7	86.8	118.3	4.2%	98.9%	104.5	110.8	116.9	-0.4%	99.0%
Compensation of employees	51.2	55.6	52.1	63.3	7.3%	51.9%	68.4	72.8	77.2	6.8%	61.9%
Goods and services	53.4	58.1	34.7	55.0	1.0%	47.0%	36.0	38.0	39.7	-10.3%	37.1%
of which:											
Communication	1.4	1.6	1.5	1.7	5.6%	1.4%	1.9	2.0	2.1	8.0%	1.7%
Consultants and professional services:	17.9	26.6	20.3	33.2	23.0%	22.9%	9.5	9.9	10.4	-32.0%	13.9%
Business and advisory services											
Operating leases	0.8	1.2	0.8	1.2	15.9%	1.0%	1.4	1.6	1.7	11.8%	1.3%
Travel and subsistence	8.4	11.7	6.0	6.5	-8.2%	7.6%	8.6	9.1	9.5	13.3%	7.4%
Training and development	7.8	2.5	0.7	6.4	-6.2%	4.1%	8.0	8.4	8.7	10.6%	7.0%
Venues and facilities	0.8	2.3	0.3	1.6	25.1%	1.2%	1.5	1.6	1.7	1.5%	1.4%
Transfers and subsidies	0.5	0.2	1.0	-	-100.0%	0.4%	-	-	-	-	-
Higher education institutions	0.1	0.1	-	-	-100.0%	-	-	-	-	-	-
Non-profit institutions	0.3	-	0.1	-	-100.0%	0.1%	-	-	-	-	-
Households	-	0.1	0.9	-	-100.0%	0.2%	-	-	-	-	-
Payments for capital assets	1.3	0.4	0.4	1.0	-9.3%	0.7%	1.1	1.1	1.2	7.3%	1.0%
Machinery and equipment	1.3	0.4	0.4	1.0	-9.3%	0.7%	1.1	1.1	1.2	7.3%	1.0%
Total	106.4	114.3	88.3	119.3	3.9%	100.0%	105.6	111.8	118.1	-0.3%	100.0%
Proportion of total programme expenditure to vote expenditure	8.0%	11.2%	5.2%	5.3%	-	-	7.5%	7.2%	9.3%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	-	-	0.8	-	-	0.2%	-	-	-	-	-
Households	-	-	0.8	-	-	0.2%	-	-	-	-	-

Programme 4: ICT Enterprise Development and SOE Oversight

Programme purpose

Oversee and manage government's shareholding interest in the ICT public entities. Facilitate growth and development of small, medium and micro enterprises (SMMEs) in the ICT sector.

Objectives

- Ensure optimally functional ICT state owned companies that effectively deliver on their respective mandates by:
 - reviewing the mandates and funding models for state owned companies by March 2016
 - developing and implementing oversight models for state owned companies by March 2016
 - monitoring state owned companies' compliance with statutory requirements on an ongoing basis.
- Ensure that South Africa has access to modern, sustainable and competitive banking services by facilitating the corporatisation of the Postbank through:
 - facilitating the licensing of the Postbank by March 2016
 - facilitating the appointment of Postbank board members by March 2016
 - facilitating the establishment of the Postbank Holding Company by March 2016
 - facilitating the incorporation of the Postbank Company by March 2016.

Subprogrammes

- *Public Entity Oversight* provides oversight on state owned enterprises by managing government's shareholder interests in public enterprises. This includes facilitating the 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 SOE Oversight expenditure trends and estimates by subprogramme and economic classification

Subprogramme				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
Public Entity Oversight	342.8	195.0	163.0	196.0	-17.0%	91.6%	437.5	184.0	200.6	0.8%	95.5%
Small, Medium and Micro Enterprise Development	13.3	15.8	7.1	6.3	-22.0%	4.3%	3.5	4.0	4.3	-11.8%	1.7%
ICT Support	16.8	8.0	6.4	8.3	-20.9%	4.0%	6.9	7.2	7.7	-2.6%	2.8%
Total	372.9	218.8	176.5	210.6	-17.3%	100.0%	447.9	195.2	212.6	0.3%	100.0%
Economic classification											
Current payments	33.2	27.3	20.6	55.2	18.5%	13.9%	31.1	33.1	34.5	-14.5%	14.4%
Compensation of employees	7.9	8.9	9.5	21.0	38.5%	4.8%	20.0	21.6	22.5	2.3%	8.0%
Goods and services	25.3	18.4	11.1	34.2	10.6%	9.1%	11.0	11.5	12.1	-29.3%	6.4%
of which:											
Communication	0.3	0.3	0.3	0.4	10.7%	0.1%	0.4	0.4	0.5	5.4%	0.2%
Consultants and professional services:	19.9	15.7	1.9	4.6	-38.9%	4.3%	5.7	5.9	6.1	10.3%	2.1%
Business and advisory services											
Consumables: Stationery, printing and office supplies	0.3	0.3	0.3	0.6	30.7%	0.2%	0.5	0.5	0.5	-5.7%	0.2%
Travel and subsistence	1.2	1.3	1.3	1.8	14.8%	0.6%	2.4	2.5	2.6	12.9%	0.9%
Operating payments	—	—	—	1.4	1007.9%	0.1%	0.4	0.5	0.6	-24.8%	0.3%
Venues and facilities	0.1	0.3	—	0.4	75.1%	0.1%	0.4	0.4	0.4	4.2%	0.2%
Transfers and subsidies	339.5	191.5	155.9	154.9	-23.0%	86.0%	416.3	161.4	177.4	4.6%	85.3%
Departmental agencies and accounts	159.1	139.4	155.9	154.9	-0.9%	62.2%	351.4	161.4	177.4	4.6%	79.3%
Public corporations and private enterprises	180.4	52.0	—	—	-100.0%	23.7%	64.9	—	—	—	6.1%
Non-profit institutions	—	0.1	—	—	—	—	—	—	—	—	—
Payments for capital assets	0.2	—	0.1	0.5	35.0%	0.1%	0.6	0.6	0.7	7.8%	0.2%
Machinery and equipment	—	—	0.1	0.5	160.6%	0.1%	0.6	0.6	0.7	7.8%	0.2%
Software and other intangible assets	0.2	—	—	—	-100.0%	—	—	—	—	—	—
Total	372.9	218.8	176.5	210.6	-17.3%	100.0%	447.9	195.2	212.6	0.3%	100.0%
Proportion of total programme expenditure to vote expenditure	28.1%	21.5%	10.4%	9.4%	—	—	31.7%	12.6%	16.7%	—	—
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	159.1	139.4	155.9	154.9	-0.9%	62.2%	351.4	161.4	177.4	4.6%	79.3%
National Electronic Media Institute of South Africa	33.5	34.1	50.7	37.9	4.2%	16.0%	36.6	37.2	43.8	5.0%	14.6%
Universal Service and Access Agency of South Africa	83.2	59.8	60.1	65.4	-7.7%	27.4%	66.4	69.0	75.7	5.0%	25.9%
Universal Service and Access Fund	40.9	44.0	45.0	50.0	6.9%	18.4%	52.4	55.2	57.9	5.0%	20.2%
Universal Service and Access Agency of South Africa: Broadcasting digital migration project management	—	—	—	—	—	—	196.0	—	—	—	18.4%
.za Domain Name Authority	1.5	1.5	—	1.7	3.8%	0.5%	—	—	—	-100.0%	0.2%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Capital	180.4	52.0	—	—	-100.0%	23.7%	64.9	—	—	—	6.1%
South African Post Office	180.4	52.0	—	—	-100.0%	23.7%	64.9	—	—	—	6.1%

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

- Ensure that broadband connectivity provides secure and affordable access for all citizens to education, health and other government services, and stimulates socioeconomic development by implementing the digital development and digital future programmes.
- Implement 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 1 296 identified government institutions, by March 2016
 - implementing the digital future strategy, which is focused on the implementation of a wholesale open access network, by March 2018
 - finalising the policy directive on spectrum for broadband by March 2016
 - providing connectivity to 972 schools in line with phase 1 of digital development, as part of the Broadband Policy and Strategy of South Africa Connect, by March 2016
 - establishing institutional capacity for cyber security through operationalising the cybersecurity hub by March 2018
 - creating an effective national spectrum framework to ensure that citizens reap socioeconomic benefits from the use of the spectrum through reviewing and updating the national radio frequency plan, and reviewing the national radio frequency spectrum policy, by March 2017.

Subprogrammes

- *Broadband* is responsible for developing and facilitating the implementation of the broadband policy, strategy and implementation plan, and ensuring that goals for broadband are achieved.
- *Digital Terrestrial Television* is responsible for supporting the conversion from analogue to digital television transmission technology, with the ultimate goal of releasing valuable frequency spectrum 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	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	Expenditure/Total: Average (%)	2015/16	2016/17	2017/18	2014/15 - 2017/18	Expenditure/Total: Average (%)
R million											
Broadband	38.4	47.0	415.7	65.6	19.6%	17.0%	271.5	424.9	436.1	88.0%	35.2%
Digital Terrestrial Television	612.2	396.9	781.2	975.8	16.8%	83.0%	371.3	589.4	272.1	-34.7%	64.8%
Total	650.6	443.9	1 196.9	1 041.4	17.0%	100.0%	642.8	1 014.3	708.2	-12.1%	100.0%
Change to 2014				33.0							
Budget estimate											
Economic classification											
Current payments	41.6	47.7	421.1	110.2	38.3%	18.6%	351.4	423.9	435.2	58.1%	38.8%
Compensation of employees	17.4	9.0	22.7	26.3	14.6%	2.3%	19.1	19.6	20.8	-7.4%	2.5%
Goods and services	24.2	38.8	398.5	83.9	51.4%	16.4%	332.4	404.4	414.3	70.3%	36.3%
of which:											
Assets less than the capitalisation threshold	–	–	0.1	1.9	291.7%	0.1%	1.9	2.1	2.2	4.9%	0.2%
Computer services	–	–	2.7	1.8	533.4%	0.1%	2.7	2.9	3.0	19.0%	0.3%
Consultants and professional services:	16.3	24.8	384.6	27.3	18.7%	13.6%	74.0	119.5	125.2	66.1%	10.2%
Business and advisory services											
Contractors	–	0.2	0.2	12.8	701.0%	0.4%	13.3	0.4	0.5	-67.0%	0.8%
Agency and support/outsourced services	–	–	–	28.5	–	0.9%	229.7	268.3	271.7	112.1%	23.4%
Travel and subsistence	3.8	2.3	3.2	5.7	14.6%	0.4%	4.4	4.6	4.9	-5.0%	0.6%
Transfers and subsidies	608.9	396.1	775.3	929.8	15.2%	81.3%	290.2	589.4	272.1	-33.6%	61.1%
Departmental agencies and accounts	220.0	230.0	240.0	791.0	53.2%	44.4%	181.2	589.4	272.1	-29.9%	53.8%
Public corporations and private enterprises	388.9	165.8	535.3	138.8	-29.1%	36.9%	109.0	–	–	-100.0%	7.3%
Non-profit institutions	–	0.2	–	–	–	–	–	–	–	–	–
Households	–	0.1	–	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	0.1	–	0.4	1.4	182.9%	0.1%	1.2	1.0	1.0	-10.7%	0.1%
Machinery and equipment	0.1	–	0.4	1.4	182.9%	0.1%	1.2	1.0	1.0	-10.7%	0.1%
Total	650.6	443.9	1 196.9	1 041.4	17.0%	100.0%	642.8	1 014.3	708.2	-12.1%	100.0%
Proportion of total programme expenditure to vote expenditure	49.1%	43.6%	70.3%	46.6%	–	–	45.5%	65.6%	55.5%	–	–

Table 32.10 ICT Infrastructure Support 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			2014/15		2011/12	2014/15	2015/16	2016/17	2017/18	2014/15	2017/18
R million	2011/12	2012/13	2013/14	2014/15	2011/12	2014/15	2015/16	2016/17	2017/18	2014/15	2017/18
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	220.0	230.0	240.0	791.0	53.2%	44.4%	181.2	589.4	272.1	-29.9%	53.8%
Universal Service and Access Fund:	220.0	230.0	240.0	791.0	53.2%	44.4%	181.2	589.4	272.1	-29.9%	53.8%
Broadcasting digital migration											
Capital	388.9	165.8	535.3	138.8	-29.1%	36.9%	109.0	–	–	-100.0%	7.3%
Sentech	268.9	165.8	423.3	69.8	-36.2%	27.8%	–	–	–	-100.0%	2.0%
Sentech: African Nations Championship	–	–	6.0	–	–	0.2%	–	–	–	–	–
Sentech: Digital terrestrial television (dual illumination)	120.0	–	106.0	69.0	-16.8%	8.9%	109.0	–	–	-100.0%	5.2%

Public entities and other agencies

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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of new points of presence per year	Mail, retail and e-business	Entity mandate	50	50	50	- ¹	- ¹	- ¹	- ¹
Total number of points of presence	Mail, retail and e-business		2 447	2 486	2 486	2 486	2 486	2 486	2 486
Number of new addresses as part of the address expansion	Mail, retail and e-business		1 199 273	1 201 263	1 195 690	500 000	- ¹	- ¹	- ¹

1. Data is not available, as the South African Post Office is negotiating with the regulator about reducing or suspending targets due to poor trading conditions.

Expenditure analysis

The South African Post Office's focus over the medium term will be on stabilising business operations and engagements with stakeholders to improve and strengthen the company's position as the national provider of postal, courier and financial services. This will be achieved by ensuring that business operating models are reviewed and aligned to deal with the challenges the organisation faces. In this transition period, while delivering on government's social mandate, the post office will adapt to its rapidly changing environment by reviewing postal policy, increasing productivity, improving business operations, and improving financial performance. This will be done by improving cash flow management; reducing costs through improved efficiencies, such as the rationalisation of physical infrastructure and the optimisation of procurement; and improving service delivery by enhancing the quality of customer service. The organisation will also upgrade its IT infrastructure, which partially accounts for the high spending on the acquisition of assets.

The organisation generates its revenue from the provision of postal services and courier services, as well as from interest income and financial transaction fees. Non-tax revenue is expected to grow at 4.3 per cent over the medium term due to difficult trading conditions, declining mail volumes and increased competition, with total revenue increasing to R7.9 billion in 2017/18. Slow revenue growth and cost management measures are expected to lead to total expenditure increasing by 3 per cent over the medium term, to R7.9 billion in 2017/18. Other sundry revenue will be derived from broadcasting digital migration, rental income, the sale of fixed assets, and interest income.

Expenditure on compensation of employees is expected to grow at 1.3 per cent and decrease as a proportion of total expenditure over the medium term to reduce the growing gap between revenue and expenditure. As a result, the number of posts in the organisation is expected to decrease from 23 775 in 2015/16 to 22 831 in 2017/18, due to the expected rationalisation of staff in line with the turnaround plan. The organisation is currently in negotiations with the Independent Communications Authority of South Africa to temporarily suspend or reduce its universal service obligations over the medium term, due to difficult trading conditions.

As a result of the expected corporatisation of Postbank, the total value of depositor funds is expected to increase from R4.7 billion in 2013/14 to R5.6 billion over the medium term, while the Postbank programme is expected to grow at an average annual rate of 7.8 per cent over the same period.

Programmes/objectives/activities

Table 32.12 South African Post Office 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 (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Administration	1 802.6	1 822.4	1 826.2	1 933.5	2.4%	27.8%	2 083.5	2 278.5	2 361.4	6.9%	28.3%
Logistics	634.3	671.0	669.1	763.8	6.4%	10.3%	698.3	733.9	771.3	0.3%	9.7%
Postbank	151.7	137.7	114.4	289.3	24.0%	2.6%	328.7	345.1	362.4	7.8%	4.3%
Mail, retail and e-business	3 585.5	3 872.7	4 086.5	4 265.4	6.0%	59.4%	4 507.7	4 418.7	4 430.6	1.3%	57.7%
Total	6 174.0	6 503.9	6 696.3	7 252.1	5.5%	100.0%	7 618.2	7 776.2	7 925.6	3.0%	100.0%

Statements of historical financial performance and position

Table 32.13 South African Post Office 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	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15	
Revenue										
Non-tax revenue	6 131.0	6 151.4	6 134.0	6 135.0	6 389.0	6 187.3	6 859.1	7 003.2		99.9%
Sale of goods and services other than capital assets	5 550.7	5 700.8	5 553.2	5 689.5	5 823.9	5 778.4	6 324.0	6 788.5		103.0%
of which:										
Sales by market establishment	5 550.7	5 700.8	5 553.2	5 689.5	5 823.9	5 778.4	6 324.0	6 788.5		103.0%
Other non-tax revenue	580.4	450.6	580.8	445.5	565.1	408.9	535.1	214.8		67.2%
Transfers received	180.4	180.4	52.0	52.0	205.0	205.0	—	252.0		157.6%
Total revenue	6 311.5	6 331.9	6 186.0	6 218.7	6 594.0	6 542.4	6 859.1	7 255.2		101.5%
Expenses										
Current expenses	6 204.3	6 081.7	6 233.8	6 503.9	6 599.4	6 697.0	7 222.0	7 251.7		101.0%
Compensation of employees	3 355.5	3 372.0	3 071.3	3 529.2	3 496.9	3 650.9	4 045.6	3 872.9		103.3%
Goods and services	2 599.6	2 464.3	2 902.2	2 720.9	2 849.7	2 803.0	2 905.3	3 105.4		98.6%
Depreciation	169.2	193.9	177.7	172.7	175.9	166.9	199.1	201.8		101.9%
Interest, dividends and rent on land	79.9	51.6	82.7	81.0	76.9	76.1	71.9	71.5		90.0%
Total expenses	6 242.6	6 174.0	6 257.6	6 503.9	6 599.4	6 696.3	7 222.3	7 252.1		101.2%
Surplus/(Deficit)	69.0	158.0	(72.0)	(285.0)	(5.0)	(154.0)	(363.0)	3.0		—
Statement of financial position										
Carrying value of assets	1 590.9	1 269.3	1 623.5	1 432.0	1 366.4	1 500.2	1 345.9	1 564.0		97.3%
of which:										
Acquisition of assets	410.5	105.9	367.0	173.3	325.0	225.7	263.8	285.0		57.8%
Investments	4 203.3	4 922.7	2 108.5	4 719.3	5 788.3	4 301.5	5 580.8	4 615.4		105.0%
Inventory	51.8	61.3	54.4	50.9	66.7	77.4	48.8	75.8		119.7%
Receivables and prepayments	675.1	527.7	653.0	593.7	805.3	600.6	584.4	594.6		85.2%
Cash and cash equivalents	3 628.9	3 277.2	5 362.6	3 276.8	2 214.5	4 011.1	2 876.8	2 888.0		95.5%
Non-current assets held for sale	—	0.2	1 079.0	—	—	—	—	—		—
Taxation	—	316.9	—	688.8	266.5	800.7	379.9	800.6		403.3%
Total assets	10 150.0	10 375.3	10 881.0	10 761.5	10 507.7	11 291.4	10 816.6	10 538.4		101.4%
Accumulated surplus/(deficit)	1 443.6	1 761.2	1 589.8	1 307.3	1 544.0	941.8	937.2	244.1		77.1%
Capital and reserves	956.0	951.0	917.8	997.6	951.6	1 496.5	1 450.9	1 496.5		115.6%
Capital reserve fund	—	94.6	31.0	94.4	—	85.3	—	—		884.9%
Finance lease	—	60.3	69.1	20.4	43.2	3.6	80.6	3.8		45.7%
Deferred income	—	373.0	365.2	330.9	333.9	324.6	340.9	318.1		129.5%
Trade and other payables	6 271.0	5 888.2	6 220.6	6 076.7	6 410.8	6 487.9	6 812.3	6 478.6		97.0%
Taxation	—	8.9	23.8	251.1	18.5	244.3	0.9	244.3		1 732.0%
Provisions	1 327.0	1 238.0	1 663.8	1 683.0	1 205.7	1 707.4	1 193.8	1 752.9		118.4%
Derivatives financial instruments	152.5	—	—	—	—	—	—	—		—
Total equity and liabilities	10 150.0	10 375.3	10 881.0	10 761.5	10 507.7	11 291.4	10 816.6	10 538.4		101.4%

Table 32.13 South African Post Office statements of estimates of financial performance and position

Statement of financial position								
	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Revenue								
Non-tax revenue	7 003.2	4.4%	96.7%	6 871.2	7 426.3	7 942.5	4.3%	98.9%
Sale of goods and services other than capital assets	6 788.5	6.0%	90.9%	6 525.3	6 976.4	7 467.3	3.2%	93.9%
of which:								
Sales by market establishment	6 788.5	6.0%	90.9%	6 525.3	6 976.4	7 467.3	3.2%	93.9%
Other non-tax revenue	214.8	-21.9%	5.9%	345.9	449.9	475.3	30.3%	5.0%
Transfers received	252.0	11.8%	2.6%	64.9	-	-	-100.0%	1.1%
Total revenue	7 255.2	4.6%	100.0%	6 936.1	7 426.3	7 942.5	3.1%	100.0%
Expenses								
Current expenses	7 251.7	6.0%	99.6%	7 617.0	7 774.3	7 921.8	3.0%	100.0%
Compensation of employees	3 872.9	4.7%	54.2%	4 188.7	4 065.7	4 029.3	1.3%	52.9%
Goods and services	3 105.4	8.0%	41.6%	3 176.0	3 443.6	3 614.4	5.2%	43.6%
Depreciation	201.8	1.3%	2.8%	159.9	167.9	176.3	-4.4%	2.3%
Interest, dividends and rent on land	71.5	11.5%	1.1%	92.4	97.0	101.9	12.5%	1.2%
Total expenses	7 252.1	5.5%	100.0%	7 618.2	7 776.2	7 925.6	3.0%	100.0%
Surplus/(Deficit)	3.0	-73.3%	-	(682.0)	(350.0)	17.0	78.3%	-

Statement of financial position

Carrying value of assets	1 564.0	7.2%	13.4%	1 643.7	1 685.3	1 748.6	3.8%	15.8%
of which:								
Acquisition of assets	285.0	39.1%	1.8%	240.0	210.0	240.0	-5.6%	2.3%
Investments	4 615.4	-2.1%	43.3%	4 853.1	5 126.7	5 411.7	5.4%	47.7%
Inventory	75.8	7.4%	0.6%	74.3	72.8	71.4	-2.0%	0.7%
Receivables and prepayments	594.6	4.1%	5.4%	588.6	582.8	576.9	-1.0%	5.6%
Cash and cash equivalents	2 888.0	-4.1%	31.2%	2 408.2	2 075.7	2 069.3	-10.5%	22.5%
Taxation	800.6	36.2%	6.0%	800.6	800.6	800.6	-	7.6%
Total assets	10 538.4	0.5%	100.0%	10 368.5	10 343.9	10 678.5	0.4%	100.0%
Accumulated surplus/(deficit)	244.1	-48.2%	9.9%	(438.0)	(787.9)	(771.0)	-246.7%	-4.2%
Capital and reserves	1 496.5	16.3%	11.5%	1 748.5	1 772.5	1 772.5	5.8%	16.2%
Finance lease	3.8	-60.1%	0.2%	4.0	4.2	4.4	5.0%	-
Deferred income	318.1	-5.2%	3.1%	311.8	305.5	299.4	-2.0%	2.9%
Trade and other payables	6 478.6	3.2%	58.0%	6 695.4	6 948.6	7 213.6	3.6%	65.2%
Taxation	244.3	201.2%	1.7%	244.3	244.3	244.3	-	2.3%
Provisions	1 752.9	12.3%	14.8%	1 802.6	1 856.6	1 915.2	3.0%	17.5%
Total equity and liabilities	10 538.4	0.5%	100.0%	10 368.5	10 343.9	10 678.5	-231.3%	100.0%

Personnel information**Table 32.14 South African Post Office personnel numbers and cost by salary level¹**

Number of posts estimated for 31 March 2015			Number and cost¹ 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 (%)			
			2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18		
			South African Post Office			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	24 193	36 145	23 140	3 650.9	0.2	23 775	3 872.9	0.2	23 775	4 188.7	0.2	23 062	4 065.7	0.2	22 831	4 029.3	0.2	1.3%	100.0%
1 – 6	8 465	12 450	8 815	543.8	0.1	8 425	490.3	0.1	8 425	539.7	0.1	8 172	523.5	0.1	8 090	518.3	0.1	1.9%	35.4%
7 – 10	15 078	22 925	13 758	2 735.1	0.2	14 796	2 989.3	0.2	14 796	3 222.5	0.2	14 352	3 128.6	0.2	14 209	3 101.5	0.2	1.2%	62.2%
11 – 12	592	696	529	323.7	0.6	520	338.4	0.7	520	368.1	0.7	505	357.1	0.7	499	353.5	0.7	1.5%	2.2%
13 – 16	58	74	38	48.3	1.3	34	55.0	1.6	34	58.3	1.7	33	56.5	1.7	33	56.0	1.7	0.6%	0.1%

¹. Rand million.**Other public entities and agencies**

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 electronic media disciplines. The institute's total budget for 2015/16 is R40.7 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 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 2015/16 is R1 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. The agency's total budget for 2015/16 is R5.6 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 service. The agency's total budget for 2015/16 is R262.4 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 underserved areas. The fund is managed by the Universal Service and Access Agency of South Africa and is financed by contributions from all telecommunications licensees except community broadcasting service licensees. The fund's total budget for 2015/16 is R223.6 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			
				2011/12	2012/13		2013/14	2015/16	2016/17	2017/18
R million										
Departmental infrastructure										
South Africa Connect: Phase 1 of digital development plan	Connection of schools and government institutions to broadband	Construction	6 565.0	–	–	384.9	23.4	226.7	382.1	391.3
Infrastructure transfers to other spheres, agencies and departments										
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	388.9	–	423.3	69.8	–	–	–
Sentech: 2010	Provision of satellite back-up links between stadiums and international broadcast centre for 2010 FIFA World Cup	Handover	420.0	120.0	–	–	–	–	–	–
South African Broadcasting Corporation: Digital migration project	Efficient use of spectrum, achievement of broadcast digital dividend, achievement of multiple channel possibilities and generation of new content	Various	138.0	–	–	76.0	62.0	–	–	–
Universal Service and Access Agency of South Africa	Subsidisation of ICT infrastructure to promote universal access and services	Various	55.0	25.0	–	–	–	–	–	–
Total			8 712.9	533.9	–	884.2	155.2	226.7	382.1	391.3

Vote 33

Tourism

Budget summary

	2015/16				2016/17	2017/18
R million	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	231.8	228.4	0.2	3.2	243.0	255.4
Policy and Knowledge Services	1 215.6	59.3	1 155.1	1.2	1 274.1	1 328.0
International Tourism	46.7	39.8	6.0	0.9	53.3	56.5
Domestic Tourism	306.2	75.5	229.8	0.8	482.9	487.7
Total expenditure estimates	1 800.2	403.0	1 391.1	6.1	2 053.3	2 127.6

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, public entities, donor funding, public private partnerships, conditional allocations 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 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 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 new growth path.

Selected performance indicators

Table 33.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of information systems, services developed, and maintained per year	Policy and Knowledge Services	Outcome 4: Decent employment through inclusive economic growth	1	2	3	5	7	9	9
Number of initiatives implemented for destination development per year	Policy and Knowledge Services		— ¹	— ¹	— ¹	— ¹	2	1	1
Number of tourism source market development plans activated per year	International Tourism	Outcome 11: Create a better South Africa, a better Africa and a better world	— ¹	— ¹	— ¹	— ¹	20	21	21
Number of initiatives facilitated to support South African missions in developing tourism per year	International Tourism		— ¹	4	1	2	1	2	2
Number of full time equivalent jobs created through the social responsibility implementation programme of the expanded public works programme per year	Domestic Tourism	Outcome 4: Decent employment through inclusive economic growth	4 531	5 645	2 797	4 369	3 008	3 970	3 944
Number of enterprises selected and assessed for development per year	Domestic Tourism		500	1 664	891	489	250	100	100
Number of Business Development Fund assistance packages provided to historically disadvantaged enterprises	Domestic Tourism		3 150	4 145	3 569	1 263	750	— ²	— ²

1. Data is not available, as the department did not identify targets for this year.

2. Projections are not available, as the department has no planned targets for this indicator this year.

Expenditure analysis

The national development plan recognises tourism as one of the main drivers of South Africa's economy and of employment. In line with outcome 4 of government's 2014-2019 medium term strategic framework (decent employment through inclusive economic growth), the Department of Tourism's policy focus over the medium term will be on creating work opportunities and increasing the number of domestic and international tourist arrivals from 11 million in 2015/16 to 12 million by 2017/18. The national tourism sector strategy seeks to increase the tourism sector's total direct and indirect contribution to the economy from R189.4 billion in 2009, to R318.2 billion in 2015, and R499 billion by 2020. Specifically, the strategy commits the tourism sector to creating 22 000 additional jobs by 2020.

The department creates employment opportunities through the expanded public works programme, funded in the *Domestic Tourism* programme. A significant share of the department's budget over the medium term is allocated to this programme to support the creation of 10 922 full time equivalent jobs. This is the department's contribution to the national development plan's target of creating 2 million job opportunities per year by 2020. Through labour intensive methods targeting youth, women, the disabled, and small, medium and micro enterprises (SMMEs), the expanded public works programme both creates jobs and develops tourism infrastructure. Infrastructure projects over the medium term will include trails, lodges, camp sites, resorts, and tourism information centres, among others. Spending is reflected in the *Social Responsibility Implementation* subprogramme in the *Domestic Tourism* programme. Cabinet approved a budget reduction of R44 million in this subprogramme in 2015/16.

The department further supports SMMEs by assisting SMME tour operators to participate in local and international trade exhibitions, thus creating direct linkages with international tourism companies. R557.3 million over the medium term is allocated for this in the *Tourism Incentive* programme. The Cabinet approved budget reduction of R67.6 million will be effected in the programme over the medium term.

South African Tourism is responsible for marketing South Africa as a tourist destination of choice. Transfers to the entity constitute 51.5 per cent of the departmental budget over the medium term. Through transfers from government's economic competitiveness package, expenditure in the *Tourism Incentive* programme is projected to increase by R100 million in 2015/16 and R105 million in 2016/17. The economic competitiveness package aims to support competitiveness and promote the kinds of structural change that will lead to more rapid inclusive economic growth. Instituted in 2013/14 for departments in the economic cluster, the package ends in 2016/17. The department will use the funds for transfers and subsidies to SMMEs, with the aim of increasing the number of domestic and international travellers.

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			Revised estimate			Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15							
Programme 1	160.8	195.9	196.5	195.0	191.9	179.2	205.7	208.1	212.0	221.8	224.6	224.6	103.7%	99.0%						
Programme 2	695.5	695.5	694.0	788.0	793.4	794.0	875.5	901.8	908.8	925.2	850.0	928.9	101.3%	102.6%						
Programme 3	37.2	25.5	21.1	46.8	41.8	27.1	49.6	41.0	37.9	51.9	45.4	45.4	70.9%	85.6%						
Programme 4	349.3	348.1	338.6	337.5	347.0	371.6	369.8	369.6	354.0	463.2	463.2	384.4	95.3%	94.8%						
Total	1 242.9	1 265.0	1 250.2	1 367.3	1 374.1	1 372.0	1 500.6	1 520.6	1 512.7	1 662.1	1 583.3	1 583.3	99.1%	99.6%						
Change to 2014 Budget estimate										(78.9)										

Table 33.2 Vote expenditure trends by programme and economic classification

Economic classification														
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12 -	2014/15
Current payments	268.2	272.5	263.0	331.1	330.3	287.2	359.2	360.7	340.8	380.3	373.7	373.7	94.5%	94.6%
Compensation of employees	141.9	144.6	135.3	180.6	174.7	171.2	205.8	205.8	202.4	233.3	229.3	229.3	96.9%	97.8%
Goods and services	126.3	127.7	127.5	150.3	155.0	116.0	153.3	154.9	138.4	147.0	144.4	144.4	91.2%	90.4%
of which:														
Computer services	11.9	12.1	11.0	19.7	19.6	7.9	22.5	20.2	17.1	20.9	20.9	20.9	76.0%	78.3%
Consultants and professional services:	23.8	21.2	18.8	9.8	14.0	13.9	8.6	3.2	7.3	6.6	6.5	6.5	95.3%	103.8%
Business and advisory services														
Operating leases	29.2	25.7	19.3	1.0	0.1	19.8	1.0	–	26.9	26.5	26.5	26.5	160.2%	176.8%
Travel and subsistence	34.6	34.3	30.5	38.5	38.9	32.6	40.1	40.5	41.8	37.8	36.0	36.0	93.2%	94.1%
Operating payments	1.4	1.7	3.6	7.2	6.6	2.0	6.8	6.1	4.8	5.6	5.6	5.6	76.6%	80.6%
Venues and facilities	6.6	8.2	4.9	4.9	5.7	5.5	4.5	8.0	4.6	4.0	4.0	4.0	95.5%	73.5%
Interest and rent on land	–	0.3	0.3	0.2	0.5	–	0.2	–	–	–	–	–	66.9%	35.1%
Transfers and subsidies	968.0	965.5	966.7	1 029.0	1 034.3	1 074.8	1 133.8	1 156.8	1 160.1	1 272.6	1 199.2	1 199.2	99.9%	101.0%
Departmental agencies and accounts	668.6	668.6	668.6	753.3	759.0	759.0	836.0	862.6	872.6	881.9	886.3	886.3	101.5%	100.3%
Higher education institutions	–	–	1.9	–	2.5	2.5	3.1	3.1	3.1	3.7	3.7	3.7	164.0%	120.1%
Foreign governments and international organisations	5.0	2.0	1.4	5.3	3.5	3.5	5.5	1.8	4.8	5.9	5.9	5.9	72.1%	118.4%
Non-profit institutions	22.2	22.7	22.2	27.7	26.6	26.1	26.0	26.0	26.0	24.0	25.2	25.2	99.5%	99.0%
Households	272.2	272.2	272.6	242.8	242.8	283.8	263.2	263.2	253.6	357.0	278.2	278.2	95.9%	103.0%
Payments for capital assets	6.7	27.0	20.5	7.2	9.6	9.9	7.5	3.1	11.6	9.3	10.4	10.4	170.8%	104.7%
Buildings and other fixed structures	–	–	–	–	–	3.1	–	–	–	–	–	–	–	–
Machinery and equipment	6.7	27.0	19.6	7.0	9.3	6.6	7.4	3.1	10.3	9.1	10.2	10.2	154.2%	94.0%
Software and other intangible assets	–	–	0.9	0.1	0.2	0.2	0.1	–	1.3	0.1	0.1	0.1	662.5%	704.7%
Payments for financial assets	–	–	–	–	–	0.1	–	–	0.1	–	–	–	–	–
Total	1 242.9	1 265.0	1 250.2	1 367.3	1 374.1	1 372.0	1 500.6	1 520.6	1 512.7	1 662.1	1 583.3	1 583.3	99.1%	99.6%

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 (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme 1	224.6	4.7%	14.2%	231.8	243.0	255.4	4.4%	12.6%
Programme 2	928.9	10.1%	58.2%	1 215.6	1 274.1	1 328.0	12.7%	62.7%
Programme 3	45.4	21.3%	2.3%	46.7	53.3	56.5	7.5%	2.7%
Programme 4	384.4	3.4%	25.3%	306.2	482.9	487.7	8.3%	22.0%
Total	1 583.3	7.8%	100.0%	1 800.2	2 053.3	2 127.6	10.4%	100.0%
Change to 2014 Budget estimate				(63.0)	(23.1)	(25.5)		
Economic classification								
Current payments	373.7	11.1%	22.1%	403.0	427.5	450.5	6.4%	21.9%
Compensation of employees	229.3	16.6%	12.9%	246.1	259.4	275.7	6.3%	13.4%
Goods and services	144.4	4.2%	9.2%	156.9	168.1	174.8	6.6%	8.5%
of which:								
Computer services	20.9	20.2%	1.0%	20.1	21.3	22.2	2.0%	1.1%
Consultants and professional services: Business and advisory services	6.5	-32.5%	0.8%	8.5	8.7	9.0	11.6%	0.4%
Operating leases	26.5	1.0%	1.6%	25.2	26.5	27.9	1.7%	1.4%
Travel and subsistence	36.0	1.6%	2.5%	46.0	51.4	54.0	14.5%	2.5%
Operating payments	5.6	48.9%	0.3%	5.9	6.5	6.9	7.6%	0.3%
Venues and facilities	4.0	-21.7%	0.3%	7.9	7.7	8.1	26.8%	0.4%

Table 33.3 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	2014/15	2011/12 - 2014/15					2014/15 - 2017/18	
Transfers and subsidies	1 199.2	7.5%	77.0%	1 391.1	1 618.1	1 669.0	11.6%	77.7%
Departmental agencies and accounts	886.3	9.8%	55.7%	983.9	1 031.4	1 082.9	6.9%	52.7%
Higher education institutions	3.7		0.2%	3.8	4.0	4.2	4.2%	0.2%
Foreign governments and international organisations	5.9	43.1%	0.3%	6.0	6.3	6.6	4.2%	0.3%
Non-profit institutions	25.2	3.5%	1.7%	14.8	16.0	16.9	-12.4%	1.0%
Households	278.2	0.7%	19.0%	382.7	560.3	558.3	26.1%	23.5%
Payments for capital assets	10.4	-27.3%	0.9%	6.1	7.7	8.1	-7.9%	0.4%
Machinery and equipment	10.2	-27.6%	0.8%	5.8	7.3	7.7	-9.2%	0.4%
Software and other intangible assets	0.1	—	—	0.3	0.4	0.4	49.4%	—
Total	1 583.3	7.8%	100.0%	1 800.2	2 053.3	2 127.6	10.4%	100.0%

Personnel information

Table 33.4 Vote personnel numbers and cost by salary level and programme¹

Programmes

- Administration
- Social, Political and Economic Participation and Empowerment
- Research, Policy Coordination and Knowledge Management
- Monitoring, Evaluation and Outreach

Number of posts estimated for 31 March 2015			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 (%)	
			2013/14			2014/15			2015/16			2016/17			2017/18					2014/15 - 2017/18
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Tourism																				
Salary level	548	–	472	202.4	0.4	548	230.5	0.4	548	246.1	0.4	548	259.4	0.5	548	275.7	0.5	–	100.0%	
1 – 6	118	–	106	22.7	0.2	118	26.2	0.2	119	27.4	0.2	119	28.3	0.2	119	31.0	0.3	0.3%	21.7%	
7 – 10	229	–	189	62.0	0.3	229	76.6	0.3	229	81.0	0.4	229	83.9	0.4	229	88.4	0.4	–	41.8%	
11 – 12	129	–	111	58.4	0.5	129	70.2	0.5	128	74.0	0.6	128	76.9	0.6	128	81.3	0.6	-0.3%	23.4%	
13 – 16	70	–	64	54.1	0.8	70	53.8	0.8	70	60.0	0.9	70	66.6	1.0	70	71.5	1.0	–	12.8%	
Other	2	–	2	5.1	2.6	2	3.7	1.8	2	3.7	1.8	2	3.7	1.8	2	3.7	1.8	–	0.4%	
Programme	548	–	472	202.4	0.4	548	230.5	0.4	548	246.1	0.4	548	259.4	0.5	548	275.7	0.5	–	100.0%	
Programme 1	291	–	261	102.5	0.4	291	114.6	0.4	291	120.9	0.4	291	127.5	0.4	291	135.5	0.5	–	53.1%	
Programme 2	84	–	61	28.9	0.5	84	35.5	0.4	84	39.5	0.5	84	41.7	0.5	84	44.3	0.5	–	15.3%	
Programme 3	71	–	53	25.8	0.5	71	31.9	0.4	71	35.8	0.5	71	37.7	0.5	71	40.1	0.6	–	13.0%	
Programme 4	102	–	97	45.2	0.5	102	48.4	0.5	102	49.9	0.5	102	52.6	0.5	102	55.9	0.5	–	18.6%	

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

2. Rand million.

Departmental receipts

Table 33.5 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 (%)
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
Departmental receipts	1 893	1 479	4 209	3 486	3 486	22.6%	100.0%	1 769	1 769	1 773	-20.2%	100.0%
Sales of goods and services produced by department	99	123	141	134	134	10.6%	4.5%	104	104	106	-7.5%	5.1%
Sales by market establishments	59	69	69	72	72	6.9%	2.4%	59	59	60	-5.9%	2.8%
of which:												
Rent collected from the letting of open and covered parking	59	69	69	72	72	6.9%	2.4%	59	59	60	-5.9%	2.8%
Other sales	40	54	72	62	62	15.7%	2.1%	45	45	46	-9.5%	2.3%
of which:												
Commission received on deduction of insurance and other premiums from employees' salaries	40	54	72	62	62	15.7%	2.1%	45	45	46	-9.5%	2.3%

Table 33.5 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 (%)
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
R thousand	2011/12	2012/13	2013/14	2014/15		2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Sales of scrap, waste, arms and other used current goods	1	–	–	–	–	-100.0%	–	–	–	–	–	–
of which:												
Sale of waste paper	1	–	–	–	–	-100.0%	–	–	–	–	–	–
Interest, dividends and rent on land	23	8	11	30	30	9.3%	0.7%	35	35	36	6.3%	1.5%
Interest	23	8	11	30	30	9.3%	0.7%	35	35	36	6.3%	1.5%
Sales of capital assets	66	11	592	22	22	-30.7%	6.2%	–	–	–	-100.0%	0.3%
Transactions in financial assets and liabilities	1 704	1 337	3 465	3 300	3 300	24.6%	88.6%	1 630	1 630	1 631	-20.9%	93.1%
Total	1 893	1 479	4 209	3 486	3 486	22.6%	100.0%	1 769	1 769	1 773	-20.2%	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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Ministry	28.3	28.7	35.6	37.1	9.4%	16.0%	35.9	38.0	40.1	2.6%	15.8%
Management	9.4	16.2	16.3	17.8	23.9%	7.3%	18.7	19.8	20.9	5.6%	8.1%
Corporate Affairs	130.5	109.7	131.3	143.3	3.2%	63.5%	148.7	155.9	164.8	4.8%	64.2%
Office Accommodation	26.9	24.7	28.8	26.4	-0.6%	13.2%	28.5	29.3	29.6	3.8%	11.9%
Total	195.1	179.2	212.0	224.6	4.8%	100.0%	231.8	243.0	255.4	4.4%	100.0%
Change to 2014				2.8			(2.6)	(5.1)	(6.7)		
Budget estimate											
Economic classification											
Current payments	177.4	171.5	201.8	217.5	7.0%	94.7%	228.4	238.7	250.9	4.9%	98.0%
Compensation of employees	78.5	89.9	102.5	114.6	13.5%	47.5%	120.9	127.5	135.5	5.7%	52.2%
Goods and services	98.7	81.6	99.4	102.9	1.4%	47.2%	107.4	111.2	115.4	3.9%	45.8%
of which:											
Audit costs: External	4.0	3.8	4.2	6.1	15.0%	2.2%	4.5	4.8	5.0	-6.3%	2.1%
Communication	2.9	4.2	4.1	4.5	16.0%	1.9%	3.8	3.8	3.9	-4.4%	1.7%
Computer services	10.2	6.8	16.0	19.4	24.0%	6.5%	16.7	17.5	18.4	-1.8%	7.5%
Consultants and professional services: Business and advisory services	15.0	10.0	3.9	3.2	-40.5%	3.9%	3.7	3.9	4.0	8.4%	1.5%
Operating leases	17.8	19.8	26.9	26.4	14.2%	11.2%	25.2	26.5	27.9	1.8%	11.1%
Travel and subsistence	18.6	17.5	23.1	15.1	-6.7%	9.2%	27.1	28.5	29.9	25.7%	10.5%
Interest and rent on land	0.2	–	–	–	-100.0%	–	–	–	–	–	–
Transfers and subsidies	0.3	0.6	0.2	0.6	25.6%	0.2%	0.2	0.2	0.2	-31.7%	0.1%
Departmental agencies and accounts	–	–	–	0.6	–	0.1%	0.2	0.2	0.2	-31.7%	0.1%
Households	0.3	0.6	0.2	–	-100.0%	0.1%	–	–	–	–	–
Payments for capital assets	17.3	7.1	9.9	6.5	-27.9%	5.0%	3.2	4.1	4.3	-12.7%	1.9%
Buildings and other fixed structures	–	3.1	–	–	–	0.4%	–	–	–	–	–
Machinery and equipment	16.4	3.8	8.6	6.4	-26.9%	4.3%	2.9	3.7	3.9	-15.1%	1.8%
Software and other intangible assets	0.9	0.1	1.2	0.1	-58.1%	0.3%	0.3	0.4	0.4	80.2%	0.1%
Payments for financial assets	0.0	0.1	0.1	–	-100.0%	–	–	–	–	–	–
Total	195.1	179.2	212.0	224.6	4.8%	100.0%	231.8	243.0	255.4	4.4%	100.0%
Proportion of total programme expenditure to vote expenditure	15.6%	13.1%	14.0%	14.2%	–	–	12.9%	11.8%	12.0%	–	–

Programme 2: Policy and Knowledge Services

Programme purpose

Provide strategic policy development, monitoring and evaluation, research, and knowledge management services.

Objectives

- Facilitate tourism training programmes by:
 - conducting programmes for tourism policy makers at local government level aimed at supporting tourism development and growth, capacitating tourist guides, and developing an executive development programme to capacitate black female managers in 2015/16.
- Contribute to informing policy, planning and decision making by:
 - developing 3 monitoring and evaluation reports in 2015/16
 - developing and maintaining 25 information and knowledge systems and services over the MTEF period
 - developing and maintaining 3 national tourism information getaway sites over the MTEF period
 - conducting 4 research studies in 2015/16, in collaboration with universities, on local economic development, community participation, regional tourism competitiveness and service excellence.
- Create an enabling environment for tourism development and growth by developing new regulations for tourist guides and reviewing the national tourism sector strategy in 2015/16.
- Diversify and enhance South Africa's tourism offering by:
 - developing plans for 2 identified priority destination sites in 2015/16
 - implementing the tourism resources efficiency programme in 2015/16
 - developing and implementing the 3 priority areas for the tourism incentive programme.
- Accelerate the transformation of the tourism sector by developing an enterprise and supplier development programme to accelerate empowerment in small, medium and micro enterprises in 2015/16.
- Enhance understanding and awareness about the value of the tourism sector by hosting the National Tourism Stakeholder Forum annually, over the MTEF period.

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 (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
R million											
Policy and Knowledge Services											
Management	4.2	4.3	4.5	4.0	-1.6%	0.5%	6.8	7.2	7.6	23.5%	0.5%
Policy Development and Evaluation	9.6	17.1	18.0	21.5	30.9%	2.0%	26.0	27.4	28.9	10.2%	2.2%
Research and Knowledge Management	11.6	17.7	20.0	23.3	26.2%	2.2%	24.6	25.9	27.4	5.6%	2.1%
South African Tourism	668.6	754.9	866.3	880.0	9.6%	94.7%	977.7	1 024.8	1 076.1	6.9%	83.0%
Tourism Incentive Programme	–	–	0.3	20.7	–	0.6%	180.4	188.8	188.1	108.6%	12.1%
Total	694.0	794.0	909.1	949.6	11.0%	100.0%	1 215.6	1 274.1	1 328.0	11.8%	100.0%
Change to 2014				(75.2)			(12.2)	(18.3)	(18.9)		
Budget estimate											
Economic classification											
Current payments	22.7	35.7	39.1	49.3	29.5%	4.4%	59.3	62.2	65.7	10.0%	5.0%
Compensation of employees	14.5	24.7	28.9	35.5	34.7%	3.1%	39.5	41.7	44.3	7.6%	3.4%
Goods and services	8.1	11.0	10.2	13.8	19.2%	1.3%	19.8	20.6	21.4	15.8%	1.6%
of which:											
Advertising	0.2	1.1	0.5	0.3	24.1%	0.1%	1.8	1.9	2.0	85.7%	0.1%
Consultants and professional services:	1.1	0.6	0.1	2.8	38.6%	0.1%	1.2	1.2	1.2	-25.6%	0.1%
Business and advisory services											
Travel and subsistence	2.8	3.7	4.0	5.0	21.8%	0.5%	6.3	6.7	7.0	11.9%	0.5%
Training and development	0.3	0.5	0.5	0.3	9.5%	–	1.1	1.2	1.2	51.7%	0.1%
Operating payments	0.9	0.5	2.1	0.7	-7.9%	0.1%	3.1	3.2	3.4	71.6%	0.2%
Venues and facilities	0.8	1.8	0.8	1.2	12.4%	0.1%	3.6	3.7	3.8	47.4%	0.3%
Transfers and subsidies	670.5	757.5	869.5	899.1	10.3%	95.5%	1 155.1	1 210.4	1 260.7	11.9%	94.9%
Departmental agencies and accounts	668.6	754.9	866.3	880.0	9.6%	94.7%	977.7	1 024.8	1 076.1	6.9%	83.0%
Higher education institutions	1.9	2.5	3.1	3.7	25.7%	0.3%	3.8	4.0	4.2	4.2%	0.3%
Households	–	0.1	–	15.4	–	0.5%	173.6	181.6	180.4	127.1%	11.6%
Payments for capital assets	0.8	0.8	0.5	1.1	11.0%	0.1%	1.2	1.5	1.5	10.4%	0.1%
Machinery and equipment	0.8	0.8	0.4	1.1	11.7%	0.1%	1.1	1.4	1.5	9.8%	0.1%
Software and other intangible assets	–	–	–	–	-21.9%	–	–	–	–	56.0%	–
Total	694.0	794.0	909.1	949.6	11.0%	100.0%	1 215.6	1 274.1	1 328.0	11.8%	100.0%
Proportion of total programme expenditure to vote expenditure	55.5%	57.9%	60.1%	60.0%	–	–	67.5%	62.1%	62.4%	–	–
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	–	0.1	–	15.4	–	0.5%	173.6	181.6	180.4	127.1%	11.6%
Employee social benefits	–	0.1	–	–	–	–	–	–	–	–	–
Tourism incentive programme	–	–	–	15.4	–	0.5%	173.6	181.6	180.4	127.1%	11.6%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	668.6	754.9	866.3	880.0	9.6%	94.7%	977.7	1 024.8	1 076.1	6.9%	83.0%
South African Tourism	668.6	754.9	866.3	880.0	9.6%	94.7%	977.7	1 024.8	1 076.1	6.9%	83.0%
Higher education institutions											
Current	1.9	2.5	3.1	3.7	25.7%	0.3%	3.8	4.0	4.2	4.2%	0.3%
National tourism research framework	1.9	2.5	3.1	3.7	25.7%	0.3%	3.8	4.0	4.2	4.2%	0.3%

Programme 3: International Tourism

Programme purpose

Develop and support South Africa's worldwide tourism potential.

Objectives

- Enhance new source markets by developing 20 tourism market development plans to be activated in 2015/16.
- Reduce barriers to tourism growth by conducting capacity building programmes for South African missions abroad in 2015/16.

- Enhance regional tourism integration by hosting a ministerial indaba to advance regional integration in 2015/16.

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 developing and supporting 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
International Tourism Management	2.2	3.7	4.0	3.5	16.1%	10.2%	3.4	4.1	4.3	7.1%	7.6%
Americas and Western Europe	9.3	9.4	13.7	17.8	24.2%	37.9%	17.1	19.7	20.8	5.3%	37.3%
Africa and Middle East	10.6	8.1	10.1	12.5	5.7%	31.1%	14.2	16.0	17.0	10.8%	29.6%
Asia, Australasia and Eastern Europe	–	5.9	10.1	11.6	–	20.8%	11.9	13.6	14.4	7.4%	25.5%
Total	22.1	27.1	37.9	45.4	27.2%	100.0%	46.7	53.3	56.5	7.5%	100.0%
Change to 2014				(6.5)			(6.1)	(2.7)	(2.9)		
Budget estimate											
Economic classification	20.2	22.8	32.4	38.6	24.2%	86.0%	39.8	45.8	48.6	8.0%	85.6%
Current payments	14.7	18.0	25.8	31.9	29.5%	68.1%	35.8	37.7	40.1	7.9%	72.0%
Compensation of employees	5.5	4.8	6.6	6.7	7.1%	17.9%	4.0	8.1	8.5	8.2%	13.6%
Goods and services	0.1	0.1	0.6	–	-27.1%	0.7%	0.1	0.6	0.6	170.9%	0.7%
of which:	0.2	0.2	0.3	0.1	-13.8%	0.5%	0.3	0.4	0.4	56.2%	0.6%
Advertising	0.5	0.6	0.6	0.2	-25.0%	1.5%	0.2	0.7	0.8	52.2%	1.0%
Communication	2.8	3.0	3.4	3.1	3.2%	9.2%	2.6	4.6	4.8	16.5%	7.5%
Consumables: Stationery, printing and office supplies	0.1	–	0.4	0.4	79.9%	0.7%	–	0.4	0.4	3.6%	0.6%
Travel and subsistence	0.9	0.1	0.6	1.4	16.7%	2.3%	0.2	0.7	0.7	-20.8%	1.5%
Training and development	1.5	3.5	4.9	5.9	56.4%	11.9%	6.0	6.3	6.6	4.2%	12.3%
Operating payments	1.4	3.5	4.8	5.9	59.4%	11.8%	6.0	6.3	6.6	4.2%	12.3%
Transfers and subsidies	1.5	3.5	4.9	5.9	56.4%	11.9%	6.0	6.3	6.6	4.2%	12.3%
Foreign governments and international organisations	0.1	–	0.1	–	-100.0%	0.1%	–	–	–	–	–
Households	0.4	0.8	0.6	0.9	33.5%	2.1%	0.9	1.2	1.2	9.5%	2.1%
Payments for capital assets	0.4	0.8	0.6	0.9	33.5%	2.1%	0.9	1.2	1.2	9.5%	2.1%
Machinery and equipment	0.4	0.8	0.6	0.9	34.6%	2.0%	0.9	1.2	1.2	9.5%	2.1%
Total	22.1	27.1	37.9	45.4	27.2%	100.0%	46.7	53.3	56.5	7.5%	100.0%
Proportion of total programme expenditure to vote expenditure	1.8%	2.0%	2.5%	2.9%	–	–	2.6%	2.6%	2.7%	–	–
Details of selected transfers and subsidies											
Foreign governments and international organisations											
Current	1.4	3.5	4.8	5.9	59.4%	11.8%	6.0	6.3	6.6	4.2%	12.3%
Regional Tourism Organisation of South Africa	–	2.0	3.0	3.5	–	6.4%	3.6	3.8	4.0	4.2%	7.4%
UN World Tourism Organisation	1.4	1.5	1.8	2.3	17.5%	5.4%	2.4	2.5	2.7	4.2%	4.9%

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 10 922 full time equivalent jobs over the MTEF period.
- Enhance understanding and awareness about the value of the tourism sector and its opportunities by:
 - conducting 9 service excellence awareness sessions in 2015/16
 - hosting a national tourism career expo over the MTEF period.
- Diversify and enhance tourism offerings by:
 - implementing the service excellence standard in 2 tourism products in 2015/16
 - developing the N12 Treasure Route in 2015/16
 - erecting tourism interpretation signage at 3 world heritage sites in 2015/16 to provide basic and accessible information about products and offerings
 - conducting 9 service excellence awareness sessions.

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 (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Domestic Tourism Management	4.9	10.1	9.4	9.6	25.1%	2.4%	10.5	11.2	11.8	7.3%	2.6%
Domestic Tourism Management: Southern Region	6.6	11.5	12.5	13.3	25.9%	3.1%	11.9	13.8	14.6	3.3%	3.3%
Domestic Tourism Management: Northern Region	6.2	10.6	16.0	16.7	39.2%	3.5%	17.1	17.0	17.9	2.4%	4.2%
Social Responsibility Implementation	301.4	314.3	290.8	299.2	-0.2%	84.4%	253.1	425.4	427.0	12.6%	85.6%
Strategic Partners in Tourism	20.0	25.0	25.0	25.0	7.7%	6.7%	13.5	15.5	16.4	-13.1%	4.3%
Total	339.1	371.6	353.7	363.6	2.4%	100.0%	306.2	482.9	487.7	10.3%	100.0%
Change to 2014							(42.1)	2.9	3.0		
Budget estimate											

Table 33.9 Domestic Tourism expenditure trends and estimates by subprogramme and economic classification

Economic classification						Average growth rate (%)	Expenditure/ Total: Average (%)				Average growth rate (%)	Expenditure/ Total: Average (%)
	Audited outcome			Adjusted appropriation				Medium-term expenditure estimate				
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15			2015/16	2016/17	2017/18	2014/15	2017/18
Current payments	42.7	57.2	67.5	68.2	16.9%	16.5%		75.5	80.8	85.3	7.8%	18.9%
Compensation of employees	27.6	38.6	45.2	47.2	19.7%	11.1%		49.9	52.6	55.9	5.8%	12.5%
Goods and services	15.1	18.6	22.3	21.0	11.5%	5.4%		25.7	28.2	29.4	12.0%	6.4%
of which:												
Advertising	0.8	0.4	1.6	0.3	-25.4%	0.2%		1.6	2.1	2.2	89.5%	0.4%
Audit costs: External	–	–	–	–	–	–		1.5	1.5	1.5	–	0.3%
Computer services	–	–	0.1	0.5	668.6%	–		2.7	3.1	3.1	89.5%	0.6%
Consultants and professional services:	2.7	3.3	3.4	0.4	-45.8%	0.7%		3.7	3.7	3.8	108.1%	0.7%
Business and advisory services												
Travel and subsistence	6.3	8.4	11.3	12.0	23.8%	2.7%		9.9	11.6	12.2	0.5%	2.8%
Venues and facilities	2.1	1.7	1.5	1.0	-21.6%	0.4%		1.4	1.5	1.6	16.2%	0.3%
Transfers and subsidies	294.4	313.2	285.5	293.6	-0.1%	83.1%		229.8	401.1	401.4	11.0%	80.8%
Departmental agencies and accounts	–	4.1	6.3	5.6	–	1.1%		6.0	6.4	6.6	5.5%	1.5%
Non-profit institutions	22.2	26.1	26.0	25.2	4.3%	7.0%		14.8	16.0	16.9	-12.4%	4.4%
Households	272.2	283.1	253.2	262.8	-1.2%	75.0%		209.1	378.7	377.9	12.9%	74.9%
Payments for capital assets	2.0	1.1	0.7	1.8	-2.5%	0.4%		0.8	1.0	1.0	-17.5%	0.3%
Machinery and equipment	2.0	1.1	0.7	1.8	-3.4%	0.4%		0.8	1.0	1.0	-16.7%	0.3%
Software and other intangible assets	–	–	–	0.1	–	–		–	–	–	-100.0%	–
Total	339.1	371.6	353.7	363.6	2.4%	100.0%		306.2	482.9	487.7	10.3%	100.0%
Proportion of total programme expenditure to vote expenditure	27.1%	27.1%	23.4%	23.0%	–	–		17.0%	23.5%	22.9%	–	–
Details of selected transfers and subsidies												
Households												
Other transfers to households												
Current	272.2	283.1	253.2	262.8	-1.2%	75.0%		209.1	378.7	377.9	12.9%	74.9%
Employee social benefits	–	0.2	–	–	-100.0%	–		–	–	–	–	–
Bursaries: Non-employees	–	0.2	–	–	–	–		–	–	–	–	–
Expanded public works programme	253.0	242.7	214.1	196.6	-8.1%	63.5%		150.9	317.4	316.7	17.2%	59.8%
Expanded public works programme incentive	19.2	40.1	39.1	66.2	51.0%	11.5%		58.2	61.3	61.2	-2.6%	15.1%
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	–	4.1	6.3	5.6	–	1.1%		6.0	6.4	6.6	5.5%	1.5%
National Tourism Careers Expo	–	3.0	3.3	3.6	–	0.7%		4.0	4.4	4.6	8.3%	1.0%
Tourism accelerated apprenticeship programme	–	1.1	3.0	2.0	–	0.4%		2.0	2.0	2.0	–	0.5%
Non-profit institutions												
Current	22.2	26.1	26.0	25.2	4.3%	7.0%		14.8	16.0	16.9	-12.4%	4.4%
Strategic Partners in Tourism	20.0	25.0	25.0	25.0	7.7%	6.7%		–	–	–	-100.0%	1.5%
National Tourism Business Initiative	1.2	–	–	–	-100.0%	0.1%		–	–	–	–	–
Ezemvelo KwaZulu-Natal Wildlife	0.5	0.5	0.5	–	-100.0%	0.1%		–	–	–	–	–
Federated Hospitality Association of South Africa	0.5	0.5	0.5	0.2	-26.3%	0.1%		0.5	0.5	0.5	35.7%	0.1%
Tourism accelerated apprenticeship programme	–	0.1	–	–	–	–		–	–	–	–	–
SMME development	–	–	–	–	–	–		13.5	15.5	16.4	–	2.8%
Tourism interpretive signage	–	–	–	–	–	–		0.8	–	–	–	–

Public entities and other agencies

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.

- **South African Tourism** is mandated to market South Africa internationally and domestically as a preferred tourism 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 2015/16 is R1.2 billion.

Vote 34

Trade and Industry

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	689.7	671.8	2.4	15.5	720.1	763.7
International Trade and Economic Development	164.8	119.1	44.9	0.8	172.5	180.8
Special Economic Zones and Economic Transformation	263.2	65.6	196.8	0.8	279.0	285.3
Industrial Development	1 973.5	125.8	1 847.0	0.8	2 045.3	2 143.3
Consumer and Corporate Regulation	294.5	80.6	213.7	0.2	307.0	321.9
Incentive Development and Administration	5 795.6	172.6	5 611.0	12.0	6 554.2	5 369.3
Trade and Investment South Africa	412.3	240.0	168.1	4.2	427.1	444.8
Total expenditure estimates	9 593.7	1 475.7	8 083.9	34.2	10 505.3	9 509.2

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, public entities, donor funding, public private partnerships, conditional allocations 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)
- the Consumer and Excise Act (1964).

Selected performance indicators

Table 34.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of quarterly reports on the industrial policy action plan tabled at ministerial review meetings per year	Industrial Development	Outcome 4: Decent employment through inclusive economic growth	4	4	4	4	4	4	4
Number of designation requests submitted to the minister per year	Industrial Development		5	4	5	4	4	4	4
Number of students enrolled in the tool making apprenticeship programme per year	Industrial Development		650	436	1 022	200	120	70	50

Table 34.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of workers trained through the industrial skills upgrading programme per year	Industrial Development	Outcome 4: Decent employment through inclusive economic growth	262	443	400	250	250	300	300
Number of direct jobs facilitated through business process services off-shoring per year	Incentive Development and Administration		800	3 936	2 514	6 000	2 500	3 000	2 000
Number of companies financially assisted through export market and investment assistance per year	Incentive Development and Administration		896	1 082	1 835	950	970	1 150	1 170
Number of direct jobs facilitated through the enterprise investment programme per year	Incentive Development and Administration		15 586	6 308	11 734	2 350	4 800	7 302	— ¹
Number of companies financially assisted through the automotive incentive scheme per year	Incentive Development and Administration		92	28	36	25	25	22	35
Number of companies financially assisted through the manufacturing competitiveness enhancement programme per year	Incentive Development and Administration		— ²	189	365	350	400	500	550
Number of film and television productions financially assisted per year	Incentive Development and Administration		72	70	83	70	76	80	83
Critical infrastructure programme: number of new projects approved for incentives per year	Incentive Development and Administration		6	6	8	13	13	13	14

1. As the scheme is scheduled to end in 2014/15, no applications will be considered for 2017/18.

2. There are no historical data, as this indicator was not being measured at this time.

Expenditure analysis

The national development plan's long term vision for South Africa emphasises the role of accelerated, inclusive economic growth that will reduce unemployment and inequality. This vision is further developed in government's 2014-2019 medium term strategic framework, in particular in outcome 4 (decent employment through inclusive economic growth), outcome 6 (an efficient, competitive and responsive economic infrastructure network) and outcome 11 (create a better South Africa, a better Africa and a better world). These outcomes set out the responsibilities of the Department of Trade and Industry in relation to labour absorbing growth, increased competitiveness, increased value added exports, strategic investment from targeted countries, and improved trade and infrastructure development in Africa.

Over the medium term, the department will focus on manufacturing incentives, strengthening export capabilities, industrial infrastructure investment, and localisation.

Following the establishment of the Department of Small Business Development, key functions related to small business and cooperatives have been transferred to that department, resulting in a decrease in the Department of Trade and Industry's budget over the medium term. Cabinet approved budget reductions total R777 million over the medium term. R279.5 million will be effected on transfers to the special economic zones under the *Incentive Development and Administration* programme. R279.4 million will be effected on transfers to public entities, driven by their level of accumulated reserves, including a reduction of R113.4 million to transfers to the South African Bureau of Standards.

Manufacturing incentives

The department provides incentives to industry through transfers to private enterprises. The transfers are intended to enable and increase private investment to promote industrial development, investment, competitiveness and employment creation in line with the department's strategic goal of economic transformation. Transfers over the medium term are projected at R17.2 billion, in the *Incentive Development and Administration* programme, the department's largest spending programme. Incentives for manufacturing development are projected at R10.2 billion over the medium term in the *Manufacturing Incentives* subprogramme.

The department's manufacturing competitiveness enhancement programme supports enterprise competitiveness and job retention. Manufacturing companies are provided with financial support to upgrade their facilities, processes and products and to upskill their workers. Over the medium term, the department expects to assist

1 450 companies through the manufacturing competitiveness enhancement programme with financial support of R3.9 billion in the *Manufacturing Incentives* subprogramme.

The department supports the development and growth of the automotive industry through the automotive investment scheme, which enables investment in new and replacement models and components that will increase plant production volumes, sustain employment and strengthen the automotive value chain.

The department's clothing and textile production incentive is geared towards creating and stabilising employment, increasing added value, and improving local and global competitiveness in the clothing and textile value chain. Projected expenditure on the clothing and textile production incentive over the medium term is R2.6 billion, funded in the *Industrial Development* programme.

Strengthening export capabilities

To increase support to South African exporters accessing new markets in Africa and abroad and for diversifying South African exports, R150 million has been reprioritised over the medium term from incentives to the interest make-up scheme of the Export Credit Insurance Corporation in the *Trade and Investment* programme. In addition, the department will assist 3 290 companies financially to strengthen their export capabilities. Spending on this financial assistance is projected at R752.5 million over the medium term in the *Incentive Development and Administration* programme.

Industrial infrastructure investment

The department's infrastructure spending is aimed at promoting industrialisation that is more effectively distributed geographically. Expenditure on infrastructure is projected at R4.2 billion over the medium term, funded in the *Infrastructure Investment Support* subprogramme in the *Incentive Development and Administration* programme.

There are two industrial infrastructure investment initiatives: the special economic zones and the critical infrastructure programme.

The special economic zones are geographically designated, purpose built industrial estates aimed at leveraging domestic and foreign fixed direct investment in value added and export oriented manufacturing industries and services. There are several categories of special economic zone: industrial development zones, free ports, free trade zones and sector development zones. The main policy shift in funding special economic zones, as provided for in the Special Economic Zones Act (2014), is from funding operators to funding bulk and shared infrastructure, based on specific investments by domestic and foreign investors. There are presently 5 special economic zones: Coega and East London in Eastern Cape, Saldanha Bay in Western Cape, and Richards Bay and Dube Trade Port in KwaZulu-Natal. The department plans to designate and roll out 10 new special economic zones in all 9 provinces. Prefeasibility and feasibility studies for the zones will be concluded in 2015/16. The department will provide multi-year funding for each zone, the bulk of which will be used for infrastructure, site preparation and infrastructure for shared services, such as ICT and water and waste management.

The department supports critical infrastructure projects (meaning projects without which investment would not take place or the investment would not operate optimally). In line with the industrial policy action plan, this support is mostly for projects in mining, tourism, manufacturing and the utility services. Over the medium term, 40 critical infrastructure projects, outside the industrial development zones, will be supported at a projected total cost of R579.5 million, through the critical infrastructure programme in the *Incentive Development and Administration* programme.

Localisation

The department's work on industrial policy focuses over the medium term on increasing local products and materials in what government procures, in line with government's 2014-2019 medium term strategic framework localisation target. The department will continue to research, develop and support the designation of industries, sectors and sub-sectors which will produce their products at a specified level of local content. The department aims to make 4 designation requests to the Minister of Trade and Industry per year over the medium term. Expenditure on this localisation work is projected at R6.2 billion over the medium term, in the *Industrial Development* programme.

Expenditure trends

Table 34.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. International Trade and Economic Development														
3. Special Economic Zones and Economic Transformation														
4. Industrial Development														
5. Consumer and Corporate Regulation														
6. Incentive Development and Administration														
7. Trade and Investment South Africa														
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	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	2014/15
Programme 1	543.7	659.3	628.7	608.7	697.2	695.9	690.1	725.9	686.9	695.6	795.9	750.8	108.8%	96.0%
Programme 2	129.7	144.8	132.9	133.5	134.7	132.7	138.6	141.6	139.6	147.2	143.2	143.2	99.9%	97.2%
Programme 3	839.7	865.7	213.2	879.9	940.0	237.5	968.3	1 010.3	244.1	307.2	952.5	259.1	31.8%	25.3%
Programme 4	1 266.9	1 311.0	1 326.2	1 482.9	1 492.7	1 518.1	1 617.1	1 616.2	1 591.2	1 792.5	1 790.4	1 786.0	101.0%	100.2%
Programme 5	231.7	229.7	218.6	244.7	248.1	223.6	256.2	256.2	256.7	277.3	285.6	285.6	97.5%	96.6%
Programme 6	3 469.1	3 320.9	3 242.1	5 437.6	4 560.9	4 387.3	5 543.1	5 443.1	5 101.9	5 120.3	5 593.6	5 046.7	90.8%	94.0%
Programme 7	306.1	345.1	303.8	304.8	277.5	249.8	359.2	322.2	320.5	347.0	357.6	344.9	92.6%	93.6%
Total	6 786.9	6 876.5	6 065.5	9 092.1	8 351.1	7 444.8	9 572.6	9 515.6	8 340.7	8 687.0	9 918.7	8 616.3	89.2%	87.9%
Change to 2014										1 231.8				
Budget estimate														
Economic classification														
Current payments	1 172.4	1 299.2	1 090.6	1 303.4	1 422.2	1 188.8	1 493.3	1 527.7	1 392.5	1 441.0	1 675.1	1 544.4	96.4%	88.1%
Compensation of employees	602.2	621.3	526.7	714.0	736.0	623.5	854.2	818.3	734.0	848.0	941.4	857.4	90.8%	88.0%
Goods and services	570.1	677.8	563.9	589.4	686.3	564.8	639.1	709.4	658.5	593.0	733.7	687.0	103.5%	88.1%
of which:														
Advertising	22.5	30.2	32.0	25.2	38.3	29.2	31.2	36.1	41.4	31.2	31.0	30.3	120.7%	97.9%
Consultants and professional services:	91.9	93.5	40.5	87.7	79.1	33.8	73.8	50.1	38.3	62.7	126.5	122.1	74.2%	67.2%
Business and advisory services														
Operating leases	166.7	207.0	199.4	171.9	209.1	217.7	202.6	252.3	277.0	196.4	242.6	241.9	126.9%	102.8%
Property payments	15.4	36.4	20.6	23.4	16.2	12.8	19.8	11.6	8.1	19.6	14.2	14.2	71.1%	70.9%
Travel and subsistence	101.1	121.3	93.6	109.7	123.0	100.2	127.7	134.4	110.7	98.5	116.5	97.3	91.9%	81.1%
Operating payments	22.7	23.8	24.0	20.1	23.5	20.4	24.0	34.7	33.0	26.6	30.4	26.4	111.3%	92.4%
Interest and rent on land	—	—	0.1	—	—	0.5	—	—	—	—	—	—	—	—
Transfers and subsidies	5 600.4	5 533.4	4 904.0	7 774.6	6 862.9	6 133.9	8 059.3	7 950.0	6 929.5	7 222.3	8 205.8	7 038.7	87.3%	87.6%
Departmental agencies and accounts	969.1	1 004.1	497.1	1 060.2	1 126.2	533.4	1 234.7	1 285.7	639.9	724.3	1 356.4	732.8	60.3%	50.4%
Higher education institutions	—	3.5	14.8	10.0	10.0	32.6	12.8	12.8	12.8	15.8	15.8	15.8	196.9%	180.5%
Foreign governments and international organisations	34.7	40.4	40.2	37.0	36.4	37.3	39.7	34.5	36.7	34.6	32.7	31.7	99.9%	101.3%
Public corporations and private enterprises	4 581.9	4 470.2	4 295.3	6 648.2	5 668.7	5 445.5	6 751.2	6 586.4	6 140.9	6 325.5	6 658.1	6 132.0	90.6%	94.1%
Non-profit institutions	14.7	14.7	53.0	17.9	17.9	80.2	18.9	27.9	94.8	120.4	140.3	124.0	204.7%	175.3%
Households	—	0.4	3.6	1.3	3.7	4.8	1.9	2.6	4.3	1.8	2.5	2.5	310.8%	167.1%
Payments for capital assets	14.1	43.9	35.3	14.1	66.0	40.1	20.0	37.9	17.6	23.7	37.8	33.2	175.3%	67.9%
Machinery and equipment	9.9	25.3	19.0	11.4	38.8	36.2	10.9	13.5	11.0	12.0	25.9	21.2	197.9%	84.3%
Software and other intangible assets	4.3	18.6	16.4	2.7	27.2	3.9	9.2	24.3	6.6	11.7	11.9	11.9	139.4%	47.2%
Payments for financial assets	—	—	35.6	—	—	82.1	—	—	1.2	—	—	—	—	—
Total	6 786.9	6 876.5	6 065.5	9 092.1	8 351.1	7 444.8	9 572.6	9 515.6	8 340.7	8 687.0	9 918.7	8 616.3	89.2%	87.9%

Expenditure estimates

Table 34.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. International Trade and Economic Development								
3. Special Economic Zones and Economic Transformation								
4. Industrial Development								
5. Consumer and Corporate Regulation								
6. Incentive Development and Administration								
7. Trade and Investment South Africa								
Programme	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme 1	750.8	4.4%	9.1%	689.7	720.1	763.7	0.6%	7.7%
Programme 2	143.2	-0.4%	1.8%	164.8	172.5	180.8	8.1%	1.7%
Programme 3	259.1	-33.1%	3.1%	263.2	279.0	285.3	3.3%	2.8%
Programme 4	1 786.0	10.9%	20.4%	1 973.5	2 045.3	2 143.3	6.3%	20.8%
Programme 5	285.6	7.5%	3.2%	294.5	307.0	321.9	4.1%	3.2%
Programme 6	5 046.7	15.0%	58.4%	5 795.6	6 554.2	5 369.3	2.1%	59.6%
Programme 7	344.9	–	4.0%	412.3	427.1	444.8	8.9%	4.3%
Total	8 616.3	7.8%	100.0%	9 593.7	10 505.3	9 509.2	3.3%	100.0%
Change to 2014				(225.5)	(325.6)	(226.0)		
Budget estimate								
Economic classification								
Current payments	1 544.4	5.9%	17.1%	1 475.7	1 543.4	1 630.7	1.8%	16.2%
Compensation of employees	857.4	11.3%	9.0%	897.7	950.3	1 007.8	5.5%	9.7%
Goods and services	687.0	0.4%	8.1%	577.9	593.0	622.9	-3.2%	6.5%
of which:								
Advertising	30.3	0.1%	0.4%	31.7	32.6	34.0	3.9%	0.3%
Consultants and professional services: Business and advisory services	122.1	9.3%	0.8%	61.7	55.2	61.9	-20.2%	0.8%
Operating leases	241.9	5.3%	3.1%	201.2	201.6	212.4	-4.3%	2.2%
Property payments	14.2	-27.0%	0.2%	17.6	26.3	27.7	25.0%	0.2%
Travel and subsistence	97.3	-7.1%	1.3%	99.3	109.8	110.0	4.2%	1.1%
Operating payments	26.4	3.6%	0.3%	30.6	28.6	32.2	6.7%	0.3%
Transfers and subsidies	7 038.7	8.4%	82.1%	8 083.9	8 928.7	7 843.6	3.7%	83.4%
Departmental agencies and accounts	732.8	-10.0%	7.9%	761.5	784.8	855.8	5.3%	8.2%
Higher education institutions	15.8	65.0%	0.2%	12.5	13.1	13.8	-4.3%	0.1%
Foreign governments and international organisations	31.7	-7.8%	0.5%	31.7	33.6	34.5	2.9%	0.3%
Public corporations and private enterprises	6 132.0	11.1%	72.3%	7 131.6	7 956.5	6 799.5	3.5%	73.3%
Non-profit institutions	124.0	103.6%	1.2%	144.1	138.1	137.4	3.5%	1.4%
Households	2.5	87.2%	0.1%	2.5	2.6	2.6	1.3%	–
Payments for capital assets	33.2	-9.0%	0.4%	34.2	33.3	34.8	1.7%	0.4%
Machinery and equipment	21.2	-5.7%	0.3%	24.1	23.2	24.3	4.6%	0.2%
Software and other intangible assets	11.9	-13.8%	0.1%	10.1	10.1	10.6	-3.9%	0.1%
Total	8 616.3	7.8%	100.0%	9 593.7	10 505.3	9 509.2	3.3%	100.0%

Personnel information

Table 34.4 Vote personnel numbers and cost by salary level and programme¹

Programmes																						
1. Administration																						
2. International Trade and Economic Development																						
3. Special Economic Zones and Economic Transformation																						
4. Industrial Development																						
5. Consumer and Corporate Regulation																						
6. Incentive Development and Administration																						
7. Trade and Investment South Africa																						
Number of posts estimated for 31 March 2015			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					Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)						
			Actual			2014/15			2015/16			2016/17					2017/18					
			2013/14			2014/15			2015/16			2016/17					2017/18					
Trade and Industry			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2014/15 - 2017/18				
Salary level			1 728		231	1 584	734.0	0.5	1 725	857.4	0.5	1 523	897.7	0.6	1 523	950.3	0.6	1 523	1 007.8	0.7	-4.1%	100.0%
1 – 6			256		86	227	91.0	0.4	256	97.9	0.4	243	120.3	0.5	243	122.4	0.5	243	127.3	0.5	-1.7%	15.6%
7 – 10			769		91	733	235.1	0.3	768	276.2	0.4	650	264.2	0.4	650	273.1	0.4	650	301.3	0.5	-5.4%	43.2%
11 – 12			390		26	371	228.3	0.6	387	230.4	0.6	353	235.5	0.7	353	261.5	0.7	353	270.4	0.8	-3.0%	23.0%
13 – 16			313		28	253	179.6	0.7	314	252.9	0.8	277	277.8	1.0	277	293.4	1.1	277	308.7	1.1	-4.1%	18.2%
Programme			1 728		231	1 584	734.0	0.5	1 725	857.4	0.5	1 523	897.7	0.6	1 523	950.3	0.6	1 523	1 007.8	0.7	-4.1%	100.0%
Programme 1			618		81	563	226.1	0.4	618	279.6	0.5	579	270.6	0.5	579	289.5	0.5	579	312.1	0.5	-2.1%	37.4%
Programme 2			149		–	141	79.8	0.6	149	84.9	0.6	149	96.6	0.6	149	101.5	0.7	149	106.4	0.7	–	9.5%
Programme 3			141		12	125	42.5	0.3	138	41.3	0.3	87	50.3	0.6	87	55.6	0.6	87	50.0	0.6	-14.3%	6.3%
Programme 4			174		12	155	82.3	0.5	174	92.2	0.5	168	104.6	0.6	168	110.7	0.7	168	117.2	0.7	-1.2%	10.8%
Programme 5			146		60	135	48.7	0.4	146	57.1	0.4	99	61.0	0.6	99	63.4	0.6	99	66.3	0.7	-12.1%	7.0%
Programme 6			306		43	302	112.5	0.4	306	140.4	0.5	256	133.7	0.5	256	144.2	0.6	256	161.5	0.6	-5.8%	17.1%
Programme 7			194		23	163	142.2	0.9	194	162.0	0.8	185	180.9	1.0	185	185.3	1.0	185	194.3	1.1	-1.6%	11.9%

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

2. Rand million.

Departmental receipts

Table 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 (%)
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
Departmental receipts	78 707	135 323	71 741	85 015	79 697	0.4%	100.0%	83 141	85 428	93 887	5.6%	100.0%
Tax receipts	3 280	3 719	4 228	5 300	5 300	17.3%	4.5%	5 110	5 112	5 200	-0.6%	6.1%
Sales of goods and services produced by department	350	444	482	493	208	-15.9%	0.4%	581	601	616	43.6%	0.6%
Sales by market establishments	189	259	263	265	92	-21.3%	0.2%	280	300	300	48.3%	0.3%
of which:												
Rental of parking	189	259	263	265	92	-21.3%	0.2%	280	300	300	48.3%	0.3%
Administrative fees	51	51	–	–	1	-73.0%	–	1	1	1	–	–
of which:												
Request Information in terms of the Promotion of Access to Information Act (2000)	51	51	–	–	1	-73.0%	–	1	1	1	–	–

Table 34.5 Departmental receipts by economic classification

Departmental receipts				Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ total: Average (%)				Average growth rate (%)	Receipt item/ total: Average (%)
Audited outcome								Medium-term receipts estimate				
R thousand	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15	2017/18	
Other sales	110	134	219	228	115	1.5%	0.2%	300	300	315	39.9%	0.3%
of which:												
Commission on insurance and garnishee orders	110	134	219	178	60	-18.3%	0.1%	240	240	250	60.9%	0.2%
Academic service: Registration, tuition and examination fees	–	–	–	50	55	–	–	60	60	65	5.7%	0.1%
Sales of scrap, waste, arms and other used current goods	–	–	–	–	1	–	–	1	1	1	–	–
of which:												
Waste paper: Recycling of paper (Mondi)	–	–	–	–	1	–	–	1	1	1	–	–
Fines, penalties and forfeits	189	19	20 420	241	140	-9.5%	5.7%	210	210	220	16.3%	0.2%
Interest, dividends and rent on land	20 470	39 349	94	429	129	-81.5%	16.4%	400	450	550	62.2%	0.4%
Interest	20 470	39 349	94	429	129	-81.5%	16.4%	400	450	550	62.2%	0.4%
Sales of capital assets	10	–	38	250	100	115.4%	–	250	277	300	44.2%	0.3%
Transactions in financial assets and liabilities	54 408	91 792	46 479	78 302	73 819	10.7%	72.9%	76 589	78 777	87 000	5.6%	92.4%
Total	78 707	135 323	71 741	85 015	79 697	0.4%	100.0%	83 141	85 428	93 887	5.6%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department, and conduct research on industrial development, growth and equity.

Expenditure trends and estimates

Table 34.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Ministry	27.0	27.3	27.3	29.5	3.0%	4.0%	31.5	33.0	35.5	6.4%	4.4%
Office of the Director General	66.9	59.6	69.7	96.6	13.0%	10.6%	93.4	95.7	102.7	2.1%	13.3%
Corporate Services	376.7	401.6	425.9	453.7	6.4%	60.0%	393.1	409.9	431.8	-1.6%	57.7%
Office Accommodation	8.3	2.2	–	4.1	-20.7%	0.5%	9.9	10.2	10.7	37.2%	1.2%
Financial Management	69.8	120.7	46.4	84.5	6.6%	11.6%	73.0	77.3	85.1	0.3%	10.9%
Media and Public Relations	4.6	6.0	7.8	10.6	32.6%	1.0%	17.9	18.8	19.8	23.0%	2.3%
Marketing Communication and Stakeholder Relations	75.5	78.5	109.8	71.8	-1.6%	12.2%	70.9	75.2	78.2	2.9%	10.1%
Total	628.7	695.9	686.9	750.8	6.1%	100.0%	689.7	720.1	763.7	0.6%	100.0%
Change to 2014				43.9			(40.9)	(49.9)	(48.8)		
Budget estimate											

Table 34.6 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome							2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2014/15 - 2017/18	2015/16	2016/17	2017/18	2014/15 - 2017/18	2014/15 - 2017/18
Current payments	561.6	580.4	676.4	727.4	9.0%	92.2%	671.8	701.0	743.7	0.7%	97.3%
Compensation of employees	174.8	200.0	226.1	279.6	16.9%	31.9%	270.6	289.5	312.1	3.7%	39.4%
Goods and services	386.7	379.9	450.3	447.9	5.0%	60.3%	401.3	411.5	431.7	-1.2%	57.9%
of which:											
Advertising	29.6	25.6	37.3	27.9	-2.0%	4.4%	29.2	30.4	31.7	4.4%	4.1%
Computer services	16.6	16.3	17.2	21.0	8.1%	2.6%	17.1	17.7	18.0	-5.0%	2.5%
Consultants and professional services:	16.0	9.6	10.7	21.5	10.2%	2.1%	22.8	23.2	24.8	5.0%	3.2%
Business and advisory services											
Operating leases	182.0	198.4	252.6	236.3	9.1%	31.5%	194.2	193.5	203.7	-4.8%	28.3%
Property payments	19.3	11.2	6.4	13.2	-12.0%	1.8%	17.3	25.9	27.3	27.3%	2.9%
Travel and subsistence	22.4	24.9	23.4	26.9	6.4%	3.5%	29.7	32.4	34.8	8.9%	4.2%
Interest and rent on land	0.1	0.5	—	—	-100.0%	—	—	—	—	—	—
Transfers and subsidies	7.0	4.0	3.9	4.2	-15.9%	0.7%	2.4	2.6	2.7	-13.8%	0.4%
Departmental agencies and accounts	—	—	—	1.7	—	0.1%	—	—	—	-100.0%	0.1%
Public corporations and private enterprises	4.6	0.7	0.7	0.7	-46.1%	0.2%	0.8	0.8	0.8	5.1%	0.1%
Households	2.4	3.3	3.2	1.7	-9.9%	0.4%	1.7	1.8	1.8	1.8%	0.2%
Payments for capital assets	25.3	31.1	6.2	19.2	-8.8%	3.0%	15.5	16.6	17.3	-3.4%	2.3%
Machinery and equipment	12.9	28.4	5.3	15.8	7.1%	2.3%	15.4	16.5	17.2	3.0%	2.2%
Software and other intangible assets	12.5	2.6	0.9	3.4	-34.9%	0.7%	0.1	0.1	0.1	-70.5%	0.1%
Payments for financial assets	34.8	80.4	0.5	—	-100.0%	4.2%	—	—	—	—	—
Total	628.7	695.9	686.9	750.8	6.1%	100.0%	689.7	720.1	763.7	0.6%	100.0%
Proportion of total programme expenditure to vote expenditure	10.4%	9.3%	8.2%	7.6%	—	—	7.2%	6.9%	8.0%	—	—
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	1.9	2.8	2.7	1.7	-4.4%	0.3%	1.7	1.8	1.8	3.5%	0.2%
Gifts and donations	0.2	0.2	0.3	—	-100.0%	—	—	—	—	—	—
Bursaries for non-employees	1.7	2.6	2.4	1.7	0.1%	0.3%	1.7	1.8	1.8	3.5%	0.2%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	—	—	—	1.7	—	0.1%	—	—	—	-100.0%	0.1%
Public Service Sector Education and Training Authority	—	—	—	1.7	—	0.1%	—	—	—	-100.0%	0.1%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	4.6	0.7	0.7	0.7	-46.1%	0.2%	0.8	0.8	0.8	5.1%	0.1%
Industrial Development Corporation: Research into industrial development, growth and equity	4.6	0.7	0.7	0.7	-46.1%	0.2%	0.8	0.8	0.8	5.1%	0.1%

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 at 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 in 2015/16
 - finalising negotiations on the tripartite free trade area involving SADC, the East African Community and the Common Market for Eastern and Southern Africa regions, in 2015/16.

- Advance 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 in 2015/16.

Subprogrammes

- *International Trade Development* facilitates bilateral and multilateral trade relations and agreements.
- *African Economic Development* facilitates bilateral and 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						Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	Audited outcome			Adjusted appropriation								
R million	2011/12	2012/13	2013/14	2014/15	2011/12	2014/15	2015/16	2016/17	2017/18	2014/15	2017/18	
International Trade Development	72.9	81.9	94.9	90.2	7.3%	62.0%	100.5	106.1	111.8	7.4%	61.8%	
African Economic Development	60.0	50.8	44.7	53.1	-4.0%	38.0%	64.3	66.4	69.0	9.2%	38.2%	
Total	132.9	132.7	139.6	143.2	2.5%	100.0%	164.8	172.5	180.8	8.1%	100.0%	
Change to 2014 Budget estimate				(4.0)			9.9	8.8	7.7			
Economic classification												
Current payments	98.9	96.7	107.2	98.7	-0.1%	73.2%	119.1	124.2	130.8	9.8%	71.5%	
Compensation of employees	63.5	71.8	79.8	84.9	10.1%	54.7%	96.6	101.5	106.4	7.8%	58.9%	
Goods and services	35.4	24.8	27.4	13.9	-26.8%	18.5%	22.5	22.7	24.4	20.8%	12.6%	
of which:												
Communication	1.0	1.7	1.2	1.0	-0.7%	0.9%	1.2	1.2	1.3	8.8%	0.7%	
Consultants and professional services:	1.3	1.3	1.0	0.3	-38.7%	0.7%	1.1	1.8	1.8	80.8%	0.8%	
Legal costs												
Agency and support/outourced services	—	—	0.5	0.3	—	0.2%	0.5	0.5	0.5	22.1%	0.3%	
Consumables: Stationery, printing and office supplies	0.7	0.6	0.5	0.5	-13.5%	0.4%	1.0	1.0	1.1	31.4%	0.5%	
Travel and subsistence	24.5	18.6	18.6	10.3	-25.0%	13.1%	16.5	15.5	16.7	17.4%	8.9%	
Venues and facilities	4.9	1.0	2.7	0.4	-58.4%	1.6%	1.0	1.4	1.7	68.8%	0.7%	
Transfers and subsidies	33.3	35.6	31.8	43.8	9.6%	26.3%	44.9	47.5	49.2	3.9%	28.0%	
Departmental agencies and accounts	—	—	0.8	1.0	—	0.3%	1.1	1.1	1.2	4.9%	0.7%	
Foreign governments and international organisations	12.4	13.1	16.9	18.2	13.9%	11.1%	18.2	19.4	19.7	2.5%	11.4%	
Public corporations and private enterprises	20.8	22.3	14.0	24.5	5.5%	14.9%	25.6	27.0	28.3	5.0%	15.9%	
Households	0.1	0.1	0.1	0.0	-26.9%	0.1%	—	—	—	-100.0%	—	
Payments for capital assets	0.7	0.5	0.6	0.7	-0.5%	0.5%	0.8	0.8	0.8	6.4%	0.5%	
Machinery and equipment	0.7	0.5	0.6	0.7	-0.5%	0.5%	0.8	0.8	0.8	6.4%	0.5%	
Total	132.9	132.7	139.6	143.2	2.5%	100.0%	164.8	172.5	180.8	8.1%	100.0%	
Proportion of total programme expenditure to vote expenditure	2.2%	1.8%	1.7%	1.4%	—	—	1.7%	1.6%	1.9%	—	—	
Details of selected transfers and subsidies												
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	—	—	0.8	1.0	—	0.3%	1.1	1.1	1.2	4.9%	0.7%	
Council for Geoscience: Equipment	—	—	0.8	1.0	—	0.3%	1.1	1.1	1.2	4.9%	0.7%	
Public corporations and private enterprises												
Public corporations												
Other transfers to public corporations												
Current	19.8	20.9	12.1	23.4	5.6%	13.9%	24.5	25.8	27.0	5.0%	15.2%	
Development Bank of Southern Africa:	17.5	18.5	9.3	20.7	5.7%	12.0%	21.7	22.8	24.0	5.0%	13.5%	
Regional spatial development initiatives												
Protechnik Laboratories	2.3	2.4	2.8	2.7	4.6%	1.9%	2.8	2.9	3.1	4.8%	1.7%	
Capital	1.0	1.4	1.9	1.1	4.0%	1.0%	1.2	1.2	1.3	4.6%	0.7%	
Protechnik Laboratories	1.0	1.4	1.9	1.1	4.0%	1.0%	1.2	1.2	1.3	4.6%	0.7%	
Foreign governments and international organisations												
Current	12.4	13.1	16.9	18.2	13.9%	11.1%	18.2	19.4	19.7	2.5%	11.4%	
Organisation for the Prohibition of Chemical Weapons: Membership fees	2.6	3.0	3.6	4.5	19.1%	2.5%	4.7	4.9	5.2	5.0%	2.9%	
World Trade Organisation: Membership fees	9.7	10.2	13.2	13.8	12.3%	8.6%	13.5	14.5	14.5	1.7%	8.5%	

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:
 - establishing a fully operational broad based black economic empowerment commission and producing an implementation report by 2017/18
 - developing and implementing a black industrialists framework and action plan by 2017/18
 - developing 40 cluster development plans by 2017/18
 - developing and implementing a national technology commercialisation strategy by 2017/18.
- Facilitate 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
 - increasing the Rand value of investments in designated special economic zones to the value of R1 billion to accelerate industrialisation and growth in investment, exports and employment by 2017/18.

Subprogramme

- 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

Economic classification											
Subprogramme				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Enterprise Competitiveness	171.0	175.8	188.8	191.2	3.8%	76.2%	200.0	211.6	217.3	4.4%	75.5%
Equity and Empowerment	11.8	14.2	13.0	21.7	22.7%	6.4%	14.0	16.0	15.8	-10.2%	6.2%
Spatial Industrial Economic Development (Special Economic Zones)	30.4	47.5	42.3	46.1	14.9%	17.4%	49.1	51.4	52.3	4.3%	18.3%
Total	213.2	237.5	244.1	259.1	6.7%	100.0%	263.2	279.0	285.3	3.3%	100.0%
Change to 2014 Budget estimate				(746.7)			(796.9)	(839.1)	(889.9)		
Economic classification											
Current payments	39.3	53.0	54.7	64.8	18.1%	22.2%	65.6	71.1	67.0	1.1%	24.7%
Compensation of employees	28.6	35.3	42.5	41.3	13.0%	15.5%	50.3	55.6	50.0	6.6%	18.2%
Goods and services	10.6	17.7	12.2	23.4	30.1%	6.7%	15.3	15.5	17.0	-10.2%	6.6%
of which:											
Communication	0.2	0.2	0.3	0.4	22.7%	0.1%	0.4	0.4	0.4	2.5%	0.1%
Consultants and professional services:	2.0	4.6	3.1	15.4	95.9%	2.6%	8.0	7.5	8.1	-19.2%	3.6%
Business and advisory services											
Consumables: Stationery, printing and office supplies	0.5	0.5	0.5	0.7	8.3%	0.2%	0.6	0.5	0.7	0.7%	0.2%
Travel and subsistence	4.5	8.9	6.6	5.3	5.4%	2.6%	3.8	5.8	4.7	-3.9%	1.8%
Operating payments	(0.8)	1.0	0.1	0.1	-152.0%	-	0.5	0.2	1.3	125.4%	0.2%
Venues and facilities	1.1	0.8	0.9	1.2	3.4%	0.4%	0.4	0.3	0.3	-35.1%	0.2%

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 (%)	
	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2014/15 - 2017/18	2015/16	2016/17	2017/18	2014/15 - 2017/18	2014/15 - 2017/18	2014/15 - 2017/18	2014/15 - 2017/18
R million	173.4	184.0	188.9	193.9	3.8%	77.6%	196.8	207.2	217.6	3.9%	75.0%	182.7	192.4	202.0	4.6%	69.4%	12.5	13.1
Transfers and subsidies	173.4	184.0	188.9	193.9	3.8%	77.6%	196.8	207.2	217.6	3.9%	75.0%	182.7	192.4	202.0	4.6%	69.4%	12.5	13.1
Departmental agencies and accounts	165.3	166.7	174.3	176.5	2.2%	71.6%	182.7	192.4	202.0	4.6%	69.4%	182.7	192.4	202.0	4.6%	69.4%	12.5	13.1
Higher education institutions	–	10.0	12.8	15.7	–	4.0%	12.5	13.1	13.8	–4.3%	5.1%	12.5	13.1	13.8	–4.3%	5.1%	12.5	13.1
Public corporations and private enterprises	8.0	7.0	1.5	1.5	–42.7%	1.9%	1.6	1.7	1.7	5.0%	0.6%	1.6	1.7	1.7	5.0%	0.6%	1.6	1.7
Households	0.2	0.3	0.2	0.1	–26.3%	0.1%	–	–	–	–100.0%	–	–	–	–	–100.0%	–	–	–
Payments for capital assets	0.5	0.5	0.5	0.5	–0.3%	0.2%	0.8	0.7	0.7	17.1%	0.2%	0.8	0.7	0.7	17.1%	0.2%	0.8	0.7
Machinery and equipment	0.5	0.4	0.5	0.5	–0.3%	0.2%	0.8	0.7	0.7	17.1%	0.2%	0.8	0.7	0.7	17.1%	0.2%	0.8	0.7
Software and other intangible assets	–	0.1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total	213.2	237.5	244.1	259.1	6.7%	100.0%	263.2	279.0	285.3	3.3%	100.0%	263.2	279.0	285.3	3.3%	100.0%	263.2	279.0
Proportion of total programme expenditure to vote expenditure	3.5%	3.2%	2.9%	2.6%	–	–	2.7%	2.7%	3.0%	–	–	2.7%	2.7%	3.0%	–	–	2.7%	2.7%
Details of selected transfers and subsidies																		
Departmental agencies and accounts																		
Departmental agencies (non-business entities)																		
Current	165.3	166.7	174.3	176.5	2.2%	71.6%	182.7	192.4	202.0	4.6%	69.4%	182.7	192.4	202.0	4.6%	69.4%	182.7	192.4
National Research Foundation: Technology and human resources for industry programme	155.0	157.0	160.6	165.6	2.2%	66.9%	174.6	183.9	193.1	5.3%	66.0%	174.6	183.9	193.1	5.3%	66.0%	174.6	183.9
National Productivity Institute: Workplace Challenge	9.5	8.2	13.7	9.2	–1.2%	4.2%	8.1	8.5	8.9	–0.8%	3.2%	8.1	8.5	8.9	–0.8%	3.2%	8.1	8.5
Independent Regulatory Board for Auditors	0.8	1.5	–	1.8	33.9%	0.4%	–	–	–	–100.0%	0.2%	–	–	–	–100.0%	0.2%	–	–
Capital	5.0	5.0	–	–	–94.2%	1.0%	–	–	–	–100.0%	–	–	–	–	–100.0%	–	–	–
Industrial Development Corporation: Technology venture capital	5.0	5.0	–	–	–94.2%	1.0%	–	–	–	–100.0%	–	–	–	–	–100.0%	–	–	–
Higher education institutions																		
Current	–	10.0	12.8	15.7	–	4.0%	12.5	13.1	13.8	–4.3%	5.1%	12.5	13.1	13.8	–4.3%	5.1%	12.5	13.1
University of Johannesburg: Capacity building programme for economic development	–	10.0	12.8	15.7	–	4.0%	12.5	13.1	13.8	–4.3%	5.1%	12.5	13.1	13.8	–4.3%	5.1%	12.5	13.1
Public corporations and private enterprises																		
Private enterprises																		
Private enterprises - subsidies on products and production																		
Current	3.0	2.0	1.5	1.5	–20.6%	0.8%	1.6	1.7	1.7	5.0%	0.6%	1.6	1.7	1.7	5.0%	0.6%	1.6	1.7
Council for Scientific and Industrial Research: Fibre and Textile Centre of Excellence	3.0	2.0	1.5	1.5	–20.6%	0.8%	1.6	1.7	1.7	5.0%	0.6%	1.6	1.7	1.7	5.0%	0.6%	1.6	1.7

Programme 4: Industrial Development

Programme purpose

Design and implement policies, strategies and programmes to strengthen the ability of 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 in the priority sectors over the medium term
 - promoting the long term intensification of South Africa's industrialisation process and movement towards a knowledge economy on an ongoing basis
 - promoting a more labour absorbing industrialisation path with a particular emphasis on tradable labour absorbing goods and services, and economic linkages that catalyse employment creation, over the medium term

- promoting a broader based industrialisation path through the increased participation of historically disadvantaged people and marginalised regions in the mainstream of the industrial economy, over the medium term
- contributing to industrial development on the African continent, with a strong emphasis on building its productive capacity, over the medium term
- developing sector specific action plans to expand value added activities in existing and new sectors of the economy through the deployment of skills initiatives to support industrial development, and through the creation of economic benefits for South African industries by leveraging off government procurement.

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 increase 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

Table 6.4: Industrial Development expenditure trends and estimates by sub-programme and economic classification												
Subprogramme					Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R million	2011/12	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
Industrial Competitiveness	479.3	476.8	595.7	650.7	10.7%	35.4%	678.0	680.7	804.2	7.3%	35.4%	
Customised Sector Programmes	846.9	1 041.3	995.4	1 135.3	10.3%	64.6%	1 295.5	1 364.6	1 339.2	5.7%	64.6%	
Total	1 326.2	1 518.1	1 591.2	1 786.0	10.4%	100.0%	1 973.5	2 045.3	2 143.3	6.3%	100.0%	
Change to 2014				(10.8)			(105.0)	(147.2)	(28.8)			
Budget estimate												
Economic classification												
Current payments	83.3	91.9	99.2	109.9	9.7%	6.2%	125.8	133.0	140.4	8.5%	6.4%	
Compensation of employees	60.4	72.3	82.3	92.2	15.2%	4.9%	104.6	110.7	117.2	8.3%	5.3%	
Goods and services	22.9	19.6	16.9	17.7	-8.2%	1.2%	21.2	22.3	23.2	9.3%	1.1%	
of which:												
Communication	0.5	0.5	0.5	0.6	5.2%	–	0.7	0.7	0.8	11.9%	–	
Consultants and professional services:	10.0	5.1	3.8	4.7	-22.2%	0.4%	5.7	6.1	6.1	9.1%	0.3%	
Business and advisory services												
Consumables: Stationery, printing and office supplies	0.7	0.5	0.5	0.6	-5.3%	–	0.9	1.0	1.0	17.3%	–	
Travel and subsistence	7.8	8.8	9.5	8.0	0.9%	0.5%	9.8	10.6	11.1	11.7%	0.5%	
Operating payments	1.8	0.9	1.1	1.8	-1.5%	0.1%	1.8	2.0	2.1	5.4%	0.1%	
Venues and facilities	1.3	0.8	0.5	0.8	-16.0%	0.1%	0.8	0.9	1.0	10.6%	–	
Transfers and subsidies	1 241.1	1 425.5	1 491.5	1 675.2	10.5%	93.8%	1 847.0	1 911.5	2 002.1	6.1%	93.6%	
Departmental agencies and accounts	155.4	192.6	282.4	348.0	30.8%	15.7%	368.7	372.3	422.7	6.7%	19.0%	
Higher education institutions	14.8	22.6	–	–	-94.1%	0.6%	–	–	–	–	–	
Foreign governments and international organisations	13.0	4.8	5.9	5.8	-23.6%	0.5%	6.2	6.5	6.8	5.3%	0.3%	
Public corporations and private enterprises	1 004.7	1 125.2	1 108.3	1 197.4	6.0%	71.3%	1 328.0	1 394.6	1 435.3	6.2%	67.4%	
Non-profit institutions	53.0	80.2	94.8	124.0	32.8%	5.7%	144.1	138.1	137.4	3.5%	6.8%	
Households	0.2	0.2	0.2	–	-55.2%	–	–	–	–	-100.0%	–	
Payments for capital assets	1.0	0.6	0.4	0.8	-7.6%	–	0.8	0.8	0.9	2.1%	–	
Machinery and equipment	1.0	0.6	0.4	0.8	-7.6%	–	0.8	0.8	0.9	2.1%	–	
Payments for financial assets	0.8	–	–	–	-100.0%	–	–	–	–	–	–	
Total	1 326.2	1 518.1	1 591.2	1 786.0	10.4%	100.0%	1 973.5	2 045.3	2 143.3	6.3%	100.0%	
Proportion of total programme expenditure to vote expenditure	21.9%	20.4%	19.1%	18.0%	–	–	20.6%	19.5%	22.5%	–	–	

Table 34.9 Industrial Development 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											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	130.4	192.6	222.4	237.0	22.0%	12.6%	214.1	209.5	276.3	5.3%	11.8%
South African National Accreditation System	30.6	30.7	33.5	35.7	5.3%	2.1%	26.0	22.2	41.6	5.2%	1.6%
National Metrology Institute of South Africa	62.6	82.2	85.9	91.6	13.5%	5.2%	96.3	101.4	106.5	5.2%	5.0%
National Regulator for Compulsory Specifications	37.2	79.7	103.0	109.7	43.5%	5.3%	91.7	85.9	128.2	5.3%	5.2%
Capital	25.0	–	60.0	111.0	64.4%	3.2%	154.6	162.8	146.3	9.6%	7.2%
National Metrology Institute of South Africa	25.0	–	60.0	111.0	64.4%	3.2%	154.6	162.8	146.3	9.6%	7.2%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	887.2	1 055.8	1 043.4	1 174.9	9.8%	66.9%	1 306.4	1 371.8	1 411.3	6.3%	66.2%
Industrial Development Corporation: Customised sector programme	57.4	56.5	140.4	163.9	41.8%	6.7%	155.3	163.7	171.0	1.4%	8.2%
Council for Scientific and Industrial Research: National Cleaner Production Centre	40.1	41.2	–	51.7	8.8%	2.1%	63.5	66.9	77.8	14.6%	3.3%
South African Bureau of Standards: Research contribution	181.5	185.9	205.0	220.1	6.6%	12.7%	216.2	208.9	277.2	8.0%	11.6%
South African Bureau of Standards: Small business consulting	1.1	1.2	1.5	1.6	13.1%	0.1%	1.6	1.7	1.8	3.1%	0.1%
Industrial Development Corporation: Clothing and textile production incentive	600.0	750.0	682.4	723.4	6.4%	44.3%	855.6	901.0	852.8	5.6%	41.9%
Council for Scientific and Industrial Research: National Foundry Technology Network	7.0	21.0	14.1	14.2	26.7%	0.9%	14.1	29.7	30.7	29.1%	1.1%
Capital	117.5	69.4	64.9	22.5	-42.4%	4.4%	21.5	22.8	24.0	2.2%	1.1%
Council for Scientific and Industrial Research: Aerospace industry	17.3	21.4	21.2	22.5	9.2%	1.3%	21.5	22.8	24.0	2.2%	1.1%
South African Bureau of Standards: Upgrading of vehicle testing facility	7.0	–	43.7	–	-100.0%	0.8%	–	–	–	–	–
South African Bureau of Standards	93.2	48.0	–	–	-100.0%	2.3%	–	–	–	–	–
Foreign governments and international organisations											
Current	13.0	4.8	5.9	5.8	-23.6%	0.5%	6.2	6.5	6.8	5.3%	0.3%
United Nations Industrial Development Organisation	3.6	4.8	5.9	5.8	16.8%	0.3%	6.2	6.5	6.8	5.3%	0.3%
United Nations Industrial Development Organisation: Automotive component supplier development programme	7.2	–	–	–	-100.0%	0.1%	–	–	–	–	–
French Institute of South Africa: African Programme on rethinking development economics	2.2	–	–	–	-100.0%	–	–	–	–	–	–
Higher education institutions											
Current	14.8	22.6	–	–	-94.1%	0.6%	–	–	–	–	–
University of the Witwatersrand: National aerospace skills sector support programme	6.3	12.4	–	–	-94.6%	0.3%	–	–	–	–	–
North-West University	8.5	10.2	–	–	-95.1%	0.3%	–	–	–	–	–
Non-profit institutions											
Current	53.0	80.2	94.8	124.0	32.8%	5.7%	144.1	138.1	137.4	3.5%	6.8%
Intsimbi national tooling initiative	36.0	49.2	54.4	67.7	23.4%	3.3%	70.4	74.1	70.0	1.1%	3.5%
Centurion Aerospace Village	10.0	15.0	15.8	16.7	18.8%	0.9%	17.5	18.4	19.4	5.0%	0.9%
Trade and industrial policy strategies	–	–	6.0	9.6	–	0.3%	10.0	10.7	11.4	6.1%	0.5%
Proudly South African campaign	7.0	16.0	18.6	30.0	62.4%	1.2%	32.2	34.9	36.6	6.9%	1.7%
Automotive supply chain competitiveness initiative	–	–	–	–	–	–	14.0	–	–	–	0.2%

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 business and historically disadvantaged citizens by attracting domestic and foreign investment by 2016.
- Contribute to increasing investor confidence and certainty in the economy by:
 - developing world class regulatory frameworks for monitoring compliance and enforcement of consumer and corporate regulations by 2017
 - conducting regulatory impact assessments that address impact at the financial, economic and social levels, annually
 - finalising amendments to the Liquor Act (2003) and the National Gambling Act (2004); and developing policy on intellectual property and 4 regulations emanating from the amended versions of the National Credit Act (2005), the Liquor Act (2003), the Gambling Act (2004), and the Business Act (1991), in 2015/16
 - conducting post-regulatory impact assessments on the effectiveness of the Consumer Protection Act (2008) and the Companies Act (2008), developing a regulatory framework for intellectual property by 2016/17, and protecting intellectual property rights by formulating policies and drafting legislation by 2018.
- Create competitive, fair and efficient markets by monitoring the effectiveness of financial, economic, and governance policies of implementing institutions in place by 2015.
- Enhance and protect consumer rights through improved consumer awareness by monitoring the performance of the institutions on an ongoing basis.
- Create a business regulatory environment that promotes competitive, fair and efficient markets by developing world class regulatory frameworks for the monitoring, compliance and enforcement of consumer and corporate regulations by 2017.
- Provide access to redress for consumers and business to increase confidence in markets by monitoring compliance through inspections of facilities; and providing education and awareness of safety, health and environment standards on an ongoing basis.
- Review, amend and implement the framework to increase industry transformation, enhance consumer protection, and carry out socioeconomic impact assessments annually.
- Promote awareness of rights, duties and responsibilities to increase consumer activism and public participation in consumer and corporate regulations by engaging with and providing support to higher learning and research institutions on an ongoing basis.
- Promote simple, appropriate and more effective regulatory solutions by participating in international forums such as the World Intellectual Property Organisation and relevant trade and investment forums, and developing position papers for publication and ratification over the medium term.

Subprogrammes

- *Policy and Legislative Development* develops policies, laws and regulatory frameworks.
- *Enforcement and Compliance* conducts trends 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	Average growth rate (%)		Expenditure/ Total: Average (%)			Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
R million														
Policy and Legislative Development	12.9	14.4	19.2	18.7	13.2%	6.6%	25.9	29.2	28.0	14.3%	8.4%			
Enforcement and Compliance	16.1	14.5	23.2	35.9	30.5%	9.1%	43.9	46.4	43.6	6.7%	14.0%			
Regulatory Services	189.5	194.7	214.3	231.0	6.8%	84.3%	224.7	231.4	250.3	2.7%	77.5%			
Total	218.6	223.6	256.7	285.6	9.3%	100.0%	294.5	307.0	321.9	4.1%	100.0%			
Change to 2014				8.3			7.6	6.2	5.4					
Budget estimate														
Economic classification														
Current payments	38.5	43.1	68.7	75.3	25.0%	22.9%	80.6	83.1	86.8	4.9%	27.0%			
Compensation of employees	26.5	30.0	48.7	57.1	29.2%	16.5%	61.0	63.4	66.3	5.1%	20.5%			
Goods and services	12.0	13.0	20.0	18.1	14.6%	6.4%	19.6	19.7	20.5	4.2%	6.4%			
of which:														
Advertising	0.7	0.9	3.3	2.0	41.3%	0.7%	2.4	2.1	2.0	–	0.7%			
Consultants and professional services:	3.2	2.3	2.5	3.7	4.8%	1.2%	3.7	3.5	6.7	22.6%	1.5%			
Business and advisory services														
Consumables: Stationery, printing and office supplies	0.6	0.3	0.4	0.6	-2.0%	0.2%	0.8	0.8	0.8	11.7%	0.3%			
Travel and subsistence	4.5	4.8	7.5	7.3	17.8%	2.4%	7.3	9.0	5.6	-8.5%	2.4%			
Operating payments	0.7	0.2	0.7	1.1	15.0%	0.3%	1.1	0.7	1.1	2.2%	0.3%			
Venues and facilities	0.9	2.5	1.1	0.8	-5.7%	0.5%	1.4	1.4	2.4	46.1%	0.5%			
Transfers and subsidies	179.6	177.5	186.8	210.0	5.3%	76.6%	213.7	223.9	235.1	3.8%	73.0%			
Departmental agencies and accounts	176.5	174.1	182.4	205.5	5.2%	75.0%	209.1	218.9	229.9	3.8%	71.4%			
Foreign governments and international organisations	3.1	3.4	4.2	4.5	13.4%	1.5%	4.7	4.9	5.2	5.0%	1.6%			
Households	0.1	–	0.2	–	-30.4%	–	–	–	–	-100.0%	–			
Payments for capital assets	0.4	1.3	0.6	0.3	-11.2%	0.3%	0.2	–	–	-100.0%	–			
Machinery and equipment	0.4	1.3	0.6	0.3	-11.2%	0.3%	0.2	–	–	-100.0%	–			
Payments for financial assets	–	1.7	0.6	–	-100.0%	0.2%	–	–	–	–	–			
Total	218.6	223.6	256.7	285.6	9.3%	100.0%	294.5	307.0	321.9	4.1%	100.0%			
Proportion of total programme expenditure to vote expenditure	3.6%	3.0%	3.1%	2.9%	–	–	3.1%	2.9%	3.4%	–	–			
Details of selected transfers and subsidies														
Departmental agencies and accounts														
Departmental agencies (non-business entities)														
Current	176.5	174.1	182.4	205.5	5.2%	75.0%	209.1	218.9	229.9	3.8%	71.4%			
National Credit Regulator	53.0	57.9	63.7	68.8	9.1%	24.7%	65.7	69.6	73.1	2.0%	22.9%			
National Gambling Board	37.6	26.1	27.7	29.8	-7.5%	12.3%	31.5	30.1	31.6	2.0%	10.2%			
National Consumer Tribunal	28.8	33.2	36.1	40.2	11.7%	14.0%	43.0	46.2	48.5	6.5%	14.7%			
Companies and Intellectual Property Commission	14.0	–	–	–	-100.0%	1.4%	–	–	–	–	–			
National Consumer Commission	33.0	46.8	44.5	53.4	17.4%	18.1%	54.6	58.0	60.9	4.5%	18.8%			
Companies Tribunal	10.0	10.1	10.3	13.3	10.0%	4.4%	14.2	15.1	15.8	5.9%	4.8%			
Foreign governments and international organisations														
Current	3.1	3.4	4.2	4.5	13.4%	1.5%	4.7	4.9	5.2	5.0%	1.6%			
World Intellectual Property Organisation	3.1	3.4	4.2	4.5	13.4%	1.5%	4.7	4.9	5.2	5.0%	1.6%			

Programme 6: Incentive Development and Administration

Programme purpose

Stimulate and facilitate the development of sustainable, 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.
- Improve the impact of incentive programmes through the implementation of an online and automated integrated electronic management system in 2015/16.
- 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 competitiveness enhancement programme, which provides a credible support package to stabilise and grow output, employment and confidence in the manufacturing sector in order to encourage firms to innovate and invest in activities that will enhance their productivity and bolster competitiveness by 2017/18.
- Administer the special economic zones fund by providing incentives for industrial infrastructure development in order to contribute to the accelerated growth of manufacturing and internationally traded services by attracting foreign direct investment and developing growth orientated domestic businesses, leading to increased employment, exports and regional development over the long term.

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 infrastructure support that enables investment and industrial development in order to increase the export of value added commodities and create employment opportunities.
- *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	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million				2014/15	2011/12 - 2014/15					2014/15 - 2017/18	
Broadening Participation Incentives	73.0	85.3	129.3	50.7	-11.4%	1.9%	63.8	67.3	70.7	11.7%	1.1%
Manufacturing Incentives	2 100.8	2 954.8	3 338.6	3 828.9	22.2%	67.9%	3 781.8	4 005.8	3 561.7	-2.4%	66.0%
Services Investment Incentives	306.6	427.0	564.4	559.3	22.2%	10.3%	569.9	610.5	641.8	4.7%	10.4%
Infrastructure Investment Support	740.3	893.6	1 038.6	788.2	2.1%	19.2%	1 341.5	1 829.7	1 051.9	10.1%	21.8%
Product and Systems Development	8.5	12.7	13.0	16.6	25.0%	0.3%	17.5	18.4	19.6	5.6%	0.3%
Strategic Partnership and Customer Care	13.0	13.8	17.9	20.8	17.0%	0.4%	21.1	22.4	23.6	4.3%	0.4%
Total	3 242.1	4 387.3	5 101.9	5 264.6	17.5%	100.0%	5 795.6	6 554.2	5 369.3	0.7%	100.0%
Change to 2014				(275.7)			(450.8)	(496.6)	(515.5)		
Budget estimate											

Table 34.11 Incentive Development and Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification						Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	Audited outcome			Adjusted appropriation								
R million	2011/12	2012/13	2013/14	2014/15	2011/12	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		
Current payments	101.4	114.9	150.8	238.6	33.0%	3.4%	172.6	180.5	200.2	-5.7%	3.4%	
Compensation of employees	72.4	86.5	112.5	140.4	24.7%	2.3%	133.7	144.2	161.5	4.8%	2.5%	
Goods and services	29.0	28.4	38.4	98.2	50.2%	1.1%	39.0	36.3	38.7	-26.7%	0.9%	
of which:												
Consultants and professional services: Business and advisory services	7.0	8.2	15.0	74.2	119.2%	0.6%	17.1	12.1	13.2	-43.7%	0.5%	
Consultants and professional services: Legal costs	3.1	1.4	2.7	2.8	-3.3%	0.1%	2.8	3.4	3.6	8.9%	0.1%	
Consumables: Stationery, printing and office supplies	1.8	1.2	1.3	1.6	-4.0%	—	1.7	2.1	2.0	7.4%	—	
Operating leases	0.6	0.8	0.8	0.8	8.1%	—	0.8	0.8	0.9	2.0%	—	
Travel and subsistence	12.2	14.2	14.8	16.6	10.9%	0.3%	14.0	15.4	16.1	-0.9%	0.3%	
Venues and facilities	1.4	1.1	1.7	0.5	-31.0%	—	0.7	0.6	0.8	23.0%	—	
Transfers and subsidies	3 136.1	4 270.0	4 943.5	5 016.0	16.9%	96.5%	5 611.0	6 361.7	5 156.5	0.9%	96.4%	
Foreign governments and international organisations	—	3.7	—	—	—	—	—	—	—	—	—	
Public corporations and private enterprises	3 135.6	4 266.1	4 943.2	5 015.4	16.9%	96.5%	5 610.2	6 360.9	5 155.7	0.9%	96.3%	
Households	0.5	0.2	0.3	0.6	8.0%	—	0.8	0.8	0.8	10.1%	—	
Payments for capital assets	4.6	2.4	7.5	10.0	29.4%	0.1%	12.0	12.0	12.6	8.0%	0.2%	
Machinery and equipment	0.7	1.2	1.8	1.5	27.1%	—	2.0	2.0	2.1	11.9%	—	
Software and other intangible assets	3.9	1.2	5.7	8.5	29.8%	0.1%	10.0	10.0	10.5	7.3%	0.2%	
Total	3 242.1	4 387.3	5 101.9	5 264.6	17.5%	100.0%	5 795.6	6 554.2	5 369.3	0.7%	100.0%	
Proportion of total programme expenditure to vote expenditure	53.5%	58.9%	61.2%	53.1%	—	—	60.4%	62.4%	56.5%	—	—	
Details of selected transfers and subsidies												
Public corporations and private enterprises												
Public corporations												
Other transfers to public corporations												
Capital	615.7	749.9	438.2	—	-100.0%	10.0%	—	—	—	—	—	
Coega Development Corporation	383.7	417.9	308.2	—	-100.0%	6.2%	—	—	—	—	—	
East London industrial development zone	171.3	150.0	100.0	—	-100.0%	2.3%	—	—	—	—	—	
Richards Bay industrial development zone Company	60.7	182.0	30.0	—	-100.0%	1.5%	—	—	—	—	—	
Foreign governments and international organisations												
Current	—	3.7	—	—	—	—	—	—	—	—	—	
United Nations Industrial Development Organisation: Incentive monitoring framework	—	3.7	—	—	—	—	—	—	—	—	—	
Public corporations and private enterprises												
Private enterprises												
Private enterprises - subsidies on products and production												
Current	2 159.9	3 112.5	3 515.3	3 920.2	22.0%	70.6%	4 052.4	4 280.0	3 794.3	-1.1%	69.8%	
Services sector development incentives	298.8	418.6	555.0	550.0	22.6%	10.1%	560.0	600.0	630.5	4.7%	10.2%	
Manufacturing development incentives	1 861.2	2 693.9	2 960.3	3 290.2	20.9%	60.0%	3 422.4	3 630.0	3 163.8	-1.3%	58.8%	
Industrial development zones: Other	—	—	—	80.0	—	0.4%	70.0	50.0	—	-100.0%	0.9%	
Capital	—	5.0	449.2	600.0	—	5.9%	1 070.0	1 580.0	835.4	11.7%	17.8%	
Special economic zones	—	5.0	449.2	600.0	—	5.9%	1 070.0	1 580.0	835.4	11.7%	17.8%	
Public corporations and private enterprises												
Private enterprises												
Other transfers to private enterprises												
Current	181.8	214.4	346.7	360.0	25.6%	6.1%	240.0	250.0	262.5	-10.0%	4.8%	
Broadening participation development incentives	13.2	32.4	72.9	—	-100.0%	0.7%	—	—	—	—	—	
Export market and investment assistance	168.6	182.0	273.8	360.0	28.8%	5.5%	240.0	250.0	262.5	-10.0%	4.8%	
Capital	178.3	184.3	193.8	135.2	-8.8%	3.8%	247.8	250.9	263.4	24.9%	3.9%	
Critical infrastructure programme	118.5	131.6	140.0	90.0	-8.8%	2.7%	190.0	190.0	199.5	30.4%	2.9%	
Support programme for industrial innovation	59.8	52.7	53.9	45.2	-8.9%	1.2%	57.8	60.9	63.9	12.3%	1.0%	

Programme 7: Trade and Investment South Africa

Programme purpose

Increase export capacity and support direct investment flows through an effectively managed network of foreign trade offices and strategies for targeted markets.

Objectives

- Increase the quality and quantity of domestic and foreign direct investment by implementing and reviewing investment strategies over the medium term.
- Promote and attract direct investment from targeted countries into targeted sectors of the South African economy, as per the industrial policy action plan on an ongoing basis through targeted use of instruments such as national pavilions, outward and inward missions and international trade initiatives.
- Promote South African value added goods and services abroad by broadening the export base; increasing market share in targeted high growth markets, especially in countries such as the Brazil-Russia-India-China-South Africa group of countries, African countries, and other developing countries; and sustaining market share in traditional markets, on an ongoing basis.
- Review 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.
- Increase the exporter base in the country and assist exporters to better position them to enter new markets by managing the implementation of the revised national exporter development programme that covers a number of critical components and a menu of innovative structures, new tools and value added services on an ongoing basis
- Place foreign economic representatives who are responsible for promoting foreign direct investment and the exports of South African goods, on an ongoing basis.

Subprogrammes

- *Investment Promotion and Facilitation* facilitates the increase in the quality and quantity of foreign and domestic direct investment by providing investment, recruitment, and problem solving and information services.
- *Export Promotion and Marketing* promotes exports of South African value added goods and services to increase market share in targeted high growth markets and sustain market share in traditional markets.
- *Trade and Investment South Africa Executive Management Unit* promotes trade and investment, and administers and provides corporate services to the department's foreign office network of 27 foreign economic representatives in 43 countries to enable South African businesses to access markets. The department also employs 43 locally recruited marketing officers.
- *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 and Investment 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 (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	Expenditure/Total: Average (%)	2015/16	2016/17	2017/18	2014/15 - 2017/18	Expenditure/Total: Average (%)
R million											
Investment Promotion and Facilitation	19.8	29.7	32.3	39.9	26.3%	10.0%	48.3	50.3	52.6	9.7%	11.7%
Export Promotion and Marketing	21.0	31.9	18.7	42.4	26.4%	9.4%	37.0	31.7	32.7	-8.3%	8.8%
Trade and Investment In South Africa Executive Management Unit	256.8	180.4	243.4	249.8	-0.9%	76.3%	316.3	334.0	348.4	11.7%	76.6%
Export Development and Support	6.3	7.8	26.0	12.7	26.7%	4.3%	10.8	11.2	11.1	-4.4%	2.8%
Total	303.8	249.8	320.5	344.9	4.3%	100.0%	412.3	427.1	444.8	8.9%	100.0%
Change to 2014				(15.9)			42.2	39.6	35.4		
Budget estimate											

Table 34.12 Trade and Investment South Africa expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2014/15	Average growth rate (%) 2011/12 - 2014/15	Expenditure/ Total: Average (%) 2011/12 - 2014/15	Medium-term expenditure estimate			Average growth rate (%) 2014/15 - 2017/18	Expenditure/ Total: Average (%) 2014/15 - 2017/18
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Current payments	167.7	208.9	235.5	229.6	11.1%	69.0%	240.0	250.4	261.8	4.5%	60.3%
Compensation of employees	100.4	127.5	142.2	162.0	17.3%	43.6%	180.9	185.3	194.3	6.3%	44.3%
Goods and services	67.2	81.4	93.3	67.7	0.2%	25.4%	59.1	65.0	67.5	-0.1%	15.9%
of which:											
Consultants and professional services:	1.7	3.1	1.8	2.2	9.3%	0.7%	4.1	2.5	2.6	4.8%	0.7%
Business and advisory services											
Contractors	1.6	7.7	2.5	6.6	60.2%	1.5%	6.6	7.8	8.3	7.7%	1.8%
Operating leases	16.5	18.0	23.1	4.3	-36.2%	5.1%	5.8	6.9	7.2	19.0%	1.5%
Travel and subsistence	17.8	19.9	30.5	23.0	8.8%	7.5%	18.3	21.3	21.0	-3.0%	5.1%
Operating payments	12.0	9.9	18.7	11.6	-1.2%	4.3%	11.0	10.4	12.4	2.3%	2.8%
Venues and facilities	8.6	13.5	6.9	11.5	10.4%	3.3%	7.9	9.8	9.3	-6.8%	2.4%
Transfers and subsidies	133.4	37.2	83.2	113.6	-5.2%	30.1%	168.1	174.3	180.6	16.7%	39.1%
Foreign governments and international organisations	11.8	12.3	9.8	3.2	-35.5%	3.0%	2.6	2.8	2.9	-2.6%	0.7%
Public corporations and private enterprises	121.5	24.3	73.3	110.4	-3.2%	27.0%	165.4	171.6	177.6	17.2%	38.4%
Households	0.2	0.6	0.1	-	-42.0%	0.1%	-	-	-	-100.0%	-
Payments for capital assets	2.8	3.8	1.8	1.7	-15.3%	0.8%	4.2	2.4	2.5	14.0%	0.7%
Machinery and equipment	2.7	3.8	1.8	1.7	-15.1%	0.8%	4.2	2.4	2.5	14.0%	0.7%
Total	303.8	249.8	320.5	344.9	4.3%	100.0%	412.3	427.1	444.8	8.9%	100.0%
Proportion of total programme expenditure to vote expenditure	5.0%	3.4%	3.8%	3.5%	-	-	4.3%	4.1%	4.7%	-	-
Details of selected transfers and subsidies											
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	121.5	24.3	73.3	110.4	-3.2%	27.0%	165.4	171.6	177.6	17.2%	38.4%
Export Credit Insurance Corporation	121.5	24.3	73.3	110.4	-3.2%	27.0%	165.4	171.6	177.6	17.2%	38.4%
Foreign governments and international organisations											
Current	11.8	12.3	9.8	3.2	-35.5%	3.0%	2.6	2.8	2.9	-2.6%	0.7%
Export consultancy trust funds: International Bank for Reconstruction and Development (World Bank) feasibility studies	5.9	6.2	4.9	-	-100.0%	1.4%	1.3	1.4	1.5	-	0.3%
Export consultancy trust funds: International Finance Corporation	5.9	6.2	4.9	3.2	-18.8%	1.6%	1.3	1.4	1.5	-22.7%	0.4%

Public entities and other agencies

National Lotteries Board

Mandate

The National Lotteries Board 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 board also advises the Minister of Trade and Industry on policy matters relating to the National Lottery and other lotteries. The board ensures the protection of all participants, maximises revenue for good cause 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 34.13 National Lotteries Board performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Value of operator ticket sales per year	Grant funding	Entity mandate	R4.59bn	R4.62bn	R4.9bn	R4.7bn	R4.8bn	R5.0bn	R5.5bn
Value of National Lottery Distribution Trust Fund commitments per year	Grant funding		R1.80bn	R1.65bn	R1.94bn	R2.2bn	R1.6bn	R1.6bn	R1.7bn
Actual cash disbursed per year	Grant funding		R2.41bn	R2.08bn	R1.86bn	R1.99bn	R1.64bn	R1.48bn	R1.42bn
Value of contribution to the National Lottery Distribution Trust Fund per year	Grant funding		R1.56bn	R1.60bn	R1.75bn	R1.60bn	R1.65bn	R1.70bn	R1.87bn

Expenditure analysis

The National Lotteries Board aims to ensure that funds raised through the national lottery are distributed equitably and expeditiously across South Africa in order to advance social upliftment. The focus over the medium term will be on enhancing service delivery within the organisation, and ensuring the compliance and regulation of the lottery industry so that the funding of deserving causes is distributed according to the legislated mandate. This is in line with the national development plan's vision of improving the efficiency of service delivery, and outcome 13 of government's 2014-2019 medium term strategic framework (an inclusive and responsive social protection system).

This serves to inform projected expenditure growth of 7.8 per cent over the medium term, and the significant share of the administrative function as the board's services are rolled out regionally across South Africa through the establishment of new offices in Free State, North West, Mpumalanga, Northern Cape, Western Cape and KwaZulu-Natal. This greater capacity will enable the board to effectively monitor the impact of funds disbursed, and ensure that the funds achieve their intended purpose, with greater emphasis on regulating compliance with the Lotteries Act (1997). As a result, expenditure on compensation of employees and the associated costs is expected to increase due to the new provincial offices, with the number of personnel increasing from 210 in 2013/14 to 323 over the medium term.

Improvements in the governance of the grant making system and commitment changes as per the act have necessitated improvements in internal systems to better support the organisation. This has increased expenditure on goods and services related to software improvement and the engagement of full time distribution agency members to adjudicate applications requesting funding, alongside the associated costs of an increased footprint.

The board receives an average of 99.1 per cent of revenue over the medium term from: a grant provided by the National Lottery Distribution Trust Fund, as approved by the Minister of Trade and Industry, for operational expenditure; regulation fees from the regulating of other lotteries in the country; and interest received from banking institutions from cash on hand. Interest earned on funds contributes marginally to revenue.

Programmes/objectives/activities

Table 34.14 National Lotteries Board 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million				2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Administration	65.1	51.8	126.3	217.3	49.4%	57.1%	246.0	270.6	297.7	11.1%	64.3%
Grant funding	30.2	63.3	58.5	82.4	39.7%	33.0%	94.0	103.4	113.8	11.3%	24.5%
Compliance and regulation	5.7	10.7	16.5	61.6	120.9%	9.9%	34.4	37.9	41.7	-12.2%	11.2%
Total	101.1	125.9	201.3	361.3	52.9%	100.0%	374.5	411.9	453.1	7.8%	100.0%

Statements of historical financial performance and position

Table 34.15 National Lotteries Board 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	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15
Revenue									
Non-tax revenue	1.6	1.6	1.7	1.6	1.7	12.7	1.7	3.2	287.9%
Sale of goods and services other than capital assets	–	1.3	–	1.3	1.3	1.3	1.3	2.8	257.0%
of which:									
Administrative fees	–	1.3	–	1.3	1.3	1.3	1.3	2.8	257.0%
Other non-tax revenue	1.6	0.3	1.7	0.3	0.4	11.4	0.4	0.4	308.1%
Transfers received	126.0	99.5	160.7	124.3	174.5	188.6	293.3	358.1	102.1%
Total revenue	127.5	101.1	162.4	125.9	176.2	201.3	295.0	361.3	103.7%
Expenses									
Current expenses	127.5	101.1	162.4	125.9	176.2	201.3	295.0	361.3	103.7%
Compensation of employees	69.5	54.2	88.3	58.7	97.1	104.5	165.4	143.2	85.8%
Goods and services	55.3	45.5	71.8	64.9	76.7	94.0	125.4	212.5	126.6%
Depreciation	2.8	1.4	2.3	2.3	2.3	2.8	4.2	5.6	105.5%
Total expenses	127.5	101.1	162.4	125.9	176.2	201.3	295.0	361.3	103.7%
Surplus/(Deficit)	–	–	–	–	–	–	–	–	–
Statement of financial position									
Carrying value of assets	7.0	8.0	13.1	11.7	12.0	14.2	12.5	91.6	281.2%
of which:									
Acquisition of assets	2.5	1.1	5.8	6.1	2.8	8.6	3.0	81.1	688.3%
Receivables and prepayments	3.6	8.5	3.2	6.5	3.2	9.1	3.2	2.2	199.4%
Cash and cash equivalents	4.2	7.0	6.8	12.7	4.8	26.0	3.0	40.8	460.4%
Total assets	14.8	23.5	23.1	30.9	20.0	49.3	18.7	134.6	311.1%
Deferred income	4.1	9.2	5.3	2.8	1.5	1.5	0.2	1.5	135.5%
Trade and other payables	10.7	11.5	15.0	16.0	18.5	23.8	18.5	132.8	293.5%
Provisions	–	–	–	3.7	–	23.7	–	–	–
Derivatives financial instruments	–	2.8	2.8	8.4	–	0.3	–	0.3	419.9%
Total equity and liabilities	14.8	23.5	23.1	30.9	20.0	49.3	18.7	134.6	311.1%

Statements of estimates of financial performance and position

Table 34.16 National Lotteries Board 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	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Revenue								
Non-tax revenue	3.2	26.2%	2.5%	3.5	3.9	4.2	10.0%	0.9%
Sale of goods and services other than capital assets	2.8	28.9%	0.9%	3.1	3.4	3.7	10.0%	0.8%
of which:								
Administrative fees	2.8	28.9%	0.9%	3.1	3.4	3.7	10.0%	0.8%
Other non-tax revenue	0.4	11.6%	1.6%	0.4	0.5	0.5	10.0%	0.1%
Transfers received	358.1	53.3%	97.5%	371.0	408.1	448.9	7.8%	99.1%
Total revenue	361.3	52.9%	100.0%	374.5	411.9	453.1	7.8%	100.0%
Expenses								
Current expenses	361.3	52.9%	100.0%	374.5	411.9	453.1	7.8%	100.0%
Compensation of employees	143.2	38.3%	47.9%	157.5	173.3	190.6	10.0%	41.5%
Goods and services	212.5	67.2%	50.5%	210.8	231.9	255.0	6.3%	56.9%
Depreciation	5.6	57.7%	1.5%	6.2	6.8	7.5	10.0%	1.6%
Total expenses	361.3	52.9%	100.0%	374.5	411.9	453.1	7.8%	100.0%
Surplus/(Deficit)	–	–	–	–	–	–	–	–

Table 34.16 National Lotteries Board statements of estimates of financial performance and position

Statement of financial position		Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Revised estimate	2014/15			2015/16	2016/17	2017/18		
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Carrying value of assets	91.6	125.7%	42.1%	86.0	80.3	74.9	-6.5%	61.2%
of which:								
Acquisition of assets	81.1	321.1%	25.5%	88.3	97.2	106.9	9.7%	68.6%
Receivables and prepayments	2.2	-36.1%	19.3%	2.4	2.7	2.9	9.9%	1.9%
Cash and cash equivalents	40.8	79.7%	38.5%	47.2	53.2	59.8	13.6%	36.9%
Total assets	134.6	79.0%	100.0%	135.6	136.2	137.6	0.7%	100.0%
Deferred income	1.5	-45.4%	13.1%	7.8	6.5	5.2	51.7%	3.9%
Trade and other payables	132.8	126.2%	61.9%	125.4	128.2	131.2	-0.4%	95.1%
Derivatives financial instruments	0.3	-53.2%	10.0%	2.4	1.5	1.2	59.2%	1.0%
Total equity and liabilities	134.6	79.0%	100.0%	135.6	136.2	137.6	110.5%	100.0%

Personnel information

Table 34.17 National Lotteries Board personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015			Number and cost ¹ 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 (%)			
			2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
National Lotteries Board			210	104.5	0.5	323	143.2	0.4	323	157.5	0.5	323	173.3	0.5	323	190.6	0.6	10.0%	100.0%
Salary level	323	323	210	104.5	0.5	323	143.2	0.4	323	157.5	0.5	323	173.3	0.5	323	190.6	0.6	10.0%	100.0%
7 – 10	263	263	175	75.3	0.4	263	89.2	0.3	263	98.1	0.4	263	107.9	0.4	263	118.7	0.5	10.0%	81.4%
11 – 12	24	24	13	10.4	0.8	24	16.9	0.7	24	18.6	0.8	24	20.4	0.9	24	22.5	0.9	10.0%	7.4%
13 – 16	35	35	21	16.7	0.8	35	34.7	1.0	35	38.1	1.1	35	41.9	1.2	35	46.1	1.3	10.0%	10.8%
17 – 22	1	1	1	2.0	2.0	1	2.5	2.5	1	2.7	2.7	1	3.0	3.0	1	3.3	3.3	10.0%	0.3%

1. Rand million.

Other public entities and agencies

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, copyright, and enforces rules and regulations. The commission's total budget for 2015/16 is R449.3 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, mediate disputes and make orders. The tribunal is enjoined to deliver 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 2015/16 is R15 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 makeup 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 is R745.3 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 2015/16 is R54.6 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 2015/16 is R49.8 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, registration of industry participants, 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 2015/16 is R123.8 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 3 core divisions: small and medium enterprises and rural development, venture capital and corporate finance, and asset management. The fund's total budget for 2015/16 is R436.1 million.
- The **National Gambling Board of South Africa** 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 the financing of anti-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 2015/16 is R33.9 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 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 2015/16 is R261 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 2015/16 is R356.4 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. The bureau's total budget for 2015/16 is R914.1 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 purpose, promote accreditation as a means of facilitating international trade to enhance South Africa's economic performance and 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 2015/16 is R84.8 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		
				2011/12	2012/13		2013/14	2014/15	2015/16
Infrastructure transfers to other spheres, agencies and departments									
Coega Development Corporation	Infrastructure developments to enable investment in the zone	Various	5 689.0	383.7	417.9	308.2	–	–	–
East London industrial development zone	Infrastructure developments to enable investment in the zone	Various	1 817.5	171.3	150.0	100.0	–	–	–
Critical infrastructure programme	Infrastructure projects supporting investment in mining, tourism, manufacturing and services	Various	1 473.2	118.5	131.6	140.0	190.0	190.0	199.5
Special economic zones: Investment incentives	Infrastructure development zone	Feasibility	3 719.5	–	5.0	449.2	550.0	1 070.0	835.4
Richards Bay industrial development zone	Infrastructure developments to enable investment in the zone	Various	672.0	60.7	182.0	30.0	–	–	–
Centurion Aerospace Village	Aerospace industry infrastructure	Construction	407.3	10.0	15.0	15.8	–	–	–
South African Bureau of Standards	Technical industrial infrastructure in the form of testing facilities	Construction	315.4	93.2	48.0	–	–	–	–
Industrial Development Zone: Other	Infrastructure development zone	Feasibility	–	–	–	–	200.0	70.0	50.0
Total			14 093.9	837.3	949.5	1 043.2	940.0	1 330.0	1 034.9

Vote 35

Transport

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	383.5	368.6	12.5	2.4	399.2	421.2
Integrated Transport Planning	80.6	80.4	–	0.2	83.0	87.6
Rail Transport	18 311.4	35.9	18 275.4	–	19 333.9	20 303.4
Road Transport	22 784.9	98.7	22 685.6	0.6	24 036.7	25 392.0
Civil Aviation	149.5	110.5	38.6	0.4	156.7	165.4
Maritime Transport	111.1	91.4	19.3	0.3	113.8	119.9
Public Transport	11 536.4	275.9	11 260.3	0.2	12 008.9	12 838.2
Total expenditure estimates	53 357.3	1 061.4	52 291.7	4.1	56 132.2	59 327.8

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, public entities, donor funding, public private partnerships, conditional allocations 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 levels of government with regard to airports, roads, traffic management and public transport. Transport is a function that is legislated and executed at all levels of government. The implementation of transport functions at the national level takes place through public entities that are overseen by the department, each with a specific delivery mandate, as specified in the respective sections below.

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 subsectors, assigning responsibilities to public entities and other levels of government, regulating through setting norms and standards, and monitoring implementation.

Selected performance indicators

Table 35.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Lane kilometres of surfaced roads rehabilitated	Road Transport	Outcome 6: An efficient, competitive and responsive economic infrastructure network	– ¹	365km	392km	1 100km	1 155km	1 213km	1 300km
Lane kilometres of roads resealed	Road Transport		– ¹	– ¹	– ¹	3 000km	3 150km	3 308km	3 450km
Kilometres of roads regavelled	Road Transport		2 814km	2 823km	3 692km	3 000km	3 308km	3 473km	3 578km
Square kilometres of blacktop patching on roads (including pothole repairs)	Road Transport		497 731km ²	1 367 293km ²	1 050 988km ²	810 000km ²	850 025km ²	893 025km ²	943 320km ²
Kilometres of gravel roads bladed	Road Transport		221 111km	434 955km	512 040km	350 000km	367 500km	385 875km	399 750km
Number of average weekday bus rapid transit passengers: Rea Vaya in Johannesburg	Public Transport		36 000	43 000	50 000	50 000	70 000	100 000	150 000
Number of integrated public transport networks facilitated per year	Public Transport		– ¹	– ¹	2	6	7	8	8
Number of average weekday bus rapid transit passengers: My Citi in Cape Town	Public Transport		22 000	30 000	35 000	50 000	70 000	80 000	100 000

1. Historical data is not available, as this indicator was not being measured yet.

Expenditure analysis

Investments in transport as envisaged in the national development plan aim to improve access to economic opportunities and social spaces and support economic development by efficiently moving goods. Government's 2014-2019 medium term strategic framework outlines the activities for developing and maintaining an efficient, competitive and responsive transport infrastructure network. For the Department of Transport over the medium term, these activities include maintaining road infrastructure, upgrading rail infrastructure and services, and enhancing public transport. The department will also be establishing the single transport economic regulator, a key output of the 2014-2019 medium term strategic framework.

Public entities, provinces and municipalities are the implementation agents for the Department of Transport, hence transfers and subsidies is the largest expenditure item in its budget. At R47.8 billion in 2014/15, transfers and subsidies constituted 96.7 per cent of the 2014/15 adjusted appropriation allocation. Over the medium term, transfers and subsidies are projected to increase at an average annual rate of 6.8 per cent to reach R58.1 billion in 2017/18, mainly driven by the increase in transfers to public corporations and private enterprises.

Maintaining road infrastructure

Over the medium term, the R573 Moloto Road will be upgraded at a cost of R1.1 billion. Moloto Road, linking Pretoria and Mpumalanga, has seen a high number of fatal road accidents. The upgrade will be done by the South African National Roads Agency using funds reprioritised within the agency and from the provincial roads maintenance grant and the taxi recapitalisation programme. Road infrastructure damaged by disasters will be rehabilitated at a cost of R647.9 million over the medium term, through an additional allocation to supplement the reprioritisation in the provincial roads maintenance grant. Overall, spending on transfers in the *Road Transport* programme is expected to increase to R25.3 billion in 2017/18.

Upgrading rail infrastructure and services

Over the medium term, rail infrastructure is the fastest growing area of departmental spending, and the *Rail Transport* programme is expected to grow at an average annual rate of 10.5 per cent. Transfers to the Passenger Rail Agency of South Africa are mainly for acquiring new trains for Metrorail, the commuter rail operator in major urban areas. The transfers are also for upgrading signalling systems and refurbishing coaches. Over 550 million passenger trips per year will be subsidised by the department's operational subsidies over the medium term, which are expected to increase at an average annual rate of 5.0 per cent.

Enhancing public transport

The department's transfers to municipalities for public transport, in the *Public Transport* programme, are expected to increase at an average annual rate of 4.3 per cent over the medium term. The subsidies will support a projected 150 000 weekday passenger trips on the Rea Vaya bus network in Johannesburg in 2017/18, which

is triple the number in 2014/15. 100 000 weekday passenger trips on the My Citi network in Cape Town are projected for 2017/18, which is double the number in 2014/15.

The department will be reviewing the taxi recapitalisation model to improve its effectiveness and affordability.

Establishing the single transport economic regulator

Over the medium term, the department will be establishing the single transport economic regulator. The department's intention is to deal with regulatory shortcomings across the transport sector, which will lead to better pricing and more efficient transport infrastructure and services. Spending is in the *Integrated Transport Planning* programme, which oversees intermodal policy and planning.

Cabinet approved budget reductions

Cabinet approved budget reductions over the MTEF period will be effected as follows:

- R89.5 million on compensation of employees
- R98.6 million on various goods and services items
- R1.1 million on payments for capital assets
- R753 million on the provincial roads maintenance grant
- R391.7 million on the public transport operations grant
- R671.3 million on the public transport network grant
- R3.1 million on the rural roads asset management systems grant
- R152.5 million on transfers to the Passenger Rail Agency of South Africa
- R1.2 million on transfers to the Railway Safety Regulator
- R11.3 million on transfers to the Road Traffic Infringement Agency.

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	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	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Programme 1	274.0	289.7	280.4	317.5	333.8	359.6	353.1	362.4	315.6	382.9	424.9	424.9	104.0%	97.8%
Programme 2	147.8	140.5	90.2	88.5	118.5	103.5	80.6	79.1	66.4	81.2	81.2	81.2	85.7%	81.4%
Programme 3	9 542.7	9 542.5	9 532.2	10 298.9	10 301.4	10 286.6	11 240.8	11 239.8	11 232.8	15 034.6	15 034.6	15 034.6	99.9%	99.9%
Programme 4	15 324.3	21 724.9	21 729.8	17 928.8	18 230.7	18 229.4	19 541.5	19 580.5	20 665.6	21 645.3	21 645.3	21 645.3	110.5%	101.3%
Programme 5	57.6	66.0	65.0	70.0	520.3	411.8	140.0	243.3	148.6	148.3	150.4	150.4	186.6%	79.2%
Programme 6	152.1	140.9	138.8	138.5	149.0	124.7	105.3	104.4	102.3	110.6	110.6	110.6	94.0%	94.4%
Programme 7	9 585.6	9 612.9	9 360.1	9 986.7	9 993.5	9 812.8	10 814.1	10 792.3	10 505.6	11 323.8	11 323.8	11 323.8	98.3%	98.3%
Total	35 084.0	41 517.4	41 196.5	38 829.0	39 647.2	39 328.2	42 275.3	42 401.7	43 036.8	48 726.5	48 770.7	48 770.7	104.5%	100.0%
Change to 2014										44.2				
Budget estimate														

Table 35.2 Vote expenditure trends by programme and economic classification

Public 602 - Vote expenditure trends by programme and economic classification																
Economic classification																
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)		
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15			
Current payments	841.8	1 275.7	1 149.1	848.1	1 242.5	1 512.8	917.0	1 047.6	1 996.5	968.1	1 006.5	1 006.5	158.5%	123.9%		
Compensation of employees	294.4	297.2	274.5	316.1	319.3	287.8	360.1	344.2	304.4	383.4	382.9	382.9	92.3%	93.0%		
Goods and services	547.4	978.5	874.6	532.0	923.2	1 225.0	556.8	703.4	1 692.2	584.7	623.6	623.6	198.8%	136.7%		
of which:																
Advertising	6.6	4.4	13.9	6.7	8.8	32.5	10.4	14.5	26.1	22.3	24.1	24.1	209.5%	186.6%		
Communication	5.5	4.0	30.1	41.8	55.9	39.8	6.6	9.3	60.7	60.4	60.0	60.0	166.8%	147.5%		
Consultants and professional services:	358.6	842.3	664.3	326.6	709.8	988.3	326.0	451.6	1 385.5	312.9	307.7	307.7	252.7%	144.8%		
Business and advisory services																
Consultants and professional services:	40.2	8.0	–	9.0	5.3	–	44.2	50.9	46.1	6.8	3.8	3.8	49.8%	73.3%		
Infrastructure and planning																
Operating leases	57.5	60.1	27.6	63.6	49.7	34.2	48.6	46.3	38.6	51.0	52.1	52.1	69.1%	73.3%		
Travel and subsistence	34.2	23.0	45.9	37.5	41.8	52.9	40.3	45.5	57.6	57.3	100.0	100.0	151.4%	121.9%		
Transfers and subsidies	34 238.0	40 237.5	40 044.1	37 976.5	38 398.4	37 802.9	41 353.8	41 347.0	41 020.4	47 754.2	47 755.8	47 755.8	103.3%	99.3%		
Provinces and municipalities	15 454.7	15 694.7	15 503.0	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	100.0%	99.6%		
Departmental agencies and accounts	8 805.8	14 565.3	14 578.3	9 895.4	9 896.4	9 910.2	10 782.8	10 782.8	10 700.0	12 203.0	12 203.9	12 203.9	113.7%	99.9%		
Higher education institutions	9.2	9.2	9.2	9.6	9.6	9.4	10.2	10.2	10.2	10.8	10.8	10.8	99.4%	99.4%		
Foreign governments and international organisations	5.7	5.7	8.1	6.0	9.1	8.7	9.5	9.5	7.9	10.1	10.1	10.1	110.7%	100.7%		
Public corporations and private enterprises	9 474.1	9 474.1	9 474.1	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	100.0%	99.0%		
Non-profit institutions	17.0	17.0	22.4	17.8	17.8	17.8	18.8	18.8	18.9	20.0	20.7	20.7	108.5%	107.4%		
Households	471.6	471.6	449.1	495.2	463.0	408.0	522.4	474.1	231.8	423.8	423.8	423.8	79.1%	82.5%		
Payments for capital assets	4.1	4.1	3.2	4.4	6.4	7.6	4.6	7.0	19.9	4.2	8.4	8.4	225.9%	150.9%		
Buildings and other fixed structures	–	–	–	–	–	–	–	–	8.2	–	–	–	–	–		
Machinery and equipment	4.1	4.1	3.2	4.4	6.4	7.6	4.6	7.0	11.7	4.2	8.4	8.4	178.6%	119.3%		
Payments for financial assets	–	–	0.2	–	–	5.0	–	–	0.1	–	–	–	–	–		
Total	35 084.0	41 517.4	41 196.5	38 829.0	39 647.2	39 328.2	42 275.3	42 401.7	43 036.8	48 726.5	48 770.7	48 770.7	104.5%	100.0%		

Expenditure estimates

Table 35.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Integrated Transport Planning								
3. Rail Transport								
4. Road Transport								
5. Civil Aviation								
6. Maritime Transport								
7. Public Transport								
Programme	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme 1	424.9	13.6%	0.8%	383.5	399.2	421.2	-0.3%	0.7%
Programme 2	81.2	-16.7%	0.2%	80.6	83.0	87.6	2.6%	0.2%
Programme 3	15 034.6	16.4%	26.7%	18 311.4	19 333.9	20 303.4	10.5%	33.5%
Programme 4	21 645.3	-0.1%	47.7%	22 784.9	24 036.7	25 392.0	5.5%	43.1%
Programme 5	150.4	31.6%	0.5%	149.5	156.7	165.4	3.2%	0.3%
Programme 6	110.6	-7.8%	0.3%	111.1	113.8	119.9	2.7%	0.2%
Programme 7	11 323.8	5.6%	23.8%	11 536.4	12 008.9	12 838.2	4.3%	21.9%
Total	48 770.7	5.5%	100.0%	53 357.3	56 132.2	59 327.8	6.7%	100.0%
Change to 2014 Budget estimate				(456.7)	(709.8)	(361.9)		

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 (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Current payments	1 006.5	-7.6%	3.3%	1 061.4	1 120.6	1 188.6	5.7%	2.0%
Compensation of employees	382.9	8.8%	0.7%	378.6	403.9	428.3	3.8%	0.7%
Goods and services	623.6	-13.9%	2.6%	682.8	716.6	760.3	6.8%	1.3%
of which:								
Advertising	24.1	75.9%	0.1%	23.4	21.1	22.2	-2.7%	–
Communication	60.0	146.5%	0.1%	60.3	63.9	67.3	3.9%	0.1%
Consultants and professional services: Business and advisory services	307.7	-28.5%	1.9%	364.9	435.1	462.9	14.6%	0.7%
Consultants and professional services: Infrastructure and planning	3.8	-22.1%	–	51.4	9.4	9.7	36.8%	–
Operating leases	52.1	-4.7%	0.1%	53.0	55.2	57.9	3.6%	0.1%
Travel and subsistence	100.0	63.1%	0.1%	58.4	57.9	61.7	-14.9%	0.1%
Transfers and subsidies	47 755.8	5.9%	96.7%	52 291.7	55 007.5	58 135.0	6.8%	98.0%
Provinces and municipalities	20 140.3	8.7%	41.6%	20 840.0	21 552.5	22 998.1	4.5%	39.3%
Departmental agencies and accounts	12 203.9	-5.7%	27.5%	12 837.5	13 798.9	14 478.3	5.9%	24.5%
Higher education institutions	10.8	5.5%	–	11.3	11.9	12.5	5.0%	–
Foreign governments and international organisations	10.1	20.6%	–	10.5	11.1	11.7	5.0%	–
Public corporations and private enterprises	14 946.3	16.4%	26.6%	18 222.0	19 240.3	20 203.6	10.6%	33.4%
Non-profit institutions	20.7	6.9%	–	21.7	22.8	24.0	5.0%	–
Households	423.8	-3.5%	0.9%	348.7	370.1	406.8	-1.4%	0.7%
Payments for capital assets	8.4	26.5%	–	4.1	4.1	4.3	-19.9%	–
Machinery and equipment	8.4	26.5%	–	4.1	4.1	4.3	-19.9%	–
Total	48 770.7	5.5%	100.0%	53 357.3	56 132.2	59 327.8	6.7%	100.0%

Personnel information

Table 35.4 Vote personnel numbers and cost by salary level and programme¹

Programmes																		
1. Administration																		
2. Integrated Transport Planning																		
3. Rail Transport																		
4. Road Transport																		
5. Civil Aviation																		
6. Maritime Transport																		
7. Public Transport																		
Number of posts estimated for 31 March 2015			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 (%)		
			2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18	
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number
Transport			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	
Salary level	822	41	613	304.4	0.5	822	382.9	0.5	822	378.6	0.5	822	403.9	0.5	822	428.3	0.5	–
1 – 6	169	13	134	29.9	0.2	169	36.5	0.2	169	36.2	0.2	169	38.6	0.2	169	40.9	0.2	–
7 – 10	323	11	234	92.4	0.4	323	115.8	0.4	323	115.1	0.4	323	122.7	0.4	323	130.0	0.4	–
11 – 12	182	7	130	66.4	0.5	182	87.4	0.5	182	87.0	0.5	182	92.7	0.5	182	98.2	0.5	–
13 – 16	148	10	115	115.6	1.0	148	143.1	1.0	148	140.4	0.9	148	150.0	1.0	148	159.2	1.1	–
Programme	822	41	613	304.4	0.5	822	382.9	0.5	822	378.6	0.5	822	403.9	0.5	822	428.3	0.5	–
Programme 1	392	27	296	141.4	0.5	392	172.8	0.4	392	170.8	0.4	392	182.2	0.5	392	193.6	0.5	–
Programme 2	74	4	59	31.7	0.5	74	39.4	0.5	74	39.8	0.5	74	42.4	0.6	74	44.9	0.6	–
Programme 3	41	1	26	13.4	0.5	41	20.3	0.5	41	20.2	0.5	41	21.5	0.5	41	22.8	0.6	–
Programme 4	119	2	81	34.6	0.4	119	50.6	0.4	119	50.3	0.4	119	53.6	0.5	119	56.9	0.5	–
Programme 5	75	4	57	31.3	0.5	75	36.1	0.5	75	34.9	0.5	75	37.2	0.5	75	39.4	0.5	–
Programme 6	44	–	29	16.5	0.6	44	22.1	0.5	44	21.7	0.5	44	23.2	0.5	44	24.5	0.6	–
Programme 7	77	3	65	35.5	0.5	77	41.6	0.5	77	41.0	0.5	77	43.7	0.6	77	46.3	0.6	–

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

2. Rand million.

Departmental receipts

Table 35.5 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 (%)
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
Departmental receipts	312 500	178 330	746 967	233 479	314 667	0.2%	100.0%	80 839	80 881	80 930	-36.4%	100.0%
Sales of goods and services produced by department	305 534	92 540	446	639	651	-87.1%	25.7%	617	648	684	1.7%	0.5%
Sales by market establishments	34	54	74	48	94	40.4%	—	94	98	103	3.1%	0.1%
of which:												
Rental parking:	34	54	74	48	94	40.4%	—	94	98	103	3.1%	0.1%
Covered and open												
Administrative fees	305 408	92 393	270	420	341	-89.6%	25.7%	341	358	379	3.6%	0.3%
of which:												
Foreign operating permits	—	—	270	420	341	—	—	341	358	379	3.6%	0.3%
eNatis fees	305 408	92 393	—	—	—	-100.0%	25.6%	—	—	—	—	—
Other sales	92	93	102	171	216	32.9%	—	182	192	202	-2.2%	0.1%
of which:												
Commission on insurance	78	93	102	70	109	11.8%	—	70	74	78	-10.6%	0.1%
Serv rend: transport fees	—	—	—	77	102	—	—	102	107	113	3.5%	0.1%
Replacement of security cards and tender documents	2	—	—	14	—	-100.0%	—	—	—	—	—	—
Departmental publications	12	—	—	10	5	-25.3%	—	10	11	11	30.1%	—
Sales of scrap, waste, arms and other used current goods	2	6	3	2	3	14.5%	—	2	2	2	-11.2%	—
of which:												
Waste paper	2	6	3	2	3	14.5%	—	2	2	2	-11.2%	—
Fines, penalties and forfeits	77	41	—	70	—	-100.0%	—	70	74	78	—	—
Interest, dividends and rent on land	147	57	74 007	224 735	223 932	1050.6%	19.2%	150	157	166	-90.9%	40.3%
Interest	147	57	74	150	135	-2.8%	—	150	157	166	7.1%	0.1%
Dividends	—	—	73 933	224 585	223 797	—	19.2%	—	—	—	-100.0%	40.2%
of which:												
Special restructuring proceeds from Airports Company of South Africa	—	—	73 933	224 585	223 797	—	19.2%	—	—	—	-100.0%	40.2%
Transactions in financial assets and liabilities	6 740	85 686	672 511	8 033	90 081	137.3%	55.1%	80 000	80 000	80 000	-3.9%	59.2%
Total	312 500	178 330	746 967	233 479	314 667	0.2%	100.0%	80 839	80 881	80 930	-36.4%	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 (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Ministry	41.5	41.5	33.0	38.6	-2.4%	11.2%	37.1	38.4	40.5	1.7%	9.5%
Management	70.1	91.6	48.4	66.7	-1.7%	20.1%	72.7	74.7	79.0	5.8%	18.0%
Corporate Services	120.2	150.1	166.5	230.0	24.2%	48.3%	183.4	193.4	204.3	-3.9%	49.8%
Communications	23.9	46.9	33.7	43.1	21.7%	10.7%	42.4	42.3	44.5	1.1%	10.6%
Office Accommodation	24.7	29.5	33.9	46.5	23.5%	9.8%	47.8	50.3	52.8	4.3%	12.1%
Total	280.4	359.6	315.6	424.9	14.9%	100.0%	383.5	399.2	421.2	-0.3%	100.0%
Change to 2014				42.0			(16.3)	(24.3)	(26.0)		
Budget estimate											
Economic classification											
Current payments	269.2	339.4	295.7	406.8	14.7%	95.0%	368.6	383.6	404.8	-0.2%	96.0%
Compensation of employees	129.6	136.3	141.4	172.8	10.1%	42.0%	170.8	182.2	193.6	3.9%	44.2%
Goods and services	139.7	203.1	154.3	234.0	18.8%	53.0%	197.8	201.3	211.2	-3.4%	51.8%
of which:											
Advertising	8.7	29.7	23.0	20.7	33.2%	5.9%	22.3	19.9	20.9	0.3%	5.1%
Audit costs: External	5.6	6.8	7.0	9.3	18.5%	2.1%	9.6	10.1	10.6	4.5%	2.4%
Consultants and professional services:	31.5	49.7	17.1	27.0	-5.1%	9.1%	28.4	28.8	30.2	3.8%	7.0%
Business and advisory services											
Operating leases	26.5	32.2	35.7	49.8	23.4%	10.4%	50.8	53.6	56.3	4.2%	12.9%
Travel and subsistence	23.0	25.4	24.7	70.4	45.1%	10.4%	29.5	30.1	31.6	-23.5%	9.9%
Venues and facilities	7.4	8.0	4.4	13.9	23.5%	2.4%	12.3	11.9	12.5	-3.3%	3.1%
Transfers and subsidies	9.7	9.7	11.6	12.1	7.6%	3.1%	12.5	13.2	13.8	4.5%	3.2%
Departmental agencies and accounts	0.2	–	0.9	1.2	80.1%	0.2%	1.0	1.1	1.2	0.3%	0.3%
Higher education institutions	9.2	9.4	10.2	10.8	5.5%	2.9%	11.3	11.9	12.5	5.0%	2.9%
Households	0.3	0.3	0.5	0.2	-21.7%	0.1%	0.2	0.2	0.2	5.1%	–
Payments for capital assets	1.3	6.0	8.3	6.0	66.9%	1.6%	2.4	2.5	2.6	-24.7%	0.8%
Machinery and equipment	1.3	6.0	8.3	6.0	66.9%	1.6%	2.4	2.5	2.6	-24.7%	0.8%
Payments for financial assets	0.2	4.5	0.1	–	-100.0%	0.3%	–	–	–	–	–
Total	280.4	359.6	315.6	424.9	14.9%	100.0%	383.5	399.2	421.2	-0.3%	100.0%
Proportion of total programme expenditure to vote expenditure	0.7%	0.9%	0.7%	0.9%	–	–	0.7%	0.7%	0.7%	–	–
Details of selected transfers and subsidies											
Higher education institutions											
Current	9.2	9.4	10.2	10.8	5.5%	2.9%	11.3	11.9	12.5	5.0%	2.9%
Universities of Pretoria, KwaZulu-Natal and Stellenbosch	9.2	9.4	10.2	10.8	5.5%	2.9%	11.3	11.9	12.5	5.0%	2.9%

Programme 2: Integrated Transport Planning

Programme purpose

Manage and facilitate national sector strategic planning. Formulate policies and strategies. Coordinate regional and intersphere relations, including providing economic modelling and analysis of the sector.

Objectives

- Facilitate integrated multimodal transportation systems planning by:
 - updating the 1996 White Paper on National Transport Policy by 2016
 - developing multimodal transport planning and coordination legislation by 2017
 - reviewing the national land transport strategic framework by 2016
 - developing and consolidating the national transport planning databank by 2016
 - reviewing the national freight logistics strategy by 2016.
- Promote national, regional and continental integration of transport infrastructure and operations by:
 - facilitating the approval of the regional corridor strategy in 2016
 - developing the Beitbridge decongestion strategy by 2016

- developing the national corridor strategy by 2018.
- Enhance economic transformation and performance of the transport sector by:
 - developing the passenger and freight demand model by 2016
 - establishing the single transport economic regulator by 2017
 - developing the road freight strategy by 2016
 - developing the private sector participation framework for transport by 2016.
- Contribute to the reduction of greenhouse gas emissions in the transport sector by:
 - developing a transport energy consumption and gas emissions reduction strategy in 2015/16
 - developing a green transport strategy by 2017
 - developing a transport sector climate change strategy by 2018
 - implementing a low carbon transport programme by 2018.

Subprogrammes

- *Macro Sector Planning* examines land use and transport planning in all spheres of government from a multimodal perspective, and manages and facilitates the implementation of the planning provisions contained in the National Land Transport Act (2009).
- *Freight Logistics* develops and coordinates the implementation of freight logistics strategies aimed at unblocking bottlenecks in the freight logistics system and related supply chains, with particular emphasis on integrating elements of the system across all modes.
- *Modelling and Economic Analysis* undertakes economic studies, provides innovative and enabling transport infrastructure funding options that respond to the socioeconomic needs of the national agenda, and applies economic analysis tools to transport sector policy development.
- *Regional Integration* manages, coordinates and facilitates the development of strategies for engagements in the Southern African Development Community region and the rest of Africa.
- *Research and Innovation* ensures research, innovation and monitoring of the transport sector for sustainability.
- *Integrated Transport Planning Administration Support* provides administrative support services to the programme.

Expenditure trends and estimates

Table 35.7 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million					2011/12 - 2014/15					2014/15 - 2017/18	
Macro Sector Planning	23.9	4.7	9.0	14.6	-15.2%	15.3%	14.7	15.5	16.4	4.0%	18.4%
Freight Logistics	17.5	17.2	16.0	16.8	-1.5%	19.8%	21.1	22.3	23.4	11.8%	25.1%
Modelling and Economic Analysis	29.1	60.1	21.8	22.2	-8.6%	39.1%	21.5	21.1	22.3	–	26.2%
Regional Integration	8.1	4.1	6.1	8.0	-0.4%	7.7%	7.9	8.3	8.8	3.0%	9.9%
Research and Innovation	4.0	7.9	7.4	13.7	51.4%	9.7%	10.4	11.0	11.6	-5.4%	14.1%
Integrated Transport Planning Administration Support	7.6	9.4	6.1	5.9	-8.2%	8.5%	5.0	4.7	5.1	-4.3%	6.2%
Total	90.2	103.5	66.4	81.2	-3.5%	100.0%	80.6	83.0	87.6	2.6%	100.0%
Change to 2014							(3.7)	(6.2)	(6.6)		
Budget estimate											

Table 35.7 Integrated Transport Planning expenditure trends and estimates by subprogramme and economic classification

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome			2014/15				2011/12 - 2014/15	2015/16	2016/17		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		
Current payments	88.7	103.1	65.5	81.0	-3.0%	99.1%	80.4	82.8	87.4	2.6%	99.8%
Compensation of employees	49.9	30.4	31.7	39.4	-7.6%	44.4%	39.8	42.4	44.9	4.5%	50.1%
Goods and services	38.8	72.7	33.8	41.6	2.3%	54.8%	40.6	40.4	42.5	0.8%	49.7%
of which:											
Advertising	0.9	0.8	—	0.5	-18.0%	0.7%	0.6	0.5	0.6	1.7%	0.7%
Catering: Departmental activities	—	—	0.1	0.1	45.7%	0.1%	0.9	0.1	0.1	10.1%	0.4%
Communication	1.0	0.6	0.4	0.2	-37.7%	0.6%	0.6	0.2	0.3	3.6%	0.4%
Consultants and professional services: Business and advisory services	7.9	60.3	22.6	34.9	64.2%	36.8%	30.1	34.2	36.0	1.0%	40.7%
Travel and subsistence	6.4	5.9	4.3	3.5	-18.1%	5.9%	6.1	3.1	3.4	-1.1%	4.8%
Venues and facilities	19.6	1.5	1.4	1.2	-60.9%	7.0%	1.1	1.4	1.4	7.1%	1.5%
Transfers and subsidies	0.1	0.2	0.1	—	-100.0%	0.1%	—	—	—	—	—
Households	0.1	0.2	0.1	—	-100.0%	0.1%	—	—	—	—	—
Payments for capital assets	1.4	0.2	0.8	0.2	-45.5%	0.7%	0.2	0.2	0.2	-6.0%	0.2%
Machinery and equipment	1.4	0.2	0.8	0.2	-45.5%	0.7%	0.2	0.2	0.2	-6.0%	0.2%
Total	90.2	103.5	66.4	81.2	-3.5%	100.0%	80.6	83.0	87.6	2.6%	100.0%
Proportion of total programme expenditure to vote expenditure	0.2%	0.3%	0.2%	0.2%	—	—	0.2%	0.1%	0.1%	—	—

Programme 3: Rail Transport

Programme purpose

Facilitate and coordinate the development of sustainable rail transport policies, infrastructure development strategies, and economic and safety regulations. Support and monitor the oversight of 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 2016
 - developing the National Railway Bill by 2016
 - developing economic regulations for the rail sector by 2017
 - facilitating the approval of the branch-line strategy by 2016.
- Ensure a safe railway and conducive regulatory environment by developing a national rail safety strategy by 2017.
- Improve commuter rail services by facilitating, coordinating and monitoring the Passenger Rail Agency of South Africa's capital programme on a continuous basis.

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				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		
Rail Regulation	6.5	8.2	5.6	13.9	28.9%	0.1%	15.9	16.7	17.5	8.1%	0.1%
Rail Infrastructure and Industry Development	2.1	3.9	14.9	10.8	72.4%	0.1%	9.0	9.6	10.3	-1.8%	0.1%
Rail Operations	3.9	5.1	4.2	7.1	21.9%	—	6.9	7.4	7.8	3.1%	—
Rail Oversight	9 516.9	10 267.3	11 205.6	14 997.8	16.4%	99.8%	18 275.4	19 296.3	20 263.2	10.6%	99.8%
Rail Administration Support	2.8	2.1	2.4	5.0	21.4%	—	4.1	3.9	4.6	-2.1%	—
Total	9 532.2	10 286.6	11 232.8	15 034.6	16.4%	100.0%	18 311.4	19 333.9	20 303.4	10.5%	100.0%
Change to 2014							(50.7)	(55.7)	(56.0)		
Budget estimate											
Economic classification											
Current payments	15.2	19.2	27.0	36.2	33.5%	0.2%	35.9	37.6	40.2	3.6%	0.2%
Compensation of employees	8.4	12.7	13.4	20.3	34.2%	0.1%	20.2	21.5	22.8	3.9%	0.1%
Goods and services	6.8	6.5	13.6	15.9	32.7%	0.1%	15.8	16.1	17.4	3.1%	0.1%
of which:											
Communication	0.1	0.1	0.2	0.9	113.1%	—	0.3	0.4	0.5	-16.9%	—
Consultants and professional services:	6.0	5.3	12.0	9.6	17.2%	0.1%	4.2	5.2	5.6	-16.6%	—
Business and advisory services											
Consultants and professional services:	—	—	—	3.8	—	—	9.0	9.4	9.7	36.8%	—
Infrastructure and planning											
Consumables: Stationery, printing and office supplies	0.1	0.1	—	0.1	32.6%	—	0.3	—	0.3	24.6%	—
Travel and subsistence	0.5	0.6	0.5	1.0	22.7%	—	1.4	0.7	1.0	1.8%	—
Venues and facilities	—	0.1	0.2	0.1	43.5%	—	0.2	0.1	0.1	22.7%	—
Transfers and subsidies	9 516.9	10 267.3	11 205.6	14 997.8	16.4%	99.8%	18 275.4	19 296.3	20 263.2	10.6%	99.8%
Provinces and municipalities	5.3	—	—	—	-100.0%	—	—	—	—	—	—
Departmental agencies and accounts	37.5	39.3	46.5	51.5	11.2%	0.4%	53.4	56.0	59.6	5.0%	0.3%
Public corporations and private enterprises	9 474.1	10 227.9	11 159.1	14 946.3	16.4%	99.4%	18 222.0	19 240.3	20 203.6	10.6%	99.5%
Payments for capital assets	0.1	0.1	0.2	0.6	88.9%	—	—	—	—	-100.0%	—
Machinery and equipment	0.1	0.1	0.2	0.6	88.9%	—	—	—	—	-100.0%	—
Total	9 532.2	10 286.6	11 232.8	15 034.6	16.4%	100.0%	18 311.4	19 333.9	20 303.4	10.5%	100.0%
Proportion of total programme expenditure to vote expenditure	23.1%	26.2%	26.1%	30.8%	—	—	34.3%	34.4%	34.2%	—	—
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	37.5	39.3	46.5	51.5	11.2%	0.4%	53.4	56.0	59.6	5.0%	0.3%
Railway Safety Regulator	37.5	39.3	46.5	51.5	11.2%	0.4%	53.4	56.0	59.6	5.0%	0.3%
Public corporations and private enterprises											
Public corporations											
Public corporations - subsidies on products and production											
Current	3 339.3	3 526.8	4 328.0	3 887.3	5.2%	32.7%	4 066.2	4 281.7	4 495.7	5.0%	22.9%
Passenger Rail Agency of South Africa:	2 971.3	3 138.1	3 678.0	3 458.9	5.2%	28.7%	3 618.0	3 809.8	4 000.2	5.0%	20.4%
Metrorail: Operations											
Passenger Rail Agency of South Africa:	368.0	388.7	650.0	428.4	5.2%	4.0%	448.1	471.9	495.6	5.0%	2.5%
Main line passenger services – operations											
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Capital	6 134.8	6 701.1	6 831.1	11 059.0	21.7%	66.7%	14 155.9	14 958.6	15 707.9	12.4%	76.6%
Passenger Rail Agency of South Africa:	4 356.7	4 758.9	4 851.2	3 906.6	-3.6%	38.8%	8 234.6	7 556.9	7 862.6	26.3%	37.8%
Other capital	—	—	—	5 700.0	—	12.4%	2 560.5	4 170.3	4 420.5	-8.1%	23.1%
Passenger Rail Agency of South Africa:											
Rolling stock fleet renewal programme											
Passenger Rail Agency of South Africa:	992.5	1 084.1	1 105.2	810.7	-6.5%	8.7%	1 876.0	1 844.2	1 912.8	33.1%	8.8%
Signalling											
Passenger Rail Agency of South Africa:	670.6	732.5	746.7	547.7	-6.5%	5.9%	1 267.5	1 283.5	1 360.5	35.4%	6.1%
Metrorail: General overhaul of coaches											
Passenger Rail Agency of South Africa:	115.0	125.6	128.0	93.9	-6.5%	1.0%	217.3	103.8	151.4	17.3%	0.8%
Main line passenger service – Refurbishment of coaches											
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Capital	5.3	—	—	—	-100.0%	—	—	—	—	—	—
Gautrain rapid rail link	5.3	—	—	—	-100.0%	—	—	—	—	—	—

Programme 4: Road Transport

Programme purpose

Regulate road transport and ensure safer roads by facilitating the management, maintenance and development of an integrated road infrastructure network. Oversee the road public entities.

Objectives

- Ensure a sustainable road infrastructure network by:
 - implementing the road infrastructure asset management programme on an ongoing basis
 - facilitating the approval of the road infrastructure policy for South Africa by 2017.
- Regulate and enhance road transport safety by:
 - developing and implementing a road safety policy by 2016
 - implementing the 365 days road safety programme on an ongoing basis.

Subprogrammes

- *Road Regulation* regulates road safety and traffic management, manages relevant information systems and programmes, 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 and the Road Traffic Infringement Agency.
- *Road Administration Support* provides administrative support services to the programme. This entails preparing submissions, facilitating departmental meetings, implementing projects and business planning.
- *Road Engineering Standards* develops and implements road engineering standards, 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

						Average growth rate (%)	Expenditure/ Total: Average (%)				Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome					Adjusted appropriation			Medium-term expenditure estimate				
R million	2011/12	2012/13	2013/14	2014/15	2011/12	2014/15	2015/16	2016/17	2017/18	2014/15	2017/18	
Road Regulation	459.0	327.5	1 222.0	30.8	-59.4%	2.5%	33.8	36.0	38.6	7.8%	0.1%	
Road Infrastructure and Industry Development	30.9	37.8	34.0	40.5	9.5%	0.2%	39.9	36.7	34.6	-5.1%	0.2%	
Road Oversight	21 723.7	17 848.6	19 396.8	21 550.7	-0.3%	97.3%	22 691.5	23 940.2	25 289.9	5.5%	99.6%	
Road Administration Support	3.8	7.1	6.3	10.4	40.4%	–	6.9	6.6	7.5	-10.3%	–	
Road Engineering Standards	6.9	8.3	6.4	13.0	23.3%	–	12.8	17.2	21.4	18.2%	0.1%	
Total	22 224.2	18 229.4	20 665.6	21 645.3	-0.9%	100.0%	22 784.9	24 036.7	25 392.0	5.5%	100.0%	
Change to 2014 Budget estimate							(67.2)	160.6	321.3			
Economic classification												
Current payments	500.3	379.8	1 269.3	99.7	-41.6%	2.7%	98.7	102.1	108.1	2.7%	0.4%	
Compensation of employees	28.5	33.7	34.6	50.6	21.1%	0.2%	50.3	53.6	56.9	4.0%	0.2%	
Goods and services	471.8	346.1	1 234.7	49.1	-53.0%	2.5%	48.4	48.5	51.2	1.4%	0.2%	
of which:												
Communication	0.7	0.5	0.6	0.9	8.4%	–	0.9	1.0	1.1	6.2%	–	
Consultants and professional services: Business and advisory services	440.2	333.1	1 216.0	33.2	-57.8%	2.4%	35.7	35.0	36.6	3.3%	0.1%	
Consumables: Stationery, printing and office supplies	0.6	0.6	0.4	0.4	-13.7%	–	0.7	0.4	0.4	3.0%	–	
Operating leases	0.3	0.5	0.3	0.6	23.2%	–	0.6	0.7	0.7	5.6%	–	
Travel and subsistence	5.8	6.5	7.6	8.6	14.0%	–	8.7	9.4	10.0	5.0%	–	
Venues and facilities	16.5	0.2	6.3	3.0	-43.4%	–	0.4	0.6	1.0	-30.9%	–	

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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million	21 723.8	17 848.6	19 395.8	21 545.0	-0.3%	97.3%	22 685.6	23 933.9	25 283.3	5.5%	99.6%
Transfers and subsidies											
Provinces and municipalities	7 227.2	8 019.1	8 790.0	9 436.7	9.3%	40.4%	9 947.5	10 239.5	10 915.3	5.0%	43.2%
Departmental agencies and accounts	14 496.5	9 829.5	10 605.7	12 108.3	-5.8%	56.8%	12 738.1	13 694.4	14 367.9	5.9%	56.4%
Households	0.1	–	0.2	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	0.1	0.5	0.5	0.7	72.7%	–	0.6	0.7	0.7	1.4%	–
Machinery and equipment	0.1	0.5	0.5	0.7	72.7%	–	0.6	0.7	0.7	1.4%	–
Payments for financial assets	–	0.4	–	–	-100.0%	–	–	–	–	–	–
Total	22 224.2	18 229.4	20 665.6	21 645.3	-0.9%	100.0%	22 784.9	24 036.7	25 392.0	5.5%	100.0%
Proportion of total programme expenditure to vote expenditure	53.9%	46.4%	48.0%	44.4%	–	–	42.7%	42.8%	42.8%	–	–
Details of selected transfers and subsidies											
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	35.4	37.3	52.2	75.2	28.5%	0.2%	96.8	101.5	107.3	12.6%	0.4%
Rural roads asset management systems grant	35.4	37.3	52.2	75.2	28.5%	0.2%	96.8	101.5	107.3	12.6%	0.4%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	3 019.2	3 226.9	3 562.2	3 927.5	9.2%	16.6%	4 147.2	4 365.0	4 590.4	5.3%	18.1%
Road Traffic Management Corporation	77.9	82.4	83.5	176.0	31.2%	0.5%	184.1	193.9	203.6	5.0%	0.8%
South African National Roads Agency	2 924.2	3 125.5	3 453.7	3 736.1	8.5%	16.0%	3 951.6	4 161.1	4 369.1	5.4%	17.3%
Road Traffic Infringement Agency	17.0	19.0	25.0	15.3	-3.5%	0.1%	11.5	10.1	17.7	5.0%	0.1%
Capital	11 477.3	6 602.6	7 043.5	8 180.8	-10.7%	40.2%	8 590.9	9 329.4	9 777.6	6.1%	38.2%
South African National Roads Agency: Gauteng freeway improvement project	5 750.0	–	–	–	-100.0%	6.9%	–	–	–	–	–
South African National Roads Agency: Non-toll network	5 262.6	5 934.6	6 448.6	7 515.3	12.6%	30.4%	7 721.1	8 135.6	8 528.9	4.3%	34.0%
South African National Roads Agency: Coal haulage road network	464.8	668.0	594.8	665.5	12.7%	2.9%	696.1	733.0	769.7	5.0%	3.1%
South African National Roads Agency: Moloto road upgrade	–	–	–	–	–	–	155.5	460.8	479.0	–	1.2%
South African National Roads Agency: Botswana river crossing	–	–	–	–	–	–	18.2	–	–	–	–
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Capital	7 191.7	7 981.8	8 737.8	9 361.5	9.2%	40.2%	9 850.7	10 138.0	10 808.0	4.9%	42.8%
Provincial roads maintenance grant: Roads in support of electricity generation infrastructure	585.0	663.4	808.9	803.0	11.1%	3.5%	830.0	801.0	852.0	2.0%	3.5%
Provincial roads maintenance grant: Roads maintenance	6 366.7	6 828.5	7 519.5	7 956.2	7.7%	34.6%	8 540.1	9 038.8	9 686.0	6.8%	37.5%
Provincial roads maintenance grant: Disaster relief	240.0	489.9	409.4	602.3	35.9%	2.1%	480.6	298.1	270.0	-23.5%	1.8%

Programme 5: Civil Aviation

Programme purpose

Facilitate, through regulation and investigation, the development of an economically viable air transport industry that is safe, secure, environmentally friendly and compliant with international standards. Oversee the aviation public entities.

Objectives

- Enhance performance, efficiency and reliability of the aviation sector by:
 - facilitating Cabinet's approval of the national civil aviation policy by 2015
 - facilitating the amendment of the Airports Company Act (1993) and the Air Traffic Navigation Services Act (1993) by 2016

- facilitating Cabinet’s approval of the national airports development plan by 2016.
- Enhance and regulate civil aviation safety and security by:
 - amending the Civil Aviation Act (2009) by 2017
 - establishing the aircraft accident investigation unit by 2017
 - complying with the International Civil Aviation Organisation’s standards and recommended practice on a continuous basis
 - investigating aircraft incidents and accidents, and generate safety recommendations on a continuous basis.
- Contribute to environmental protection in the transport sector by developing a state action plan on carbon dioxide emissions in line with the International Civil Aviation Organisation prescripts in 2015/16 and implementing the civil aviation action plan in 2016/17.

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 strategies 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. The total allocation for this project was R450 million.

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 (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2014/15 - 2017/18	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18 - 2020/21
R million											
Aviation Policy and Regulations	23.5	22.3	27.4	23.4	-0.1%	12.5%	22.3	23.5	24.9	2.0%	15.1%
Aviation Economic Analysis and Industry Development	4.2	5.5	8.5	11.3	39.4%	3.8%	11.5	11.1	11.7	1.1%	7.3%
Aviation Safety, Security Environment and Search and Rescue	5.5	9.2	61.8	68.2	131.7%	18.6%	69.7	73.5	77.3	4.3%	46.4%
Aviation Oversight	23.4	25.0	35.1	39.7	19.3%	15.9%	41.5	43.7	45.9	4.9%	27.4%
Aviation Administration Support	8.4	4.7	7.7	5.6	-12.6%	3.4%	4.6	4.9	5.7	0.3%	3.3%
Mthatha Airport	–	345.2	8.2	2.1	–	45.8%	–	–	–	-100.0%	0.3%
Total	65.0	411.8	148.6	150.4	32.2%	100.0%	149.5	156.7	165.4	3.2%	100.0%
Change to 2014				2.1			(4.5)	(5.9)	(5.9)		
Budget estimate											
Economic classification											
Current payments	41.1	386.5	105.8	113.1	40.1%	83.3%	110.5	115.7	122.3	2.7%	74.2%
Compensation of employees	29.5	29.2	31.3	36.1	6.9%	16.3%	34.9	37.2	39.4	3.0%	23.7%
Goods and services	11.6	357.3	74.5	77.0	88.0%	67.1%	75.7	78.5	83.0	2.5%	50.5%
of which:											
Communication	0.5	0.5	53.1	52.9	379.1%	13.8%	53.3	56.9	59.7	4.1%	35.8%
Consultants and professional services:	2.5	347.6	3.8	14.2	78.5%	47.4%	13.1	12.0	12.6	-3.8%	8.3%
Business and advisory services											
Contractors	0.6	1.4	0.7	1.7	43.6%	0.6%	0.1	1.8	1.9	4.5%	0.9%
Consumables: Stationery, printing and office supplies	0.2	0.3	0.4	0.6	46.0%	0.2%	0.6	0.5	0.7	3.8%	0.4%

Table 35.10 Civil Aviation 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million				2014/15	2011/12 - 2014/15					2014/15 - 2017/18	
Operating leases	0.2	0.6	1.2	0.4	23.0%	0.3%	1.2	0.4	0.5	3.8%	0.4%
Travel and subsistence	4.7	5.3	7.2	6.3	10.1%	3.0%	6.1	5.8	6.6	1.3%	4.0%
Transfers and subsidies	23.8	25.0	33.9	36.9	15.7%	15.4%	38.6	40.6	42.7	5.0%	25.5%
Departmental agencies and accounts	16.2	17.0	24.7	26.1	17.2%	10.8%	27.3	28.8	30.2	5.0%	18.1%
Foreign governments and international organisations	7.2	7.9	7.7	8.5	5.5%	4.0%	8.9	9.3	9.8	5.0%	5.9%
Non-profit institutions	–	–	1.5	2.3	–	0.5%	2.4	2.5	2.7	5.0%	1.6%
Households	0.4	–	0.1	–	-100.0%	0.1%	–	–	–	–	–
Payments for capital assets	0.1	0.3	9.0	0.4	78.6%	1.3%	0.4	0.4	0.4	-0.5%	0.3%
Buildings and other fixed structures	–	–	8.2	–	–	1.1%	–	–	–	–	–
Machinery and equipment	0.1	0.3	0.8	0.4	78.6%	0.2%	0.4	0.4	0.4	-0.5%	0.3%
Total	65.0	411.8	148.6	150.4	32.2%	100.0%	149.5	156.7	165.4	3.2%	100.0%
Proportion of total programme expenditure to vote expenditure	0.2%	1.0%	0.3%	0.3%	–	–	0.3%	0.3%	0.3%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	16.2	17.0	24.7	26.1	17.2%	10.8%	27.3	28.8	30.2	5.0%	18.1%
South African Civil Aviation Authority	16.2	17.0	18.2	19.2	5.9%	9.1%	20.1	21.2	22.3	5.0%	13.3%
South African Maritime Safety Authority	–	–	6.5	6.9	–	1.7%	7.2	7.6	8.0	5.0%	4.8%
Foreign governments and international organisations											
Current	7.2	7.9	7.7	8.5	5.5%	4.0%	8.9	9.3	9.8	5.0%	5.9%
African Civil Aviation Commission	2.4	2.9	3.8	4.3	22.2%	1.7%	4.5	4.7	5.0	5.0%	3.0%
International Civil Aviation Organisation	4.8	5.0	3.5	3.7	-8.4%	2.2%	3.9	4.1	4.3	5.0%	2.6%
Cospas search and rescue satellite aided tracking	–	–	0.4	0.4	–	0.1%	0.5	0.5	0.5	5.0%	0.3%
Non-profit institutions											
Current	–	–	1.5	2.3	–	0.5%	2.4	2.5	2.7	5.0%	1.6%
National Sea Rescue Institute	–	–	1.2	2.0	–	0.4%	2.1	2.2	2.3	5.0%	1.4%
National emergency communications division of the South African Radio League	–	–	0.1	0.1	–	–	0.1	0.1	0.1	4.6%	0.1%
Mountain Club of South Africa	–	–	0.1	0.1	–	–	0.1	0.1	0.1	4.6%	0.1%
Off Road Rescue Unit	–	–	0.1	0.1	–	–	0.1	0.1	0.1	4.6%	0.1%
K9 Search and Rescue Association of South Africa	–	–	0.1	0.1	–	–	0.1	0.1	0.1	4.6%	0.1%

Programme 6: Maritime Transport

Programme purpose

Coordinate and monitor the development of a safe, reliable and economically viable maritime transport sector through the development of policies and strategies. Oversee the maritime public entities.

Objectives

- Ensure the implementation of the National Ports Act (2005) by facilitating consultative committees to optimise port tariffs, monitor infrastructure development of ports and monitor the issuing of licences for port terminal operations on an annual basis.
- Contribute to environmental protection in the maritime transport sector by developing a salvage strategy by 2017.
- Enhance and regulate maritime transport safety and security by reviewing maritime security regulations and drafting amendments to legislation by 2016.
- Enhance the performance, efficiency and reliability of the transport sector by developing a green paper on maritime transport policy by 2016.

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 (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
Maritime Policy Development	10.5	7.2	9.2	11.3	2.5%	8.0%	12.7	14.0	14.7	9.3%	11.6%
Maritime Infrastructure and Industry Development	74.6	5.1	5.9	10.9	-47.3%	20.3%	11.0	12.2	12.8	5.6%	10.3%
Implementation, Monitoring and Evaluations	23.6	83.6	60.1	62.6	38.4%	48.3%	60.9	60.2	63.3	0.4%	54.3%
Maritime Oversight	29.9	26.5	23.5	20.7	-11.6%	21.1%	21.8	23.0	24.1	5.3%	19.7%
Maritime Administration Support	0.2	2.3	3.5	5.2	198.9%	2.4%	4.6	4.4	5.0	-1.3%	4.2%
Total	138.8	124.7	102.3	110.6	-7.3%	100.0%	111.1	113.8	119.9	2.7%	100.0%
Change to 2014 Budget estimate							(4.3)	(8.0)	(8.3)		
Economic classification											
Current payments	108.8	98.0	79.1	91.8	-5.5%	79.3%	91.4	93.1	98.2	2.3%	82.3%
Compensation of employees	8.6	13.2	16.5	22.1	36.8%	12.7%	21.7	23.2	24.5	3.4%	20.1%
Goods and services	100.1	84.8	62.5	69.7	-11.4%	66.6%	69.7	70.0	73.8	1.9%	62.2%
of which:											
Communication	19.4	31.0	0.3	0.3	-74.7%	10.7%	0.6	0.2	0.2	-7.5%	0.3%
Consultants and professional services:	76.4	46.7	6.9	60.1	-7.7%	39.9%	21.3	64.0	67.2	3.8%	46.7%
Business and advisory services											
Consultants and professional services: Infrastructure and planning	—	—	46.1	—	—	9.7%	42.4	—	—	—	9.3%
Consumables: Stationery, printing and office supplies	0.5	0.1	0.6	0.2	-28.5%	0.3%	0.1	0.1	0.2	—	0.1%
Travel and subsistence	2.0	3.8	5.2	4.9	34.0%	3.3%	4.4	5.0	5.3	2.9%	4.3%
Training and development	—	0.1	0.2	0.2	—	0.1%	0.2	0.1	0.2	8.4%	0.1%
Transfers and subsidies	30.0	26.5	22.6	18.5	-14.9%	20.5%	19.3	20.3	21.4	5.0%	17.5%
Departmental agencies and accounts	27.8	24.4	22.3	16.9	-15.4%	19.2%	17.6	18.6	19.5	5.0%	15.9%
Foreign governments and international organisations	0.9	0.8	0.2	1.6	23.8%	0.7%	1.7	1.8	1.9	5.0%	1.5%
Non-profit institutions	1.3	1.4	—	—	-100.0%	0.6%	—	—	—	—	—
Payments for capital assets	0.1	0.1	0.6	0.3	75.7%	0.2%	0.3	0.3	0.3	-1.8%	0.3%
Machinery and equipment	0.1	0.1	0.6	0.3	75.7%	0.2%	0.3	0.3	0.3	-1.8%	0.3%
Total	138.8	124.7	102.3	110.6	-7.3%	100.0%	111.1	113.8	119.9	2.7%	100.0%
Proportion of total programme expenditure to vote expenditure	0.3%	0.3%	0.2%	0.2%	—	—	0.2%	0.2%	0.2%	—	—

Table 35.11 Maritime 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								2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12	2014/15	2015/16	2016/17	2017/18	2014/15	2017/18	
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	27.8	24.4	22.3	16.9	-15.4%	19.2%	17.6	18.6	19.5	5.0%	15.9%	
South African Maritime Safety Authority	13.5	9.3	6.4	–	-100.0%	6.1%	–	–	–	–	–	
Ports Regulator of South Africa	14.4	15.1	15.9	16.9	5.5%	13.1%	17.6	18.6	19.5	5.0%	15.9%	
Foreign governments and international organisations												
Current	0.9	0.8	0.2	1.6	23.8%	0.7%	1.7	1.8	1.9	5.0%	1.5%	
International Maritime Organisation	0.1	0.4	–	1.3	112.0%	0.4%	1.4	1.5	1.5	5.0%	1.3%	
Cospas search and rescue satellite aided tracking	0.3	0.4	–	–	-100.0%	0.1%	–	–	–	–	–	
Indian Ocean memorandum of understanding	0.4	–	0.2	0.3	-9.6%	0.2%	0.3	0.3	0.3	5.0%	0.3%	
Non-profit institutions												
Current	1.3	1.4	–	–	-100.0%	0.6%	–	–	–	–	–	
National Sea Rescue Institute	1.1	1.2	–	–	-100.0%	0.5%	–	–	–	–	–	
National emergency communications division of the South African Radio League	0.1	0.1	–	–	-100.0%	–	–	–	–	–	–	
Mountain Club of South Africa	0.1	0.1	–	–	-100.0%	–	–	–	–	–	–	
Off Road Rescue Unit	0.1	0.1	–	–	-100.0%	–	–	–	–	–	–	

Programme 7: Public Transport

Programme purpose

Transform land transport systems by developing norms and standards, regulations, and legislation. Facilitate institutional building, planning and capacitation to guide the provision of sustainable integrated public transport networks in both urban and rural areas. Regulate national transport services. Improve the management of learner transport.

Objectives

- Improve public transport access and reliability by funding the construction of 7 integrated public transport networks by 2017.
- Promote sustainable public transport by:
 - reviewing the public transport strategy by 2016
 - facilitating the amendment of the National Land Transport Act (2009) in 2015/16 and issuing associated regulations by 2017/18
 - facilitating the amendment of the Transport Appeal Tribunal Act (1998) by 2017.
- Provide quality rural public and scholar transport by:
 - developing and implementing the learner transport policy by 2016
 - reviewing the rural transport strategy by 2016.

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, administers the payment of bus subsidies, 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 (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
Public Transport Regulation	14.0	13.0	12.9	20.9	14.2%	0.1%	22.4	23.8	25.1	6.4%	0.2%
Rural and Scholar Transport	–	4.0	7.2	13.1	–	0.1%	47.1	65.4	74.4	78.3%	0.4%
Public Transport Industry Development	98.8	104.9	111.7	121.5	7.1%	1.1%	178.8	188.2	198.5	17.8%	1.4%
Public Transport Oversight	9 234.5	9 625.6	10 350.8	11 145.6	6.5%	98.4%	11 260.3	11 703.1	12 510.6	3.9%	97.7%
Public Transport Administration Support	9.9	59.3	18.7	10.8	2.9%	0.2%	10.4	10.3	10.9	0.4%	0.1%
Public Transport Network Development	2.8	6.0	4.3	12.0	61.9%	0.1%	17.3	18.0	18.7	15.9%	0.1%
Total	9 360.1	9 812.8	10 505.6	11 323.8	6.6%	100.0%	11 536.4	12 008.9	12 838.2	4.3%	100.0%
Change to 2014							(310.0)	(770.2)	(580.4)		
Budget estimate											
Economic classification											
Current payments	125.7	186.8	154.3	178.0	12.3%	1.6%	275.9	305.6	327.5	22.5%	2.3%
Compensation of employees	19.9	32.2	35.5	41.6	27.9%	0.3%	41.0	43.7	46.3	3.6%	0.4%
Goods and services	105.8	154.6	118.8	136.4	8.8%	1.3%	234.9	261.9	281.2	27.3%	1.9%
of which:											
Assets less than the capitalisation threshold	–	0.1	0.3	0.4	99.7%	–	–	0.3	0.3	-8.0%	–
Communication	0.3	0.3	0.5	0.3	-4.2%	–	–	0.3	0.3	3.9%	–
Consultants and professional services:	99.9	145.5	107.1	128.8	8.9%	1.2%	232.2	255.9	274.9	28.7%	1.9%
Business and advisory services											
Consumables: Stationery, printing and office supplies	0.7	0.4	1.1	0.3	-24.4%	–	0.1	0.3	0.3	1.6%	–
Travel and subsistence	3.4	5.4	8.2	5.3	16.0%	0.1%	2.3	3.7	3.9	-9.9%	–
Training and development	–	–	–	–	-1.6%	–	–	1.1	1.1	284.3%	–
Transfers and subsidies	9 234.2	9 625.6	10 350.8	11 145.6	6.5%	98.4%	11 260.3	11 703.1	12 510.6	3.9%	97.7%
Provinces and municipalities	8 764.9	9 201.7	10 102.5	10 703.6	6.9%	94.6%	10 892.5	11 313.0	12 082.8	4.1%	94.3%
Non-profit institutions	21.2	16.5	17.4	18.4	-4.6%	0.2%	19.3	20.3	21.3	5.0%	0.2%
Households	448.1	407.4	230.9	423.6	-1.9%	3.7%	348.5	369.9	406.6	-1.4%	3.2%
Payments for capital assets	0.2	0.3	0.6	0.2	0.6%	–	0.2	0.1	0.1	-8.9%	–
Machinery and equipment	0.2	0.3	0.6	0.2	0.6%	–	0.2	0.1	0.1	-8.9%	–
Payments for financial assets	–	0.1	–	–	-100.0%	–	–	–	–	–	–
Total	9 360.1	9 812.8	10 505.6	11 323.8	6.6%	100.0%	11 536.4	12 008.9	12 838.2	4.3%	100.0%
Proportion of total programme expenditure to vote expenditure	22.7%	25.0%	24.4%	23.2%	–	–	21.6%	21.4%	21.6%	–	–
Details of selected transfers and subsidies											
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	–	–	881.3	902.8	–	4.4%	–	–	–	-100.0%	1.9%
Public transport network operations grant	–	–	881.3	902.8	–	4.4%	–	–	–	-100.0%	1.9%
Capital	4 611.6	4 884.4	4 668.7	4 968.0	2.5%	46.7%	5 953.1	6 162.7	6 609.9	10.0%	49.7%
Public transport infrastructure grant	4 611.6	4 884.4	4 668.7	4 968.0	2.5%	46.7%	–	–	–	-100.0%	10.4%
Public transport network grant	–	–	–	–	–	–	5 953.1	6 162.7	6 609.9	–	39.3%
Households											
Other transfers to households											
Current	448.1	407.4	230.9	423.6	-1.9%	3.7%	348.5	369.9	406.6	-1.4%	3.2%
Taxi recapitalisation	448.1	407.4	230.9	423.6	-1.9%	3.7%	348.5	369.9	406.6	-1.4%	3.2%

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							2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	4 153.2	4 317.3	4 552.5	4 832.7	5.2%	43.5%	4 939.4	5 150.3	5 472.9	4.2%	42.8%
Public transport operations grant	4 153.2	4 317.3	4 552.5	4 832.7	5.2%	43.5%	4 939.4	5 150.3	5 472.9	4.2%	42.8%
Non-profit institutions											
Current	21.2	16.5	17.4	18.4	-4.6%	0.2%	19.3	20.3	21.3	5.0%	0.2%
South African National Taxi Council	21.2	16.5	17.4	18.4	-4.6%	0.2%	19.3	20.3	21.3	5.0%	0.2%

Public entities and other agencies

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.

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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Average maintenance and engineering costs per international airport per year (rand thousand)	Airport maintenance and engineering	Entity mandate	R231 143	R195 475	R308 263	R229 692	R243 103	R259 169	R282 895
Average security and safety costs per international airport per year (rand thousand)	Airport security and safety		R82 196	R104 340	R134 383	R148 926	R157 254	R166 566	R182 855
Cost benefit efficiency ratio	Airport management		66%	57%	70%	75%	78%	78%	80%
Number of departing passengers accommodated at national airports	Airport management		17 947 554	17 437 886	17 419 183	17 849 734	18 435 613	19 034 923	19 753 404
Number of arrival aircraft accommodated at all airports	Airport management		272 320	255 023	261 294	260 644	262 434	270 513	279 250
Employee cost per departing passenger	Airport management		R41	R49	R57	R64	R67	R74	R72
Aeronautical revenue per departing passenger	Airport management		R187	R243	R262	R278	R245	R246	R246
Non-aeronautical revenue per departing passenger	Airport management		R133	R138	R147	R150	R159	R167	R174

Expenditure analysis

To support the vision outlined in the national development plan, the Airports Company of South Africa aims to focus on providing safe and secure services and infrastructure for passengers and airlines to transport people and goods. This will be achieved through investment in infrastructure improvements at OR Tambo International Airport and Cape Town International Airport to accommodate the growing number of passengers and aircraft.

The company receives revenue from landing fees, passenger service charges and aircraft parking fees. Additional revenue is derived from retail rental, car rental, advertising, parking and property development. While total revenue increased by 8.4 per cent a year between 2011/12 and 2014/15, this growth is expected to slow down to an average annual rate of 3.3 per cent a year over the medium term. This is mainly due to a reduction in the regulated tariff for landing fees, passenger service charges, and aircraft parking fees.

Revenue is expected to increase over the medium term in line with the company's funding model, ensuring that the company is able to operate and fund the business in a sustainable manner. The increase will be used to repay the interest and debt accumulated during the expansion programme, which was necessary to ensure that services and infrastructure remained safe and secure, in line with the company's focus of accommodating the growing number of planes and passengers. The company is expecting to issue bonds in 2017/18 due to major new infrastructure investments, such as the realignment of the Cape Town International Airport runway and the remote aprons at OR Tambo International Airport.

The company's focus over the medium term will be on administration, airport maintenance, management and engineering. The administration programme accounted for 73.5 per cent of spending in 2014/15 as it included depreciation and interest paid on R17 billion in infrastructure loans. These loans were used to fund infrastructure investments between 2007/08 and 2010/11, which mainly involved the building of the King Shaka International Airport and the upgrading of the central terminal buildings at OR Tambo International Airport and Cape Town International Airport. Airport maintenance and engineering includes all activities required to keep the airport infrastructure in working order, as well as costs for specialist engineers in the electrical, mechanical, civil and industrial fields.

The expected increase in capital expenditure over the MTEF period is due to three major projects continuing in 2017/18: the remote aprons and fuel farm refurbishments at OR Tambo International Airport; and Cape Town International Airport's new realigned runway. The capital investments will allow for the arrival of 279 250 aircraft at all airports in 2017/18. As a result, the cost of servicing debt is expected to increase to R1.3 billion in 2017/18.

The number of departing passengers at airports is expected to increase to 19.8 million in 2017/18. To accommodate this, the company expects to employ 3 225 staff members by 2017/18, and expenditure on compensation of employees is expected to increase at an average annual rate of 7.6 per cent over the medium term.

Programmes/objectives/activities

Table 35.14 Airports Company of South 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
Administration	4 768.5	4 801.5	4 350.4	4 701.3	-0.5%	76.7%	4 603.7	4 834.3	5 219.9	3.5%	72.1%
Airport maintenance and engineering	526.6	586.4	651.5	667.5	8.2%	10.0%	709.3	756.2	826.0	7.4%	11.0%
Airport security and safety	246.6	313.0	378.0	411.7	18.6%	5.5%	439.3	465.1	511.7	7.5%	6.8%
Airport management	327.9	382.4	581.9	617.1	23.5%	7.8%	651.0	689.8	739.4	6.2%	10.0%
Total	5 869.6	6 083.4	5 961.9	6 397.7	2.9%	100.0%	6 403.3	6 745.5	7 297.0	4.5%	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										Outcome/ Budget Average (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate		
R million	2011/12		2012/13		2013/14		2014/15			
Revenue										
Non-tax revenue	6 784.5	5 936.6	6 681.0	7 053.6	7 544.9	7 449.5	7 709.7	7 709.7	98.0%	
Sale of goods and services other than capital assets	5 187.5	5 738.5	6 579.6	6 660.3	7 438.7	7 127.0	7 648.0	7 648.0	101.2%	
of which:										
Sales by market establishment	5 187.5	5 738.5	6 579.6	6 660.3	7 438.7	7 127.0	7 648.0	7 648.0	101.2%	
Aeronautical revenue	2 948.6	3 349.7	3 798.3	4 245.7	4 894.8	4 559.3	4 965.5	4 965.5	103.1%	
Non-aeronautical revenue	2 238.9	2 388.9	2 781.3	2 414.6	2 543.9	2 567.7	2 682.6	2 682.6	98.1%	
Other non-tax revenue	1 597.0	198.1	101.4	393.3	106.1	322.6	61.7	61.7	52.3%	
Total revenue	6 784.5	6 057.2	6 681.0	7 074.7	7 544.9	7 678.1	7 709.7	7 709.7	99.3%	

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	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15
Expenses									
Current expenses	4 946.2	5 869.6	5 487.1	5 433.4	6 041.1	5 364.8	5 770.9	5 770.7	100.9%
Compensation of employees	801.5	740.0	854.5	859.4	952.2	992.8	1 070.5	1 144.4	101.6%
Goods and services	1 358.4	1 584.4	1 508.6	1 575.4	1 736.1	1 745.0	1 992.1	1 918.0	103.5%
Depreciation	1 282.9	1 463.8	1 590.8	1 411.4	1 776.4	1 402.5	1 348.3	1 348.3	93.8%
Interest, dividends and rent on land	1 503.4	2 081.5	1 533.3	1 587.1	1 576.3	1 224.5	1 360.1	1 360.0	104.7%
Total expenses	5 257.7	5 869.6	5 845.3	6 083.4	6 541.0	5 961.9	6 397.7	6 397.7	101.1%
Surplus/(Deficit)	1 527.0	188.0	836.0	991.0	1 004.0	1 716.0	1 312.0	1 312.0	-
Statement of financial position									
Carrying value of assets	(25 453.9)	(23 535.7)	(25 380.6)	(23 402.0)	(25 416.1)	(23 195.4)	(23 180.7)	(24 424.3)	95.1%
of which:									
Acquisition of assets	(810.6)	(417.1)	(1 091.1)	(990.6)	(2 771.0)	(928.0)	(1 327.8)	(1 327.8)	61.1%
Investments	515.7	1 583.9	797.2	2 493.0	979.7	2 832.4	932.8	-	214.2%
Inventory	-	6.2	0.9	6.2	0.9	1.2	6.2	6.2	246.4%
Receivables and prepayments	1 239.6	1 038.8	871.9	928.6	1 222.8	942.8	1 257.2	1 257.2	90.8%
Cash and cash equivalents	259.4	1 974.4	875.4	1 254.1	371.9	1 014.5	382.4	343.7	242.8%
Non-current assets held for sale	-	1 850.0	-	-	-	-	-	-	-
Taxation	-	-	-	0.6	-	0.5	-	-	-
Derivatives financial instruments	-	-	-	11.2	-	-	-	-	-
Total assets	(23 439.3)	(17 082.4)	(22 835.2)	(18 708.2)	(22 840.8)	(18 404.1)	(20 602.0)	(22 817.1)	85.8%
Accumulated surplus/(deficit)	9 461.1	8 264.6	9 171.7	10 437.0	10 499.4	12 055.3	12 172.4	13 319.8	106.7%
Capital and reserves	750.0	1 425.4	750.0	501.6	750.0	628.5	750.0	750.0	110.2%
Borrowings	14 356.3	16 652.4	14 087.5	14 722.3	14 064.1	12 971.9	10 189.6	9 272.3	101.7%
Deferred income	79.5	1 276.7	128.3	74.9	-	72.3	346.9	346.9	319.2%
Trade and other payables	2 720.7	928.0	3 432.7	833.9	901.9	816.0	721.7	713.1	42.3%
Taxation	-	1 017.5	250.7	964.1	1 271.5	1 188.1	1 393.3	1 443.8	158.2%
Provisions	101.0	229.6	105.0	290.0	155.1	154.9	185.5	185.5	157.3%
Derivatives financial instruments	-	194.8	-	271.9	349.5	99.7	-	-	162.0%
Total equity and liabilities	27 468.5	29 989.0	27 926.1	28 095.8	27 991.4	27 986.7	25 759.4	26 031.4	102.7%

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	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18		
Revenue									
Non-tax revenue	7 709.7	9.1%	98.7%	7 531.0	7 948.8	8 496.7	3.3%	100.0%	
Sale of goods and services other than capital assets	7 648.0	10.0%	95.2%	7 444.0	7 854.8	8 300.7	2.8%	98.6%	
of which:									
Sales by market establishment	7 648.0	10.0%	95.2%	7 444.0	7 854.8	8 300.7	2.8%	98.6%	
Aeronautical revenue	4 965.5	14.0%	59.8%	4 514.1	4 680.6	4 862.9	-0.7%	60.1%	
Non-aeronautical revenue	2 682.6	3.9%	35.5%	2 929.9	3 174.2	3 437.8	8.6%	38.5%	
Other non-tax revenue	61.7	-32.2%	3.5%	87.0	94.0	196.0	47.0%	1.4%	
Total revenue	7 709.7	8.4%	100.0%	7 531.0	7 948.8	8 496.7	3.3%	100.0%	
Expenses									
Current expenses	5 770.7	-0.6%	92.4%	5 881.3	6 191.5	6 795.5	5.6%	100.0%	
Compensation of employees	1 144.4	15.6%	15.3%	1 227.0	1 417.9	1 425.3	7.6%	19.4%	
Goods and services	1 918.0	6.6%	28.0%	2 014.1	2 018.7	2 255.5	5.6%	30.6%	
Depreciation	1 348.3	-2.7%	23.2%	1 470.2	1 644.9	1 856.4	11.2%	23.5%	
Interest, dividends and rent on land	1 360.0	-13.2%	25.8%	1 170.0	1 110.0	1 258.4	-2.6%	18.3%	
Total expenses	6 397.7	2.9%	100.0%	6 403.3	6 745.5	7 297.0	4.5%	100.0%	
Surplus/(Deficit)	1 312.0	91.1%	-	1 128.0	1 203.0	1 200.0	-2.9%	-	
Statement of financial position									
Carrying value of assets	24 424.3	-201.2%	124.0%	26 071.9	27 614.0	31 651.2	9.0%	94.3%	
of which:									
Acquisition of assets	(1 327.8)	47.1%	4.6%	(3 148.7)	(3 204.4)	(5 905.4)	64.5%	-11.3%	
Inventory	6.2	-	-	6.2	6.2	6.2	-	-	
Receivables and prepayments	1 257.2	6.6%	-5.4%	1 223.7	1 291.2	1 364.5	2.8%	4.4%	
Cash and cash equivalents	343.7	-44.2%	-6.3%	333.5	354.0	376.3	3.1%	1.2%	
Total assets	26 031.4	-215.1%	100.0%	27 635.2	29 265.4	33 398.2	8.7%	100.0%	

Table 35.16 Airports Company of South Africa statements of estimates of financial performance and position

Statement of financial position		Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	Revised estimate							
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Accumulated surplus/(deficit)	13 319.8	17.2%	39.7%	14 560.4	15 882.0	17 212.4	8.9%	52.4%
Capital and reserves	750.0	-19.3%	2.9%	750.0	750.0	750.0	–	2.6%
Borrowings	9 272.3	-17.7%	47.5%	9 407.0	9 640.4	12 005.4	9.0%	34.6%
Deferred income	346.9	-35.2%	1.5%	346.9	346.9	346.9	–	1.2%
Trade and other payables	713.1	-8.4%	2.9%	1 041.1	1 082.0	1 565.1	30.0%	3.7%
Taxation	1 443.8	12.4%	4.2%	1 344.3	1 378.6	1 333.0	-2.6%	4.8%
Provisions	185.5	-6.9%	0.8%	185.5	185.5	185.5	–	0.6%
Total equity and liabilities	26 031.4	-4.6%	100.0%	27 635.2	29 265.4	33 398.2	45.2%	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 2015			Number and cost ¹ 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 (%)			
			2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Airports Company of South Africa			3 020	992.8	0.3	3 225	1 144.4	0.4	3 225	1 227.0	0.4	3 225	1 417.9	0.4	3 225	1 425.3	0.4	7.6%	100.0%
Salary level	3 225	3 225																	
1 – 6	1 756	1 756	1 689	282.1	0.2	1 756	304.5	0.2	1 756	326.6	0.2	1 756	376.7	0.2	1 756	379.5	0.2	7.6%	54.4%
7 – 10	1 155	1 155	1 081	418.8	0.4	1 155	465.7	0.4	1 155	499.3	0.4	1 155	577.3	0.5	1 155	580.0	0.5	7.6%	35.8%
11 – 12	216	216	181	184.3	1.0	216	219.5	1.0	216	235.3	1.1	216	272.1	1.3	216	273.3	1.3	7.6%	6.7%
13 – 16	91	91	62	91.3	1.5	91	137.7	1.5	91	147.6	1.6	91	170.7	1.9	91	171.4	1.9	7.6%	2.8%
17 – 22	7	7	7	16.3	2.3	7	16.9	2.4	7	18.2	2.6	7	21.0	3.0	7	21.1	3.0	7.6%	0.2%

1. Rand million.

Passenger Rail Agency of South Africa

Mandate

The Passenger Rail Agency of South Africa is a schedule 3B public entity. 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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of new train sets delivered for Metrorail per year	Metrorail	Outcome 6: An efficient, competitive and responsive economic infrastructure network	– ¹	– ¹	– ¹	– ¹	– ¹	18	26
Percentage of customer satisfaction rating of rail, bus and property	Metrorail, main line passenger services, Autopax, Passenger Rail Agency of South Africa: Corporate real estate solutions	Entity mandate	75%	65%	69%	72%	72%	72%	72%
Number of Metrorail passenger trips per year	Metrorail		516 million	528 million	543 million	564 million	550 million	565 million	576 million
Number of Metrorail coaches refurbished per year	Metrorail	Outcome 6: An efficient, competitive and responsive economic infrastructure network	519	579	566	500	528	528	528

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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of Shosholoza Meyl passenger trips per year (million)	Main line passenger services (Shosholoza Meyl)	Entity mandate	1.42 million	1.26 million	0.93 million	1 million	0.90 million	1 million	1.1 million
Number of Shosholoza Meyl coaches refurbished per year	Main line passenger services (Shosholoza Meyl)	Outcome 6: An efficient, competitive and responsive economic infrastructure network	22	3	32	50	50	50	50
Number of train stations improved per year	Passenger Rail Agency of South Africa: Corporate real estate solutions		5	49	80	58	60	65	70
Number of train stations upgraded for commercial operations per year	Passenger Rail Agency of South Africa: Corporate real estate solutions		3	8	14	11	7	8	9
Number of Autopax passenger trips per year	Autopax	Entity mandate	2.7 million	3.15 million	2.74 million	3.1 million	3 million	3 million	3.2 million

1. Historical data is not available, as this is a new indicator.

Expenditure analysis

The objective to maintain and expand infrastructure to support economic growth, as outlined in the national development plan, is operationalised in outcome 6 of government's 2014-2019 medium term strategic framework (an efficient, competitive and responsive economic infrastructure network), which requires the Passenger Rail Agency of South Africa to improve the efficiency of rail passenger services and to increase passenger ridership. As a result, the focus over the medium term will be on investing in rail infrastructure and rolling stock to improve the reliability of services.

The largest expenditure programme in the agency is Metrorail, which constituted 59 per cent of total expenditure in 2014/15. A major driver of expenditure is compensation of employees: in 2014/15 the agency had a staff complement of 23 333. Compensation of employees is expected to increase at an average annual rate of 7.5 per cent over the medium term to make provision for salary increases. Expenditure on goods and services is expected to increase to R5.2 billion in 2017/18, mainly due to increases in energy costs and security services.

The agency's capital programme focuses on the modernisation of rail and the exploitation of assets to augment funding streams. The 10-year rolling stock fleet renewal programme, which started in 2014/15, also contributes to the realisation of this objective. The agency will also implement infrastructure modernisation projects that include signalling upgrades, depot modernisation, track/perway upgrades, electrical substation upgrades, drainage projects, platform correction programmes, and access control and fare collection. These projects are critical to ensuring that the infrastructure can support new trains.

The agency receives revenue from fares, rental income and transfers from the Department of Transport. Total revenue is expected to increase at an average annual rate of 6.6 per cent over the MTEF period, due to increases in fare revenue and rental income. In 2014/15, fare revenue and rental income combined will constitute 39.3 per cent of the agency's total revenue. Fare revenue is expected to increase at an average annual rate of 7.8 per cent over the medium term as the number of Metrorail passenger trips increases to 576 million, the number of main line passenger services (Shosholoza Meyl) passenger trips increases to 1.1 million, and the number of Autopax passenger trips to 3.2 million.

The carrying value of the agency's assets is expected to grow to R63.2 billion over the medium term. This investment will allow for the purchase of 44 train sets by 2017/18 and the refurbishment of 1 584 coaches for Metrorail and 150 coaches for the Shosholoza Meyl over the MTEF period.

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	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
Administration	1 248.7	1 371.8	1 616.0	1 393.3	3.7%	14.3%	1 517.1	1 600.1	1 657.7	6.0%	13.6%
Metrorail	5 088.8	5 834.2	6 320.3	6 147.0	6.5%	59.4%	6 399.2	6 750.8	7 088.0	4.9%	58.3%
Main line passenger services (Shosholoza Meyl)	869.5	1 068.6	423.5	901.1	1.2%	8.3%	792.6	836.2	878.1	-0.9%	7.6%
Passenger Rail Agency of South Africa corporate real estate solutions	700.7	818.0	735.1	806.9	4.8%	7.8%	953.4	1 144.7	1 276.9	16.5%	9.2%
Intersite	57.5	66.3	41.3	36.8	-13.8%	0.5%	77.3	104.6	163.8	64.5%	0.8%
Autopax	814.7	935.1	943.2	1 127.9	11.5%	9.7%	1 160.6	1 214.6	1 268.7	4.0%	10.5%
Total	8 779.8	10 094.0	10 079.4	10 413.0	5.9%	100.0%	10 900.2	11 651.1	12 333.1	5.8%	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									Outcome/ Budget Average (%)
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	2011/12 - 2014/15
	2011/12		2012/13		2013/14		2014/15		
Revenue									
Non-tax revenue	3 436.7	3 976.2	3 798.1	4 912.1	3 732.2	4 153.9	3 990.1	4 182.7	115.2%
Sale of goods and services other than capital assets	3 436.7	2 950.8	3 792.5	3 393.8	3 731.0	3 533.0	3 988.8	3 965.2	92.6%
of which:									
Sales by market establishment	3 318.4	2 626.3	3 577.5	3 066.4	3 589.5	3 234.1	3 792.4	3 688.9	88.4%
Rental income	466.8	284.8	590.7	310.1	492.6	361.8	508.6	502.9	70.9%
Fare revenue	2 851.6	2 341.6	2 986.7	2 756.3	3 096.8	2 872.3	3 283.8	3 185.9	91.3%
Other sales	118.3	324.5	215.1	327.4	141.5	298.9	196.4	276.4	182.8%
Other non-tax revenue	—	1 025.4	5.5	1 518.2	1.2	620.9	1.3	217.5	41 862.6%
Transfers received	4 280.9	4 774.7	4 645.0	5 025.2	4 766.6	6 261.8	5 206.6	5 206.6	112.5%
Total revenue	7 717.5	8 750.9	8 443.0	9 937.2	8 498.8	10 415.7	9 196.7	9 389.3	113.7%
Expenses									
Current expenses	8 462.1	8 779.8	9 198.3	10 093.8	10 328.9	10 079.4	9 890.7	10 413.0	103.9%
Compensation of employees	3 205.8	3 596.6	3 549.4	3 991.0	4 488.0	4 439.9	3 777.5	4 402.5	109.4%
Goods and services	3 765.0	3 720.9	4 103.0	4 586.5	4 559.9	3 676.0	4 642.4	4 072.8	94.1%
Depreciation	1 238.6	1 420.8	1 478.8	1 488.6	1 276.9	1 932.6	1 469.7	1 925.2	123.9%
Interest, dividends and rent on land	252.8	41.5	67.2	27.7	4.1	30.9	1.1	12.4	34.6%
Total expenses	8 462.1	8 779.8	9 198.3	10 094.0	10 328.9	10 079.4	9 890.7	10 413.0	103.9%
Surplus/(Deficit)	(745.0)	(29.0)	(755.0)	(157.0)	(1 830.0)	336.0	(694.0)	(1 024.0)	—
Statement of financial position									
Carrying value of assets	25 284.3	20 484.8	27 788.5	26 460.9	31 300.1	31 380.2	41 326.4	42 064.9	95.8%
of which:									
Acquisition of assets	6 134.8	3 852.6	6 701.1	3 932.1	5 189.5	7 682.2	10 685.6	11 059.0	92.4%
Investments	9.9	—	—	—	—	—	—	—	—
Inventory	177.8	216.2	223.0	241.9	240.4	240.4	236.6	232.4	106.0%
Loans	—	—	—	24.2	—	24.2	24.2	—	200.0%
Receivables and prepayments	193.6	184.6	400.8	190.3	260.6	1 254.2	254.2	447.9	187.2%
Cash and cash equivalents	818.7	3 570.7	775.8	4 986.5	1 495.7	3 484.2	2 536.1	2 832.4	264.4%
Non-current assets held for sale	—	14.5	—	—	0.9	—	—	—	1 583.8%
Defined benefit plan assets	—	7.3	8.2	7.1	7.6	7.6	7.6	7.9	127.4%
Taxation	—	0.1	0.1	—	0.1	—	—	—	50.0%
Total assets	26 484.5	24 478.1	29 196.5	31 910.8	33 305.5	36 390.9	44 385.1	45 585.5	103.7%
Accumulated surplus/(deficit)	(5 479.1)	(1 761.2)	(6 268.4)	(1 917.9)	(5 189.5)	(2 928.2)	(3 622.2)	(3 198.8)	47.7%
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	—	18 779.6	27 455.2	24 043.6	30 900.2	30 310.6	39 702.3	40 926.5	116.3%
Borrowings	720.0	264.3	211.5	133.3	213.6	92.8	48.3	48.3	45.1%
Finance lease	—	—	—	5.8	—	—	—	—	—
Deferred income	22 046.2	—	—	—	—	—	—	—	—
Trade and other payables	4 248.3	2 211.0	3 160.8	4 823.5	2 467.0	4 040.7	3 370.9	2 929.0	105.7%
Provisions	700.9	715.5	389.2	574.4	664.8	626.8	637.7	632.4	106.5%
Derivatives financial instruments	—	20.6	—	—	1.0	—	—	—	1 992.1%
Total equity and liabilities	26 484.5	24 478.1	29 196.5	31 910.8	33 305.5	36 390.9	44 385.1	45 585.5	103.7%

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		Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Revised estimate								
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Revenue								
Non-tax revenue	4 182.7	1.7%	44.8%	4 566.6	4 963.8	5 355.2	8.6%	45.9%
Sale of goods and services other than capital assets	3 965.2	10.4%	36.0%	4 409.7	4 857.5	5 248.6	9.8%	44.4%
of which:								
Sales by market establishment	3 688.9	12.0%	32.8%	4 255.0	4 677.9	5 055.1	11.1%	42.5%
Rental income	502.9	20.9%	3.8%	648.3	872.7	1 059.7	28.2%	7.3%
Fare revenue	3 185.9	10.8%	29.0%	3 606.7	3 805.1	3 995.4	7.8%	35.1%
Other sales	276.4	-5.2%	3.2%	154.7	179.7	193.6	-11.2%	2.0%
Other non-tax revenue	217.5	-40.4%	8.8%	156.9	106.3	106.6	-21.2%	1.5%
Transfers received	5 206.6	2.9%	55.2%	5 459.8	5 749.2	6 012.4	4.9%	54.1%
Total revenue	9 389.3	2.4%	100.0%	10 026.4	10 713.0	11 367.6	6.6%	100.0%
Expenses								
Current expenses	10 413.0	5.9%	100.0%	10 900.2	11 651.1	12 333.1	5.8%	100.0%
Compensation of employees	4 402.5	7.0%	41.7%	4 878.9	5 203.2	5 470.0	7.5%	44.0%
Goods and services	4 072.8	3.1%	40.9%	4 516.6	4 871.0	5 236.6	8.7%	41.2%
Depreciation	1 925.2	10.7%	17.1%	1 495.9	1 570.0	1 619.2	-5.6%	14.7%
Interest, dividends and rent on land	12.4	-33.1%	0.3%	8.9	6.9	7.3	-16.5%	0.1%
Total expenses	10 413.0	5.9%	100.0%	10 900.2	11 651.1	12 333.1	5.8%	100.0%
Surplus/(Deficit)	(1 024.0)	228.1%	-	(874.0)	(938.0)	(965.0)	-2.0%	-
Statement of financial position								
Carrying value of assets	42 064.9	27.1%	86.3%	47 169.3	55 219.1	63 161.7	14.5%	95.0%
of which:								
Acquisition of assets	11 059.0	42.1%	18.4%	14 103.5	15 010.4	17 282.3	16.0%	26.3%
Inventory	232.4	2.4%	0.7%	220.5	208.0	196.1	-5.5%	0.4%
Receivables and prepayments	447.9	34.4%	1.4%	516.5	588.8	664.8	14.1%	1.0%
Cash and cash equivalents	2 832.4	-7.4%	11.5%	2 085.2	1 483.0	793.9	-34.6%	3.5%
Defined benefit plan assets	7.9	2.7%	-	8.3	8.7	9.1	5.0%	-
Total assets	45 585.5	23.0%	100.0%	49 999.7	57 507.6	64 825.6	12.5%	100.0%
Accumulated surplus/(deficit)	(3 198.8)	22.0%	-7.1%	(4 019.6)	(4 881.3)	(5 785.9)	21.8%	-8.1%
Capital and reserves	4 248.3	-	12.9%	4 248.3	4 248.3	4 248.3	-	7.9%
Capital reserve fund	40 926.5	29.7%	81.3%	46 149.8	54 325.2	62 399.5	15.1%	93.2%
Borrowings	48.3	-43.3%	0.5%	-	-	-	-100.0%	-
Trade and other payables	2 929.0	9.8%	10.4%	2 957.2	3 118.3	3 231.7	3.3%	5.7%
Provisions	632.4	-4.0%	2.0%	664.0	697.2	732.0	5.0%	1.3%
Total equity and liabilities	45 585.5	23.0%	100.0%	49 999.7	57 507.6	64 825.6	-54.7%	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 2015			Number and cost ¹ 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														
		2013/14			2014/15			2015/16		2016/17		2017/18		2014/15 - 2017/18					
Passenger Rail Agency of South Africa			Unit			Unit			Unit			Unit							
		Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost			
Salary level	23 311	23 333	21 632	4 439.9	0.2	23 333	4 402.5	0.2	22 228	4 878.9	0.2	23 498	5 203.2	0.2	23 498	5 470.0	0.2	7.5%	100.0%
1 – 6	14 799	14 799	13 377	1 251.7	0.1	14 799	1 234.7	0.1	14 599	1 475.6	0.1	15 195	1 534.2	0.1	15 195	1 637.6	0.1	9.9%	64.6%
7 – 10	6 539	6 539	6 304	1 669.5	0.3	6 539	1 608.3	0.2	6 121	2 026.4	0.3	6 678	2 179.0	0.3	6 678	2 353.8	0.4	13.5%	28.1%
11 – 12	1 502	1 502	1 458	908.1	0.6	1 502	909.3	0.6	1 012	651.7	0.6	1 105	735.0	0.7	1 105	705.3	0.6	-8.1%	5.1%
13 – 16	401	401	401	411.7	1.0	401	438.6	1.1	404	489.1	1.2	428	506.0	1.2	428	511.8	1.2	5.3%	1.8%
17 – 22	70	92	92	198.8	2.2	92	211.7	2.3	92	236.1	2.6	92	249.1	2.7	92	261.5	2.8	7.3%	0.4%

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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Legal costs as a percentage of claims payments	Payment of claims to accident victims	Entity mandate	28%	27%	21%	16%	14%	12%	10%
Direct personal claims as a percentage of total personal claims	Payment of claims to accident victims		13%	20%	27%	20%	23%	25%	28%
Number of open claims received but not finalised per year	Payment of claims to accident victims		253 111	212 686	198 407	191 728	191 230	193 188	194 039

Expenditure analysis

The Road Accident Fund continues to focus on compensating victims of road accidents for losses and damages as required by the Road Accident Fund Act (1996).

The fund receives its revenue from the Road Accident Fund levy, which finances the organisation's administration, human resources, capital expenditure and claims payments. In addition to the projected increase in the levy to 50 cents per litre in 2015/16, total revenue is expected to increase in line with the expected growth in fuel sales, to R33.8 billion in 2017/18.

Transfers and subsidies are expected to increase at an average annual rate of 7 per cent, as the fund expects to increase the percentage of direct claims to 28 per cent of total personal claims by 2017/18 from 20 per cent in 2014/15. Total expenditure is expected to increase to R40.2 billion in 2017/18, assisting the fund to reduce the number of open claims to a projected 194 039 in 2017/18.

The settlement of claims was supported by 2 729 personnel in 2014/15, and this number is expected to remain constant over the medium term. Compensation of employees is expected to grow at an average annual rate of 8.7 per cent over the MTEF period to allow for salary increases.

Despite the increase in revenue and the number of claims settled, the fund continues to realise large deficits over the medium term, with the accumulated deficit expected to grow to R114.7 billion in 2017/18.

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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
Administration	1 005.4	1 176.4	1 373.9	1 732.7	19.9%	4.3%	1 913.9	2 085.1	2 203.6	8.3%	5.4%
Payment of claims to accident victims	32 587.3	21 579.7	36 442.1	30 979.1	-1.7%	95.7%	33 559.1	35 729.9	37 977.0	7.0%	94.6%
Total	33 592.7	22 756.1	37 816.0	32 711.8	-0.9%	100.0%	35 473.0	37 815.0	40 180.6	7.1%	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									
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget Average (%)
R million	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15
Revenue									
Non-tax revenue	182.0	114.6	148.4	260.0	668.0	238.4	149.5	67.6	59.3%
Other non-tax revenue	182.0	114.6	148.4	260.0	668.0	238.4	149.5	67.6	59.3%
Tax revenue: fuel levy	14 949.1	16 989.1	17 853.1	17 380.2	20 930.7	20 278.0	22 457.9	22 175.8	100.8%
Total revenue	15 131.0	17 103.7	18 001.4	17 640.2	21 598.7	20 516.4	22 607.4	22 243.4	100.2%
Expenses									
Current expenses	1 187.8	1 005.4	1 281.6	1 176.4	1 478.3	1 373.9	1 732.7	1 732.7	93.1%
Compensation of employees	753.8	655.2	828.4	613.2	966.0	854.7	1 178.3	947.4	82.4%
Goods and services	339.5	262.9	377.1	474.6	433.9	452.1	481.1	724.1	117.3%
Depreciation	79.2	63.7	64.9	61.1	66.6	38.1	61.0	48.8	77.9%
Interest, dividends and rent on land	15.2	23.6	11.1	27.4	11.7	28.9	12.4	12.4	183.1%
Transfers and subsidies	14 928.5	32 587.3	13 898.7	21 579.7	17 973.4	36 442.1	23 895.8	30 979.1	172.0%
Total expenses	16 116.3	33 592.7	15 180.3	22 756.1	19 451.7	37 816.0	25 628.5	32 711.8	166.1%
Surplus/(Deficit)	(985.0)	(16 489.0)	2 821.0	(5 116.0)	2 147.0	(17 300.0)	(3 021.0)	(10 468.0)	-
Statement of financial position									
Carrying value of assets	427.8	276.7	322.9	252.0	279.7	268.2	313.7	301.8	81.7%
of which:									
Acquisition of assets	67.0	6.4	57.0	15.3	75.0	51.0	82.5	82.5	55.2%
Inventory	3.0	2.6	2.9	3.0	2.9	3.6	3.4	3.8	106.8%
Loans	-	144.9	-	132.2	-	133.0	148.6	141.0	370.9%
Accrued investment interest	-	18.7	-	32.7	21.0	16.1	36.8	17.1	146.5%
Receivables and prepayments	2 181.2	3 884.3	3 803.0	4 153.5	5 012.4	4 768.7	5 107.0	5 261.7	112.2%
Cash and cash equivalents	2 066.6	4 245.1	5 286.3	6 143.8	9 450.5	2 504.8	149.5	267.6	77.6%
Total assets	4 678.6	8 572.3	9 415.1	10 717.3	14 766.4	7 694.3	5 758.9	5 993.0	95.3%
Accumulated surplus/(deficit)	(45 053.1)	(46 471.7)	(39 263.2)	(73 626.0)	(43 232.7)	(90 925.5)	(52 159.1)	(101 474.2)	173.9%
Capital and reserves	78.7	72.2	65.5	123.6	72.2	127.8	123.6	127.8	132.7%
Trade and other payables	597.0	408.7	678.6	474.9	459.2	600.2	533.6	8 478.8	439.2%
Provisions	49 056.0	54 563.1	47 934.1	83 744.7	57 467.6	97 891.9	57 260.8	98 860.7	158.3%
Provisions for operational liabilities	347.8	604.5	426.5	860.2	719.6	848.6	1 584.6	899.5	104.4%
Provisions for outstanding claims	48 672.5	53 918.7	47 507.6	82 838.0	56 748.0	97 000.0	55 676.2	97 915.3	159.0%
Total equity and liabilities	4 678.6	8 572.3	9 415.1	10 717.3	14 766.4	7 694.3	5 758.9	5 993.0	100.0%

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								
	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Revenue								
Non-tax revenue	67.6	-16.1%	0.9%	11.7	10.3	10.3	-46.7%	0.1%
Other non-tax revenue	67.6	-16.1%	0.9%	11.7	10.3	10.3	-46.7%	0.1%
Tax revenue: fuel levy	22 175.8	9.3%	99.1%	32 630.0	34 055.6	33 774.3	15.1%	99.9%
Total revenue	22 243.4	9.2%	100.0%	32 641.7	34 065.9	33 784.5	14.9%	100.0%
Expenses								
Current expenses	1 732.7	19.9%	4.3%	1 913.9	2 085.1	2 203.6	8.3%	5.4%
Compensation of employees	947.4	13.1%	2.5%	1 042.2	1 146.4	1 215.2	8.7%	3.0%
Goods and services	724.1	40.2%	1.6%	799.1	852.4	890.3	7.1%	2.2%
Depreciation	48.8	-8.5%	0.2%	59.6	72.6	83.6	19.6%	0.2%
Interest, dividends and rent on land	12.4	-19.4%	0.1%	13.0	13.7	14.5	5.6%	-
Transfers and subsidies	30 979.1	-1.7%	95.7%	33 559.1	35 729.9	37 977.0	7.0%	94.6%
Total expenses	32 711.8	-0.9%	100.0%	35 473.0	37 815.0	40 180.6	7.1%	100.0%
Surplus/(Deficit)	(10 468.0)	-14.1%	-	(2 831.0)	(3 749.0)	(6 396.0)	-15.1%	-

Table 35.26 Road Accident Fund statements of estimates of financial performance and position

Statement of financial position		Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	Revised estimate							
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Carrying value of assets	301.8	2.9%	3.5%	333.0	355.9	372.6	7.3%	4.3%
of which:								
Acquisition of assets	82.5	134.4%	0.6%	90.8	95.6	100.3	6.7%	1.2%
Inventory	3.8	13.5%	–	4.0	4.3	4.5	6.0%	0.1%
Loans	141.0	-0.9%	1.8%	149.4	158.4	167.9	6.0%	2.0%
Accrued investment interest	17.1	-2.9%	0.3%	18.1	19.2	20.3	6.0%	0.2%
Receivables and prepayments	5 261.7	10.6%	58.5%	7 399.5	8 095.3	8 176.3	15.8%	90.5%
Cash and cash equivalents	267.6	-60.2%	36.0%	211.7	210.3	210.3	-7.7%	3.0%
Total assets	5 993.0	-11.2%	100.0%	8 115.7	8 843.4	8 951.9	14.3%	100.0%
Accumulated surplus/(deficit)	(101 474.2)	29.7%	-1 026.0%	(104 390.7)	(108 230.1)	(114 721.9)	4.2%	-1 371.2%
Capital and reserves	127.8	20.9%	1.4%	127.8	127.8	127.8	–	1.6%
Trade and other payables	8 478.8	174.8%	39.6%	17 932.9	32 632.0	56 642.5	88.3%	341.0%
Provisions	98 860.7	21.9%	1 084.9%	94 445.7	84 313.7	66 903.5	-12.2%	1 128.5%
Provisions for operational liabilities	899.5	14.2%	10.3%	953.4	1 010.6	1 071.3	6.0%	12.5%
Provisions for outstanding claims	97 915.3	22.0%	1 074.1%	93 443.6	83 251.5	65 777.5	-12.4%	1 115.4%
Total equity and liabilities	5 993.0	-11.2%	100.0%	8 115.7	8 843.4	8 951.9	73.9%	100.0%

Personnel information

Table 35.27 Road Accident Fund personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015			Number and cost ¹ 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 (%)						
			2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18					
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost								
Road Accident Fund			2 729	2 729		2 288	854.7	0.4	2 729	947.4	0.3	2 729	1 042.2	0.4	2 729	1 146.4	0.4	2 729	1 215.2	0.4	8.7%	100.0%
Salary level	7 – 10	853	853	717	154.3	0.2	853	218.2	0.3	853	240.0	0.3	853	264.0	0.3	853	279.9	0.3	8.7%	31.3%		
	11 – 12	1 595	1 595	1 255	457.2	0.4	1 595	526.5	0.3	1 595	579.2	0.4	1 595	637.1	0.4	1 595	675.3	0.4	8.7%	58.4%		
	13 – 16	272	272	307	221.5	0.7	272	180.9	0.7	272	199.0	0.7	272	218.9	0.8	272	232.1	0.9	8.7%	10.0%		
	17 – 22	9	9	9	21.6	2.4	9	21.7	2.4	9	23.9	2.7	9	26.3	2.9	9	27.9	3.1	8.7%	0.3%		

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 the 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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Low rut exposure: Percentage of travel undertaken each year on national roads with rut depth less than 20mm	Routine maintenance	Entity mandate	99%	99%	98%	95%	95%	95%	95%
High texture exposure: Percentage of travel undertaken each year on national roads with macrotexture higher than 0.4mm	Routine maintenance		97%	97%	98%	95%	95%	95%	95%
Bridge condition exposure index: Percentage of travel over or under bridges on national roads with overall condition index higher than 80	Routine maintenance		96%	94%	94%	90%	90%	90%	90%
Length of network with active routine road maintenance contracts	Routine maintenance	Outcome 6: An efficient, competitive and responsive economic infrastructure network	19 704km	19 704km	19 704km	21 403km	21 403km	21 403km	21 403km
Resurface length: Length of road resealed/overlayed	Routine maintenance		750km	1 370km	1 290km	850km	850km	850km	850km
Length of road strengthened/improved	Improvements		300km	502km	659km	400km	400km	400km	400km

Expenditure analysis

The South African National Roads Agency's primary contribution to the achievement of outcome 6 of government's 2014-2019 medium term strategic framework (an efficient, competitive and responsive economic infrastructure network) relates to improving and preserving national road infrastructure. This is aligned with the national development plan objective to maintain and expand infrastructure for economic growth. The agency's focus is on providing effective strategic road infrastructure to facilitate development, commerce, mobility and access; and continuing with its preventative maintenance approach.

As a result, the agency will continue to focus on preventative maintenance and the rehabilitation of the primary and strategic road network. With approximately 75 per cent of the road network that is managed by the agency beyond its designed life, expenditure on goods and services, largely to contractors for road maintenance, is expected to increase to R21 billion in 2016/17. Total spending is expected to increase at an average annual rate of 0.2 per cent over the medium term as 21 403km of the road network holds active routine maintenance contracts. The agency employs 274 staff, and this number is expected to remain constant over the medium term. Compensation of employees is set to increase at an average annual rate of 8 per cent, in line with the national market average, to R262.7 million in 2017/18.

The agency receives income from toll fees for the toll road network, and transfers from the Department of Transport for the management of the non-toll road network. The toll road network comprises 14.6 per cent of the total road network managed by the agency. In line with the agency's focus on improving and preserving national road infrastructure, R1.1 billion is allocated over the medium term for the upgrade of the R573 Moloto Road. Transfers received are therefore expected to grow at an average annual rate of 5.9 per cent over the MTEF period. Income from toll fees is expected to grow at an average annual rate of 12.2 per cent over the MTEF period as the agency expects increased traffic volumes on the toll road network.

Significant infrastructure projects over the medium term include the expansion of the N3 at Mariannhill, and the addition of lanes to the N2 North Coast and N2 Winelands routes. As a result of these expansions, the carrying value of the assets is expected to increase to R328.9 billion in 2017/18.

Programmes/objectives/activities

Table 35.29 South African National Roads 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 (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Administration	4 779.0	5 777.6	6 132.1	8 967.5	23.3%	44.8%	6 786.5	6 717.2	7 266.9	-6.8%	29.4%
Routine maintenance	1 217.8	1 530.7	1 304.6	5 456.1	64.9%	14.3%	4 712.9	3 992.4	2 930.7	-18.7%	16.9%
Strengthening	1 486.6	1 452.4	3 042.2	3 679.7	35.3%	16.3%	3 128.4	2 871.6	1 382.6	-27.8%	10.9%
Improvements	1 275.8	1 561.5	1 610.8	3 793.4	43.8%	13.4%	6 918.3	12 066.7	10 521.8	40.5%	32.4%
New facilities	1 504.6	1 688.9	715.5	2 557.9	19.4%	11.2%	3 460.3	2 100.0	2 503.0	-0.7%	10.5%
Total	10 263.8	12 011.2	12 805.1	24 454.7	33.6%	100.0%	25 006.4	27 747.9	24 605.0	0.2%	100.0%

Statements of historical financial performance and position

Table 35.30 South African National Roads Agency 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	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15	
Revenue										
Non-tax revenue	4 281.8	37 992.9	3 377.1	10 729.1	3 341.2	33 687.6	4 692.5	5 016.4	557.1%	
Sale of goods and services other than capital assets	3 988.5	2 116.2	3 377.1	2 604.9	3 341.2	3 609.4	4 546.0	4 555.1	84.5%	
of which:										
Toll fees	3 808.5	1 987.4	3 377.1	2 199.1	3 341.2	3 518.9	4 221.4	4 230.5	80.9%	
Other sales	180.0	128.8	—	405.8	—	90.5	324.6	324.6	188.2%	
Other non-tax revenue	293.3	35 876.8	—	8 124.2	—	30 078.2	146.4	461.4	16 951.4%	
Transfers received	6 410.1	4 639.7	6 405.8	9 756.3	7 809.7	5 075.0	8 197.9	11 916.9	108.9%	
Total revenue	10 691.9	42 632.7	9 782.8	20 485.4	11 150.9	38 762.7	12 890.4	16 933.4	266.9%	
Expenses										
Current expenses	10 932.1	10 263.8	11 045.0	12 011.2	13 944.1	12 805.1	23 362.8	24 454.7	100.4%	
Compensation of employees	122.4	129.3	130.9	155.2	143.0	200.3	200.3	208.8	116.3%	
Goods and services	6 410.1	5 588.2	5 451.3	6 501.6	7 321.1	6 856.0	18 123.7	19 207.0	102.3%	
Depreciation	768.6	1 125.9	2 570.7	1 612.9	3 430.7	2 246.1	1 594.9	1 594.9	78.7%	
Interest, dividends and rent on land	3 631.0	3 420.4	2 892.0	3 741.4	3 049.3	3 502.8	3 444.0	3 444.0	108.4%	
Total expenses	10 932.1	10 263.8	11 045.0	12 011.2	13 944.1	12 805.1	23 362.8	24 454.7	100.4%	
Surplus/(Deficit)	(240.0)	32 369.0	(1 262.0)	8 474.0	(2 793.0)	25 958.0	(10 472.0)	(7 521.0)	—	
Statement of financial position										
Carrying value of assets	194 498.7	257 444.5	229 660.1	271 218.2	271 919.0	304 472.7	277 511.4	277 445.9	114.1%	
of which:										
Acquisition of assets	8 681.3	9 103.0	231 660.1	8 639.7	10 307.0	8 105.1	10 077.0	12 199.2	14.6%	
Investments	1 360.4	2 342.1	1 703.5	573.6	2 921.3	769.9	596.1	596.1	65.1%	
Receivables and prepayments	3 810.0	246.2	1 877.6	564.9	1 719.7	1 158.3	2 357.8	2 357.8	44.3%	
Cash and cash equivalents	2 624.6	9 231.9	4 950.0	4 419.3	3 631.9	4 150.9	3 939.0	6 970.3	163.6%	
Non-current assets held for sale	—	—	—	132.9	—	156.1	139.6	139.6	307.1%	
Total assets	202 293.7	269 264.8	238 191.2	276 908.9	280 191.9	310 707.9	284 543.9	287 509.8	113.8%	
Accumulated surplus/(deficit)	2 899.9	(6 102.1)	(2 521.8)	(4 725.4)	(6 226.4)	(7 804.1)	(4 611.6)	(4 611.6)	222.2%	
Capital and reserves	145 887.4	205 147.4	170 967.2	209 717.6	205 398.0	239 681.1	210 590.3	212 782.2	118.4%	
Capital reserve fund	—	27 799.9	19 344.5	28 589.6	34 906.3	34 076.7	31 559.0	31 559.0	142.2%	
Borrowings	38 821.5	30 637.7	46 730.4	30 949.6	42 191.4	32 762.9	36 636.9	36 436.9	79.6%	
Deferred income	7 774.9	1 021.3	—	1 170.4	1 261.8	1 240.6	1 056.2	1 056.2	44.5%	
Trade and other payables	6 559.3	2 807.0	3 319.2	2 612.0	2 331.4	2 205.7	2 730.3	3 230.3	72.7%	
Provisions	8.7	19.8	9.7	24.8	9.2	41.8	23.6	23.6	215.0%	
Managed funds (e.g. poverty alleviation fund)	342.0	264.9	342.0	552.3	310.5	1 027.8	469.5	943.5	190.5%	
Derivatives financial instruments	—	7 669.0	—	8 017.9	—	7 475.5	6 089.5	6 089.5	480.4%	
Total equity and liabilities	202 293.7	269 264.8	238 191.2	276 908.9	280 182.1	310 707.9	284 543.9	287 509.8	113.8%	

Statements of estimates of financial performance and position

Table 35.31 South African National Roads Agency 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								
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Revenue								
Non-tax revenue	5 016.4	-49.1%	64.5%	5 251.3	6 195.0	6 949.5	11.5%	30.9%
Sale of goods and services other than capital assets	4 555.1	29.1%	13.5%	5 033.9	5 555.7	6 262.0	11.2%	28.3%
of which:								
Toll fees	4 230.5	28.6%	12.4%	5 033.9	5 312.7	5 982.6	12.2%	27.2%
Other sales	324.6	36.1%	1.1%	–	243.0	279.4	-4.9%	1.1%
Other non-tax revenue	461.4	-76.6%	51.0%	217.4	639.2	687.5	14.2%	2.6%
Transfers received	11 916.9	36.9%	35.5%	12 542.5	13 490.5	14 146.7	5.9%	69.1%
Total revenue	16 933.4	-26.5%	100.0%	17 793.8	19 685.5	21 096.2	7.6%	100.0%
Expenses								
Current expenses	24 454.7	33.6%	100.0%	25 006.4	27 747.9	24 605.0	0.2%	100.0%
Compensation of employees	208.8	17.3%	1.2%	225.3	243.3	262.7	8.0%	0.9%
Goods and services	19 207.0	50.9%	60.2%	18 820.0	21 030.7	17 919.1	-2.3%	75.6%
Depreciation	1 594.9	12.3%	12.1%	2 559.1	2 866.2	3 296.2	27.4%	10.1%
Interest, dividends and rent on land	3 444.0	0.2%	26.5%	3 402.0	3 607.7	3 127.0	-3.2%	13.3%
Total expenses	24 454.7	33.6%	100.0%	25 006.4	27 747.9	24 605.0	0.2%	100.0%
Surplus/(Deficit)	(7 521.0)	-161.5%	–	(7 213.0)	(8 062.0)	(3 509.0)	-22.4%	–
Statement of financial position								
Carrying value of assets	277 445.9	2.5%	97.0%	307 181.6	322 484.1	328 908.1	5.8%	96.9%
of which:								
Acquisition of assets	12 199.2	10.3%	3.3%	12 199.2	10 157.2	11 186.6	-2.8%	3.6%
Investments	596.1	-36.6%	0.4%	464.1	515.3	593.2	-0.2%	0.2%
Receivables and prepayments	2 357.8	112.3%	0.4%	4 857.8	3 956.9	3 457.6	13.6%	1.1%
Cash and cash equivalents	6 970.3	-8.9%	2.2%	5 939.0	4 433.7	4 502.4	-13.6%	1.7%
Non-current assets held for sale	139.6	–	–	139.6	146.6	153.9	3.3%	–
Total assets	287 509.8	2.2%	100.0%	318 582.1	331 536.5	337 615.1	5.5%	100.0%
Accumulated surplus/(deficit)	(4 611.6)	-8.9%	-2.0%	(1 769.3)	4 293.2	7 889.9	-219.6%	0.4%
Capital and reserves	212 782.2	1.2%	75.8%	239 681.1	239 681.1	239 681.1	4.0%	73.1%
Capital reserve fund	31 559.0	4.3%	10.6%	34 559.0	37 219.3	41 817.7	9.8%	11.4%
Borrowings	36 436.9	5.9%	11.4%	35 144.2	39 749.3	36 659.8	0.2%	11.6%
Deferred income	1 056.2	1.1%	0.4%	1 056.2	1 531.7	1 608.3	15.0%	0.4%
Trade and other payables	3 230.3	4.8%	1.0%	2 930.4	2 130.4	3 076.9	-1.6%	0.9%
Provisions	23.6	6.1%	–	41.8	41.8	41.8	21.0%	–
Managed funds (e.g. poverty alleviation fund)	943.5	52.7%	0.2%	849.1	800.0	750.0	-7.4%	0.3%
Derivatives financial instruments	6 089.5	-7.4%	2.6%	6 089.5	6 089.5	6 089.5	–	1.9%
Total equity and liabilities	287 509.8	2.2%	100.0%	318 582.1	331 536.5	337 615.1	-178.4%	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 2015			Number and cost ¹ 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 (%)						
		2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18					
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost								
South African National Roads Agency			274	300	277	200.3	0.7	274	208.8	0.8	274	225.3	0.8	274	243.3	0.9	274	262.7	1.0	8.0%	100.0%
Salary level	274	300	277	200.3	0.7	274	208.8	0.8	274	225.3	0.8	274	243.3	0.9	274	262.7	1.0	8.0%	100.0%		
1 – 6	14	14	22	3.4	0.2	14	2.2	0.2	14	2.4	0.2	14	2.6	0.2	14	2.8	0.2	8.1%	5.1%		
7 – 10	133	143	134	47.7	0.4	133	50.7	0.4	133	54.6	0.4	133	58.9	0.4	133	63.6	0.5	7.9%	48.5%		
11 – 12	53	62	76	80.3	1.1	53	45.7	0.9	53	49.3	0.9	53	53.2	1.0	53	57.5	1.1	8.0%	19.3%		
13 – 16	71	77	44	65.3	1.5	71	100.8	1.4	71	108.8	1.5	71	117.5	1.7	71	126.9	1.8	8.0%	25.9%		
17 – 22	3	4	1	3.5	3.5	3	9.4	3.1	3	10.2	3.4	3	11.0	3.7	3	11.9	4.0	8.0%	1.1%		

1. Rand million.

Other public entities and agencies

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 2015/16 is R1.3 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 2015/16 is R240.7 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 2015/16 is R168.4 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 2015/16 is R17.9 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 2015/16 is R174.7 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 2015/16 is R189.5 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 2015/16 is R659.9 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 2015/16 is R497.1 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 2015/16 is R375.6 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			
R million					2011/12	2012/13		2013/14	2015/16	2016/17	2017/18
Infrastructure transfers to other spheres, agencies and departments											
South African National Roads Agency		Development and upkeep of national road network	Various	–	11 477.3	6 602.6	7 043.5	8 180.8	8 590.9	9 329.4	9 777.6
Passenger Rail Agency of South Africa				Construction	–	6 134.8	6 701.1	7 481.1	10 711.0	11 595.4	10 788.3
Gautrain		National contribution for the construction of the Gautrain rapid rail link	Handed over	12 951.5	5.3	–	–	–	–	–	–
Public transport infrastructure grant		Provision of public transport infrastructure and systems for municipalities	Various	–	4 611.6	4 884.4	4 688.7	4 968.0	–	–	–
Passenger Rail Agency of South Africa: Rolling stock		Provision of new rolling stock	Various	–	–	–	–	6 048.0	2 560.5	4 170.3	4 420.5
Provincial roads maintenance grant		Maintenance of provincial road infrastructure	Various	–	5 872.4	6 828.5	7 519.5	9 361.5	9 850.7	10 138.0	10 808.0
Public transport network grant		Funding for accelerated construction, improvement of public and non-motorised transport infrastructure	Various	–	–	–	–	–	5 953.1	6 162.7	6 609.9
Total				12 951.5	28 101.4	25 016.6	26 712.7	39 269.2	38 550.5	40 588.7	42 903.4

Vote 36

Water and Sanitation

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	1 526.2	1 449.6	20.0	56.5	1 686.2	1 744.0
Water Planning and Information Management	808.7	747.3	0.7	60.6	860.0	885.1
Water Infrastructure Development	12 435.8	360.8	6 009.1	6 065.9	13 063.3	14 731.7
Water and Sanitation Services	1 444.6	333.0	63.8	1 047.8	496.8	527.7
Water Sector Regulation	231.3	226.0	1.0	4.3	255.3	316.4
Total expenditure estimates	16 446.5	3 116.8	6 094.6	7 235.1	16 361.5	18 204.8
Executive authority	Minister of Water and Sanitation					
Accounting officer	Director General of Water and Sanitation					
Website address	www.dwa.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, public entities, donor funding, public private partnerships, conditional allocations 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 in delivering on the right of 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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
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	4	2	0	2	4	4	2
Number of river systems with water quality management systems in place	Water Planning and Information Management	Outcome 10: Protect and enhance our environmental assets and natural resources	— ¹	— ¹	— ¹	— ¹	5	3	3
Percentage completion of the review of existing water monitoring networks per year	Water Planning and Information Management	Outcome 10: Protect and enhance our environmental assets and natural resources	— ²	— ²	10%	25%	60%	100%	— ²
Number of new reconciliation strategies developed to ensure water security per year	Water Planning and Information Management	Outcome 6: An efficient, competitive and responsive economic infrastructure network	2	4	1	3	1	1	1
Total number of gauging sites monitored per year	Water Planning and Information Management	Outcome 10: Protect and enhance our environmental assets and natural resources	1 549	1 515	1 458	500	— ³	— ³	— ³
Number of new bulk infrastructure schemes completed per year	Water Infrastructure Development	Outcome 6: An efficient, competitive and responsive economic infrastructure network	62 ⁴	3	7	10	18	14	44
Percentage completion on construction of Groot Letaba water augmentation project water distribution network and water treatment works as stated in the original and approved project implementation plan	Water Infrastructure Development	Outcome 6: An efficient, competitive and responsive economic infrastructure network	— ⁵	8%	25%	55%	100%	— ⁵	— ⁵

Table 36.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of additional people provided with access to water per year	Water Infrastructure Development	Outcome 9: Responsive, accountable, effective and efficient developmental local government	598 766	695 600	1 000 000	1 000 000	120 000 ⁶	90 000 ⁶	56 000 ⁶
Number of municipalities supported to implement water conservation and water demand management per year	Water Infrastructure Development		68	34	61	35	— ⁷	— ⁷	— ⁷
Number of accelerated community infrastructure projects implemented per year	Water Infrastructure Development		4	14	8	19	71	50	48
Percentage completed on construction of Inyaka water treatment works as stated in the original and approved project implementation plan	Water Infrastructure Development	Outcome 6: An efficient, competitive and responsive economic infrastructure network	98%	99%	100%	— ⁸	— ⁸	— ⁸	— ⁸
Percentage completion on construction of Nandoni water distribution network and water treatment works as stated in the original and approved project implementation plan	Water Infrastructure Development		58%	79%	97%	100%	— ⁹	— ⁹	— ⁹
Percentage completion on construction of Nandoni distribution replacement of glass reinforced plastic pipeline as stated in the original and approved project implementation plan	Water Infrastructure Development		27%	65%	95%	100%	— ⁹	— ⁹	— ⁹
Percentage completion on construction of Hluhluwe regional water scheme as stated in the original and approved project implementation plan	Water Infrastructure Development		92%	100%	— ¹⁰	— ¹⁰	— ¹⁰	— ¹⁰	— ¹⁰
Number of additional resource poor farmers supported with access to water per year	Water and Sanitation Services	Outcome 7: Comprehensive rural development and land reform	4 174	1 787	1 589	744	692	253	886
Number of rainwater harvesting tanks installed for access to water and food production per year	Water and Sanitation Services		8 068	4 068	2 204	2 400	1 660	1 730	1 685
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	— ¹¹	— ¹¹	— ¹¹	131 092	142 205	— ¹¹	— ¹¹
Number of households served through the rural household infrastructure grant to eradicate sanitation backlogs per year	Water and Sanitation Services		27 686	37 852	11 858	12 596	13 148	13 844	13 078
Number of new catchment areas in which compulsory water use licensing processes have been completed per year	Water Sector Regulation	Outcome 10: Protect and enhance our environmental assets and natural resources	— ¹²	2	1	— ¹³	— ¹³	— ¹³	— ¹³
Percentage of water use authorisation applications finalised as per the water use authorisation guidelines per year	Water Sector Regulation		— ¹⁴	— ¹⁴	— ¹⁴	48%	80%	80%	80%
Total number of wastewater treatment collector systems assessed for compliance with effluent standards per year	Water Sector Regulation	Outcome 6: An efficient, competitive and responsive economic infrastructure network	831	963	967	1 028	963	963	963
Total number of water treatment supply systems assessed for compliance with drinking water quality standards per year	Water Sector Regulation	Outcome 10: Protect and enhance our environmental assets and natural resources	914	931	913	1 084	1 084	1 084	1 084

1. Historical data is not available, as this is a new indicator measured from 2015/16.

2. Historical data is not available, as this indicator was introduced in 2013/14. It replaces the indicator: Total number of gauging sites monitored. The review will be completed in 2016/17.

3. Projections are not available, as this indicator has been replaced by the indicator: Percentage completion of the review of existing water monitoring networks.

4. From 2013/14, the indicator only includes completed schemes. The indicator previously measured all the schemes implemented per year. Hence the decrease in 2013/14.

5. Historical and projected data are not available, as this project began in 2012/13 and will be completed in 2015/16.

6. Over the medium term, this indicator is measured as: Households with access to water within the 27 priority district municipalities through the municipal water infrastructure grant.

7. Projections are not available, this function has been integrated and reported under the indicator: Number of accelerated community infrastructure projects implemented.

8. Projections are not available, as this project was completed in 2013/14.

9. Projections are not available, as this project will be completed in 2014/15.

10. Historical data and projections are not available, as this project was completed in 2012/13.

11. Historical data and projections are not available, as this indicator was introduced in 2014/15 and the project is expected to be completed in 2015/16.

12. Historical data is not available, as this indicator had not been introduced yet.

13. Projections are not available, as this indicator was measured up to 2013/14. It has been streamlined to be part of water use authorisation, as the end result will be to issue a licence for water use. It has therefore been replaced by the indicator: Percentage of water use authorisation applications finalised as per the water use authorisation guidelines.

14. Historical data is not available, as this indicator was introduced in 2014/15.

Expenditure analysis

The vision outlined in the national development plan to ensure water security for economic growth and to increase 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.

The Department of Water and Sanitation's funded posts have increased because of the shift of the sanitation functions in October 2014 from the Department of Human Settlements. The department now has 4 992 funded posts, of which 4 233 are filled. 4 447 posts are expected to have been filled by 2017/18. Expenditure on compensation of employees is thus expected to increase to R1.7 billion in 2017/18.

Bulk water supply

The department has 229 funded bulk water supply and wastewater infrastructure projects in various stages of the project lifecycle. The projects are aimed at increasing and securing the provision of water, and at eradicating service delivery backlogs. The projects provide mostly pipelines and treatment plants to connect dams with local reticulation systems. This infrastructure investment will be funded in the *Water Infrastructure Development* programme, which is expected to grow by 16.7 per cent over the medium term.

21 of the 229 projects are mega infrastructure projects (total project cost of at least R1 billion), 10 of which are in the construction phase. Projected expenditure is R9.1 billion over the MTEF period, and approximately 1 million people are expected to benefit.

There are 60 large infrastructure projects (total project cost of at least R250 million but less than R1 billion), of which 34 are in the construction phase. The projects are expected to benefit over 2 million people, and expenditure is projected at R10.9 billion over the MTEF period.

Of the department's 148 small infrastructure projects (total project cost of less than R250 million), 50 are in the construction phase. Expenditure on these projects is estimated at R7.1 billion over the MTEF period.

The focus over the medium term will be on completing 76 new regional bulk water supply schemes.

Interim and basic water services

The department plans to provide interim and basic water services to 266 000 households over the medium term. Interim and basic water services include providing water from tankers, boreholes, standpipes and pipelines, and refurbishing water treatment works that are no longer working, among other such services. Costs are projected at R9.2 billion over the medium term through the municipal water infrastructure grant.

Sanitation

The department plans to eradicate buckets in formal areas by 2015/16. It also plans to provide 40 070 households with sanitation services over the medium term at a projected cost of R353.2 million through the rural households infrastructure grant in the *Water and Sanitation Services* programme. Spending in the programme is expected to decrease over the MTEF period, at an average annual rate of 22.6 per cent as buckets are eradicated.

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 Regulator													
Programme	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15
	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 (%)
R million													Outcome/Adjusted appropriation Average (%)
Programme 1	1 275.2	1 373.5	1 203.8	1 383.1	1 351.4	1 391.6	1 536.7	1 703.8	1 717.3	–	1 511.8	1 499.8	138.6%
Programme 2	477.5	684.1	661.1	698.4	617.2	656.9	731.6	721.5	396.5	–	861.9	855.1	134.7%
Programme 3	5 413.6	5 407.3	5 362.9	6 030.7	6 170.8	6 165.7	6 624.0	6 673.6	7 462.8	–	9 734.4	9 268.5	156.4%
Programme 4	2 461.0	1 310.2	1 022.3	492.1	636.0	488.7	1 080.1	1 063.3	732.2	–	1 349.4	1 136.4	83.8%
Programme 5	308.9	253.3	200.6	208.4	217.7	205.1	214.6	213.4	197.1	–	189.9	179.9	107.0%
Total	9 936.2	9 028.3	8 450.7	8 812.7	8 993.2	8 907.9	10 187.0	10 375.6	10 505.9	–	13 647.4	12 939.7	141.0%
Change to 2014											13 647.4		
Budget estimate													

Table 36.2 Vote expenditure trends by programme and economic classification

Economic classification	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Current payments	4 005.2	2 919.3	2 488.8	2 636.0	2 471.2	2 348.6	2 694.4	2 707.4	2 465.2	–	3 058.5	3 029.7	110.7%	92.6%
Compensation of employees	1 195.4	1 095.6	949.4	1 084.2	1 058.3	1 055.5	1 227.2	1 181.5	1 139.7	–	1 388.0	1 366.3	128.6%	95.5%
Goods and services of which:	2 809.7	1 823.0	1 535.4	1 549.9	1 410.5	1 289.6	1 465.1	1 525.7	1 325.4	–	1 670.3	1 663.3	99.8%	90.4%
Computer services	57.8	54.4	129.5	94.6	93.8	109.2	130.3	145.1	143.0	–	148.7	148.3	187.4%	119.9%
Consultants and professional services:	468.7	394.7	238.7	177.0	199.2	180.6	174.1	198.6	158.1	–	225.3	220.7	97.4%	78.4%
Business and advisory services														
Consultants and professional services:	280.1	519.9	150.7	351.3	275.7	133.6	170.5	184.6	188.6	–	182.7	181.5	81.6%	56.3%
Infrastructure and planning														
Contractors	44.2	44.0	221.2	53.4	52.9	64.4	144.0	147.5	129.4	–	154.1	154.1	235.7%	142.8%
Operating leases	54.1	51.6	188.1	29.1	17.6	1.0	13.0	16.0	229.5	–	272.9	272.9	719.1%	193.1%
Travel and subsistence	150.8	171.2	173.7	171.2	143.9	227.0	173.0	181.9	186.3	–	222.4	222.1	163.5%	112.5%
Interest and rent on land	–	0.7	4.0	1.9	2.4	3.5	2.1	0.2	0.1	–	0.1	0.1	192.1%	218.2%
Transfers and subsidies	3 767.2	3 512.4	3 486.1	2 913.4	2 909.4	2 932.7	3 916.4	3 918.1	4 020.6	–	4 563.9	4 520.9	141.2%	100.4%
Provinces and municipalities	1 011.5	993.1	992.5	562.6	562.6	562.8	1 024.0	1 024.1	1 129.8	–	1 033.7	990.3	141.5%	101.7%
Departmental agencies and accounts	2 503.5	2 280.5	2 259.0	2 144.4	2 140.4	2 107.9	2 431.5	2 431.5	2 437.1	–	2 737.8	2 737.8	134.8%	99.5%
Foreign governments and international organisations	180.6	180.6	179.7	180.6	180.6	180.6	188.6	188.6	182.3	–	185.2	185.2	132.4%	99.0%
Public corporations and private enterprises	–	–	–	–	–	49.4	250.0	250.0	244.1	–	580.0	580.0	349.4%	105.2%
Non-profit institutions	–	–	–	–	–	0.5	–	0.7	1.2	–	1.5	1.9		159.1%
Households	71.5	58.2	54.9	25.8	25.8	31.6	22.2	23.1	26.2	–	25.7	25.7	115.8%	104.2%
Payments for capital assets	2 163.9	2 596.6	2 450.4	3 263.2	3 612.5	3 601.2	3 576.2	3 750.0	3 968.1	–	6 025.0	5 389.1	171.1%	96.4%
Buildings and other fixed structures	2 088.6	2 509.2	2 370.2	3 171.5	3 512.7	3 527.4	3 475.6	3 642.1	3 731.4	–	5 926.7	5 301.4	170.9%	95.8%
Machinery and equipment	60.6	72.7	60.1	68.5	84.7	64.8	93.2	100.3	236.0	–	92.2	83.4	199.8%	127.0%
Software and other intangible assets	14.7	14.7	20.1	23.2	15.2	8.9	7.3	7.6	0.7	–	6.2	4.3	75.0%	77.9%
Payments for financial assets	–	–	25.5	–	–	25.4	–	–	52.0	–	–	–	–	–
Total	9 936.2	9 028.3	8 450.7	8 812.7	8 993.2	8 907.9	10 187.0	10 375.6	10 505.9	–	13 647.4	12 939.7	141.0%	97.1%

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 (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme 1	1 499.8	3.0%	14.2%	1 526.2	1 686.2	1 744.0	5.2%	10.1%
Programme 2	855.1	7.7%	6.3%	808.7	860.0	885.1	1.2%	5.3%
Programme 3	9 268.5	19.7%	69.3%	12 435.8	13 063.3	14 731.7	16.7%	77.4%
Programme 4	1 136.4	-4.6%	8.3%	1 444.6	496.8	527.7	-22.6%	5.6%
Programme 5	179.9	-10.8%	1.9%	231.3	255.3	316.4	20.7%	1.5%
Total	12 939.7	12.7%	100.0%	16 446.5	16 361.5	18 204.8	12.1%	100.0%
Change to 2014 Budget estimate				(822.5)	(1 046.3)	(91.1)		

Table 36.3 Vote expenditure estimates by programme and economic classification

Economic classification		Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ total: Average (%)
	Revised estimate							
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Current payments	3 029.7	1.2%	25.3%	3 116.8	3 316.4	3 484.5	4.8%	20.2%
Compensation of employees	1 366.3	7.6%	11.1%	1 492.1	1 634.6	1 666.2	6.8%	9.6%
Goods and services	1 663.3	-3.0%	14.2%	1 624.6	1 681.8	1 818.4	3.0%	10.6%
of which:								
Computer services	148.3	39.7%	1.3%	127.8	152.6	167.4	4.1%	0.9%
Consultants and professional services: Business and advisory services	220.7	-17.6%	2.0%	161.7	183.1	180.2	-6.5%	1.2%
Consultants and professional services: Infrastructure and planning	181.5	-29.6%	1.6%	190.5	205.2	212.1	5.3%	1.2%
Contractors	154.1	51.8%	1.4%	207.1	146.2	159.8	1.2%	1.0%
Operating leases	272.9	74.3%	1.7%	295.4	311.3	328.4	6.4%	1.9%
Travel and subsistence	222.1	9.1%	2.0%	206.7	207.2	250.9	4.1%	1.4%
Interest and rent on land	0.1	-42.3%	—	—	—	—	-100.0%	—
Transfers and subsidies	4 520.9	8.8%	36.7%	6 094.6	5 796.4	7 089.2	16.2%	36.7%
Provinces and municipalities	990.3	-0.1%	9.0%	2 305.4	1 765.4	2 400.3	34.3%	11.7%
Departmental agencies and accounts	2 737.8	6.3%	23.4%	2 566.8	2 852.3	3 704.6	10.6%	18.5%
Higher education institutions	—	—	—	0.6	0.6	0.6	—	—
Foreign governments and international organisations	185.2	0.8%	1.8%	189.2	188.4	197.7	2.2%	1.2%
Public corporations and private enterprises	580.0	—	2.1%	1 000.0	955.2	751.5	9.0%	5.1%
Non-profit institutions	1.9	—	—	1.9	2.7	2.0	1.3%	—
Households	25.7	-23.8%	0.3%	30.7	31.7	32.5	8.1%	0.2%
Payments for capital assets	5 389.1	27.6%	37.8%	7 235.1	7 248.8	7 631.0	12.3%	43.0%
Buildings and other fixed structures	5 301.4	28.3%	36.6%	7 134.7	7 102.1	7 474.0	12.1%	42.2%
Machinery and equipment	83.4	4.7%	1.1%	74.0	124.7	123.5	14.0%	0.6%
Land and sub-soil assets	—	—	—	—	—	28.7	—	—
Software and other intangible assets	4.3	-33.7%	0.1%	26.5	22.0	4.9	4.5%	0.1%
Total	12 939.7	12.7%	100.0%	16 446.5	16 361.5	18 204.8	12.1%	100.0%

Personnel information

Table 36.4 Vote personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. Water Planning and Information Management																			
3. Water Infrastructure Development																			
4. Water and Sanitation Services																			
5. Water Sector Regulation																			
Number of posts estimated for 31 March 2015			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 (%)				
		2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost						
Water and Sanitation			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Salary level	4 992	209	3 582	1 139.7	0.3	4 233	1 366.3	0.3	4 404	1 492.1	0.3	4 422	1 634.6	0.4	4 447	1 666.2	0.4	1.7%	100.0%
1 – 6	2 308	142	1 788	248.8	0.1	1 901	359.7	0.2	2 019	399.6	0.2	2 011	408.6	0.2	2 019	339.3	0.2	2.0%	45.4%
7 – 10	1 890	46	1 270	462.2	0.4	1 595	504.2	0.3	1 644	548.2	0.3	1 657	641.0	0.4	1 671	660.7	0.4	1.6%	37.5%
11 – 12	612	21	412	275.2	0.7	563	340.9	0.6	577	362.5	0.6	589	402.4	0.7	593	478.0	0.8	1.7%	13.3%
13 – 16	182	–	112	153.6	1.4	174	161.6	0.9	163	181.8	1.1	165	182.5	1.1	164	188.2	1.1	-2.0%	3.8%
Other	–	–	–	–	–	–	–	–	1	–	–	–	–	–	–	–	–	–	–
Programme	4 992	209	3 582	1 139.7	0.3	4 233	1 366.3	0.3	4 404	1 492.1	0.3	4 422	1 634.6	0.4	4 447	1 666.2	0.4	1.7%	100.0%
Programme 1	2 454	126	1 093	553.5	0.5	1 965	634.1	0.3	1 971	714.1	0.4	1 966	760.7	0.4	1 987	748.7	0.4	0.4%	45.1%
Programme 2	1 138	25	315	197.4	0.6	388	383.6	1.0	1 066	382.0	0.4	1 086	410.8	0.4	1 090	435.4	0.4	41.1%	20.7%
Programme 3	391	–	–	184.2	–	391	97.0	0.2	391	115.3	0.3	391	123.4	0.3	391	129.4	0.3	–	8.9%
Programme 4	558	12	2 054	142.8	0.1	1 311	159.2	0.1	681	138.8	0.2	681	186.1	0.3	681	188.8	0.3	-19.6%	19.2%
Programme 5	451	46	120	61.7	0.5	178	92.3	0.5	295	141.9	0.5	298	153.5	0.5	298	164.0	0.6	18.7%	6.1%

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

2. Rand million.

Departmental receipts

Table 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 (%)
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
Departmental receipts	85 637	26 015	65 950	57 020	56 996	-12.7%	100.0%	26 582	28 314	31 683	-17.8%	100.0%
Sales of goods and services produced by department	7 620	2 964	2 774	3 502	3 478	-23.0%	7.2%	3 063	3 295	3 662	1.7%	9.4%
Sales by market establishments	7 001	1 340	1 943	1 292	1 292	-43.1%	4.9%	1 436	1 566	1 819	12.1%	4.3%
of which:												
Dwellings	6 836	1 161	1 788	990	990	-47.5%	4.6%	1 200	1 300	1 500	14.9%	3.5%
Rental parking:	165	179	155	290	290	20.7%	0.3%	220	250	300	1.1%	0.7%
Covered and open												
List item	—	—	—	12	12	—	—	16	16	19	16.6%	—
Administrative fees	30	25	26	151	127	61.8%	0.1%	45	70	70	-18.0%	0.2%
of which:												
Transport fees	1	1	—	50	50	268.4%	—	30	55	55	3.2%	0.1%
Service rendered: Staff	—	—	—	60	60	—	—	—	—	—	-100.0%	—
Replacement of security guards	2	2	—	4	4	26.0%	—	3	3	3	-9.1%	—
Maps	14	10	12	13	13	-2.4%	—	12	12	12	-2.6%	—
Sale: Water potable	13	12	14	24	—	-100.0%	—	—	—	—	—	—
Other sales	589	1 599	805	2 059	2 059	51.8%	2.2%	1 582	1 659	1 773	-4.9%	4.9%
of which:												
Rental: Capital assets	—	15	15	24	24	—	—	24	24	26	2.7%	0.1%
Departmental publication	—	1	240	5	5	—	0.1%	13	15	17	50.4%	—
Commission insurance	589	1 587	550	1 000	1 000	19.3%	1.6%	697	750	750	-9.1%	2.2%
Sales: Meals and refreshments	—	32	—	1 000	1 000	—	0.4%	687	700	800	-7.2%	2.2%
Service rendered: Private boarding	—	(36)	—	30	30	—	—	161	170	180	81.7%	0.4%
Sales of scrap, waste, arms and other used current goods	—	45	9	18	18	—	—	19	19	21	5.3%	0.1%
of which:												
Scrap	—	42	6	15	15	—	—	16	16	18	6.3%	—
Waste paper	—	3	3	3	3	—	—	3	3	3	—	—
Interest, dividends and rent on land	4 176	(558)	4 612	8 500	8 500	26.7%	7.1%	4 000	4 500	5 000	-16.2%	15.3%
Interest	4 176	(558)	4 612	8 500	8 500	26.7%	7.1%	4 000	4 500	5 000	-16.2%	15.3%
Sales of capital assets	12	—	—	—	—	-100.0%	—	—	—	—	—	—
Transactions in financial assets and liabilities	73 829	23 564	58 555	45 000	45 000	-15.2%	85.7%	19 500	20 500	23 000	-20.0%	75.2%
Total	85 637	26 015	65 950	57 020	56 996	-12.7%	100.0%	26 582	28 314	31 683	-17.8%	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 resources management by:
 - establishing a joint water commission and undertaking international water resource management plans for shared water resources with Mozambique, Botswana and Swaziland on an ongoing basis
 - establishing 10 new strategic partnerships with other African countries by March 2018.
- Strengthen the regulatory function by revising, completing and submitting the National Water Amendment Bill to Parliament by March 2016, and the National Water and Sanitation Bill by March 2018.
- Ensure water ecosystem health by:
 - completing the short term acid mine drainage mitigating measures in the Eastern Basin over the medium term

- completing the acid mine drainage long-term solution project for Witwatersrand over the medium term.

Subprogrammes

- *Ministry* provides for administrative and logistical support to the minister, deputy minister and their support staff, and makes provision for their salaries.
- *Departmental Management* provides policy and strategic direction for water and sanitation management, including enterprise wide support services comprising administrative support to the director general, corporate planning, and monitoring and evaluation, as well as the provisions 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 services 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 improving coordination and governance in the management of 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 at African and global multilateral organisations and forums.

Expenditure trends and estimates

Table 36.6 Administration expenditure trends and estimates by subprogramme and economic classification

Table 6.6: 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	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
Ministry	48.5	47.1	45.3	49.5	0.7%	3.3%	49.6	43.3	56.9	4.8%	3.1%
Departmental Management	226.2	204.2	188.1	193.0	-5.2%	13.9%	182.6	194.9	216.8	4.0%	12.2%
Internal Audit	19.5	16.9	18.2	26.4	10.7%	1.4%	26.1	27.8	32.5	7.1%	1.7%
Corporate Services	526.1	516.5	560.9	652.4	7.4%	38.7%	686.6	698.3	736.1	4.1%	42.9%
Financial Management	157.7	178.0	240.4	246.3	16.0%	14.1%	203.6	276.4	231.7	-2.0%	14.8%
Office Accommodation	205.2	249.3	259.3	311.8	15.0%	17.6%	335.6	355.9	373.8	6.2%	21.3%
Programme Management Unit	–	156.8	378.0	–	–	9.2%	4.9	48.9	55.5	–	1.7%
International Water Support	20.9	23.0	27.0	32.5	15.7%	1.8%	37.2	40.8	40.7	7.8%	2.3%
Total	1 204.0	1 391.6	1 717.3	1 511.8	7.9%	100.0%	1 526.2	1 686.2	1 744.0	4.9%	100.0%
Change to 2014				(11.0)			(110.9)	(165.6)	(120.6)		
Budget estimate											

Table 36.6 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification						Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	Audited outcome			Adjusted appropriation								
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		
Current payments	1 138.5	1 184.7	1 243.6	1 458.0	8.6%	86.3%	1 449.6	1 563.5	1 616.9	3.5%		94.1%
Compensation of employees	453.7	516.5	553.5	646.1	12.5%	37.3%	714.1	760.7	748.7	5.0%		44.4%
Goods and services	683.1	666.8	690.0	811.8	5.9%	49.0%	735.5	802.7	868.2	2.3%		49.8%
of which:												
Communication	33.8	32.2	26.0	27.8	-6.3%	2.1%	35.8	31.0	40.9	13.8%		2.1%
Computer services	85.2	79.9	102.2	104.3	7.0%	6.4%	58.4	85.0	100.0	-1.4%		5.4%
Consultants and professional services:	52.6	45.6	38.1	35.5	-12.3%	3.0%	27.4	39.7	29.2	-6.3%		2.0%
Business and advisory services												
Operating leases	185.5	0.4	228.3	266.6	12.9%	11.7%	290.1	306.1	319.7	6.2%		18.3%
Property payments	43.2	278.5	59.8	74.7	20.0%	7.8%	68.6	70.7	88.2	5.7%		4.7%
Travel and subsistence	96.1	101.6	100.4	98.0	0.6%	6.8%	72.7	71.9	96.2	-0.6%		5.2%
Interest and rent on land	1.7	1.3	0.1	0.1	-66.7%	0.1%	—	—	—	-100.0%		
Transfers and subsidies	29.8	21.4	19.9	18.6	-14.6%	1.5%	20.0	21.0	21.5	4.9%		1.3%
Departmental agencies and accounts	1.2	—	—	2.7	30.7%	0.1%	3.1	3.2	3.1	4.8%		0.2%
Higher education institutions	—	—	—	—	—	—	0.6	0.6	0.6	—		—
Foreign governments and international organisations	0.7	0.6	0.6	0.9	10.5%	—	0.9	0.9	0.9	0.1%		0.1%
Non-profit institutions	—	0.5	0.8	1.3	—	—	0.9	0.9	1.0	-9.9%		0.1%
Households	27.9	20.3	18.4	13.7	-21.1%	1.4%	14.5	15.3	15.9	5.1%		0.9%
Payments for capital assets	35.7	185.2	401.8	35.2	-0.5%	11.3%	56.5	101.7	105.6	44.2%		4.6%
Buildings and other fixed structures	1.7	157.7	378.0	—	-100.0%	9.2%	—	—	—	—		—
Machinery and equipment	18.0	22.3	23.7	31.4	20.4%	1.6%	31.0	80.7	73.0	32.5%		3.3%
Land and sub-soil assets	—	—	—	0.9	—	—	—	—	28.7	217.4%		0.5%
Software and other intangible assets	16.0	5.3	0.1	2.9	-43.4%	0.4%	25.5	21.0	3.9	10.8%		0.8%
Payments for financial assets	—	0.3	52.0	—	-100.0%	0.9%	—	—	—	—		—
Total	1 204.0	1 391.6	1 717.3	1 511.8	7.9%	100.0%	1 526.2	1 686.2	1 744.0	4.9%		100.0%
Proportion of total programme expenditure to vote expenditure	14.2%	15.6%	16.3%	11.1%	—	—	9.3%	10.3%	9.6%	—		—

Details of selected transfers and subsidies												
Households												
Social benefits												
Current	15.4	5.7	5.5	0.4	-70.1%	0.5%	0.6	0.7	0.5	4.5%	—	
Employee social benefits	15.4	5.7	5.5	0.4	-70.1%	0.5%	0.6	0.7	0.5	4.5%	—	
Households												
Other transfers to households												
Current	12.5	14.6	12.9	13.3	2.0%	0.9%	13.9	14.7	15.4	5.1%	0.9%	
Bursaries for non-employees	—	14.4	12.5	13.3	1780.2%	0.7%	13.9	14.7	15.4	5.1%	0.9%	
Other transfers to households	12.5	0.2	0.4	—	-100.0%	0.2%	—	—	—	—	—	
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	1.2	—	—	2.6	30.3%	0.1%	3.1	3.2	3.1	5.1%	0.2%	
Energy Sector Education and Training Authority	1.2	—	—	2.6	30.2%	0.1%	3.1	3.2	3.1	5.1%	0.2%	
Foreign governments and international organisations												
Current	0.7	0.6	0.6	0.9	10.5%	—	0.9	0.9	0.9	0.1%	0.1%	
Orange-Senqu River Basin Commission	0.5	0.5	0.5	0.6	3.6%	—	0.6	0.6	0.6	4.7%	—	
African Ministers' Council on Water	0.2	0.1	0.1	0.1	-18.5%	—	0.1	0.1	0.1	2.7%	—	
Limpopo River Basin Commission	—	—	—	0.3	—	—	0.2	0.2	0.2	-12.6%	—	
Non-profit institutions												
Current	—	0.5	0.8	1.3	—	—	0.9	0.9	1.0	-9.9%	0.1%	
Non-profit institutions	—	0.5	—	—	—	—	—	—	—	—	—	
Women In Water awards	—	—	0.8	1.3	—	—	0.9	0.9	1.0	-9.9%	0.1%	

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 efficient water usage by supporting municipalities to implement water conservation and demand management programmes on a continuous basis.

- Maintain a reliable and equitable supply of water by developing new and updating existing reconciliation strategies for the water management areas in Richards Bay by March 2016, Limpopo North by March 2017, and Mahikeng 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 development of a hydrological water monitoring network system, to enable the review of all existing water monitoring networks by March 2017.
- Ensure the protection of water resources by developing an integrated water quality management strategy to determine resource quality objectives for 11 river systems 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. This entails determining resource direct measures by classifying water resource systems, determining reserves, conducting resource quality assessments, and determining resource directed measures by 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 making informed water management decisions.

Expenditure trends and estimates

Table 36.7 Water Planning and Information Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	Audited outcome										
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		
Water Planning, Information Management and Support	3.4	3.4	4.7	6.3	22.6%	0.6%	7.0	7.5	7.5	5.7%	0.8%
Integrated Planning	178.8	162.8	182.2	203.3	4.4%	26.0%	201.8	212.6	221.6	2.9%	24.6%
Water Ecosystems	35.6	32.1	46.9	59.3	18.6%	6.2%	66.6	71.5	75.0	8.1%	8.0%
Water Information Management	443.3	458.6	379.3	592.9	10.2%	67.1%	533.2	568.3	581.0	-0.7%	66.6%
Total	661.1	656.9	613.2	861.9	9.2%	100.0%	808.7	860.0	885.1	0.9%	100.0%
Change to 2014 Budget estimate				29.5			(10.7)	(17.7)	(27.6)		

Table 36.7 Water Planning and Information Management expenditure trends and estimates by subprogramme and economic classification

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
Current payments	554.9	581.6	481.4	780.0	12.0%	85.9%	747.3	795.6	816.3	1.5%	91.9%
Compensation of employees	250.5	279.3	197.4	388.0	15.7%	39.9%	382.0	410.8	435.4	3.9%	47.3%
Goods and services	302.6	300.6	284.0	392.0	9.0%	45.8%	365.3	384.8	380.9	-0.9%	44.6%
of which:											
Communication	6.0	6.8	2.8	8.3	11.8%	0.9%	8.3	9.2	9.7	5.0%	1.0%
Computer services	42.4	27.9	75.9	42.5	0.1%	6.8%	54.7	52.1	50.0	5.5%	5.8%
Consultants and professional services:	27.0	8.5	8.6	37.1	11.2%	2.9%	27.6	33.5	22.0	-16.1%	3.5%
Business and advisory services											
Consultants and professional services:	68.5	118.6	125.7	141.3	27.3%	16.3%	132.6	140.4	141.0	-0.1%	16.3%
Infrastructure and planning											
Travel and subsistence	21.5	67.9	43.8	66.5	45.7%	7.2%	62.7	69.4	70.4	1.9%	7.9%
Training and development	2.6	3.5	2.9	7.0	39.2%	0.6%	9.3	9.7	10.0	12.8%	1.1%
Interest and rent on land	1.8	1.8	—	—	-100.0%	0.1%	—	—	—	—	—
Transfers and subsidies	1.2	3.4	1.5	11.5	110.4%	0.6%	0.7	0.8	0.8	-59.0%	0.4%
Provinces and municipalities	—	0.3	—	0.5	532.9%	—	0.3	0.4	0.4	-9.1%	—
Public corporations and private enterprises	—	—	0.1	—	—	—	—	—	—	—	—
Households	1.2	3.1	1.4	11.0	107.2%	0.6%	0.4	0.4	0.4	-67.2%	0.4%
Payments for capital assets	104.9	71.9	130.3	70.4	-12.5%	13.5%	60.6	63.7	68.0	-1.1%	7.7%
Buildings and other fixed structures	64.9	32.5	31.1	28.5	-24.0%	5.6%	29.4	32.0	33.6	5.7%	3.6%
Machinery and equipment	36.4	35.9	98.6	41.4	4.4%	7.6%	30.3	30.8	33.4	-6.8%	4.0%
Software and other intangible assets	3.7	3.6	0.5	0.5	-48.6%	0.3%	1.0	0.9	1.0	24.2%	0.1%
Total	661.1	656.9	613.2	861.9	9.2%	100.0%	808.7	860.0	885.1	0.9%	100.0%
Proportion of total programme expenditure to vote expenditure	7.8%	7.4%	5.8%	6.3%	—	—	4.9%	5.3%	4.9%	—	—
Households	1.2	0.3	1.4	—	-100.0%	0.1%	0.4	0.4	0.4	—	—
Social benefits											
Current											
Employee social benefits	1.2	0.3	1.4	—	-100.0%	0.1%	0.4	0.4	0.4	—	—
Households											
Other transfers to households											
Current	—	2.8	—	11.0	—	0.5%	—	—	—	-100.0%	0.3%
Vehicle licences	—	1.2	—	—	—	—	—	—	—	—	—
Poor farmers	—	1.6	—	—	—	0.1%	—	—	—	—	—
Other transfer	—	—	—	11.0	—	0.4%	—	—	—	-100.0%	0.3%

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 bulk raw water infrastructure, including dam safety rehabilitation, on an ongoing basis.
- Ensure the availability of water supply for domestic and agricultural use over the medium term by completing 76 bulk infrastructure schemes by March 2018.
- Ensure the provision of local government institutional support through the refurbishment of 100 prioritised schemes for municipalities by March 2017.
- Support the water sector in local government by providing funding and institutional support to 49 prioritised municipalities to implement community infrastructure water projects over the MTEF period.

Subprogrammes

- *Infrastructure Development and Rehabilitation* provides for the design, construction and commissioning of new water resource infrastructure, and the rehabilitation of existing infrastructure to ensure the safety and functionality of departmental dams and related infrastructure.
- *Operation of Water Resources* funds expenditure on water resources 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, the municipal water infrastructure grant, the water services operating subsidy grant, and the transfer of water schemes.

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 (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Infrastructure Development and Rehabilitation	2 216.9	2 092.0	2 391.7	2 755.2	7.5%	32.9%	2 586.6	2 871.6	3 723.8	10.6%	23.9%
Operation of Water Resources	167.1	159.5	167.1	164.2	-0.6%	2.3%	164.4	165.0	173.0	1.7%	1.3%
Water Services Infrastructure	2 978.8	3 914.2	4 904.0	6 815.0	31.8%	64.8%	9 684.8	10 026.7	10 834.9	16.7%	74.8%
Total	5 362.9	6 165.7	7 462.8	9 734.4	22.0%	100.0%	12 435.8	13 063.3	14 731.7	14.8%	100.0%
Change to 2014 Budget estimate				39.3			(693.4)	(791.6)	183.8		
Economic classification											
Current payments	212.3	224.1	399.0	312.9	13.8%	4.0%	360.8	344.9	362.1	5.0%	2.8%
Compensation of employees	72.0	76.4	184.2	97.0	10.5%	1.5%	115.3	123.4	129.4	10.1%	0.9%
Goods and services	140.2	147.6	214.7	215.8	15.5%	2.5%	245.5	221.5	232.7	2.5%	1.8%
of which:											
Consultants and professional services:	33.9	46.5	29.0	50.7	14.4%	0.6%	34.4	43.5	45.3	-3.7%	0.3%
Business and advisory services											
Consultants and professional services:	70.8	29.0	53.6	25.1	-29.2%	0.6%	26.5	26.8	28.2	3.9%	0.2%
Infrastructure and planning											
Contractors	14.3	38.2	102.1	103.7	93.8%	0.9%	146.6	111.8	117.4	4.2%	1.0%
Agency and support/outourced services	2.0	11.7	8.2	10.5	73.8%	0.1%	10.2	9.1	9.6	-3.0%	0.1%
Property payments	2.6	4.2	4.4	2.6	-0.3%	—	2.7	2.9	3.0	4.9%	—
Travel and subsistence	11.5	13.1	9.3	10.4	-3.1%	0.2%	11.8	12.9	14.1	10.4%	0.1%
Interest and rent on land	0.1	0.2	—	—	-100.0%	—	—	—	—	—	—
Transfers and subsidies	2 947.0	2 818.2	3 816.3	4 485.6	15.0%	49.0%	6 009.1	5 644.6	6 925.3	15.6%	46.2%
Provinces and municipalities	542.3	562.4	1 022.5	985.2	22.0%	10.8%	2 256.8	1 651.5	2 275.6	32.2%	14.3%
Departmental agencies and accounts	2 205.0	2 071.5	2 377.2	2 735.2	7.4%	32.7%	2 562.8	2 849.1	3 700.0	10.6%	23.7%
Foreign governments and international organisations	179.1	180.0	181.6	184.3	1.0%	2.5%	188.2	187.5	196.8	2.2%	1.5%
Public corporations and private enterprises	—	—	231.4	580.0	—	2.8%	1 000.0	955.2	751.5	9.0%	6.6%
Households	20.7	4.2	3.6	1.0	-63.6%	0.1%	1.3	1.3	1.4	10.9%	—
Payments for capital assets	2 203.5	3 123.4	3 247.5	4 936.0	30.8%	47.0%	6 065.9	7 073.8	7 444.3	14.7%	51.1%
Buildings and other fixed structures	2 196.5	3 122.7	3 193.7	4 933.8	31.0%	46.8%	6 062.3	7 070.1	7 440.4	14.7%	51.0%
Machinery and equipment	7.0	0.7	53.9	2.2	-32.4%	0.2%	3.6	3.7	3.9	22.2%	—
Total	5 362.9	6 165.7	7 462.8	9 734.4	22.0%	100.0%	12 435.8	13 063.3	14 731.7	14.8%	100.0%
Proportion of total programme expenditure to vote expenditure	63.5%	69.2%	71.0%	71.3%	—	—	75.6%	79.8%	80.9%	—	—
Details of selected transfers and subsidies											
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	—	—	601.5	535.6	—	4.0%	1 803.9	1 185.8	1 773.1	49.0%	10.6%
Municipal water infrastructure grant	—	—	601.5	535.6	—	4.0%	1 803.9	1 185.8	1 773.1	49.0%	10.6%
Capital	542.3	562.4	420.9	449.6	-6.1%	6.9%	452.9	465.7	502.5	3.8%	3.7%
Water services operating subsidy grant	542.3	562.4	420.9	449.6	-6.1%	6.9%	452.9	465.7	502.5	3.8%	3.7%
Households											
Social benefits											
Current	20.7	4.2	3.6	1.0	-63.6%	0.1%	1.3	1.3	1.4	10.9%	—
Water services operating subsidy:	20.7	4.2	3.6	1.0	-63.6%	0.1%	1.3	1.3	1.4	10.9%	—
Employee social benefits											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	167.1	159.5	167.1	164.2	-0.6%	2.3%	164.4	165.0	173.0	1.7%	1.3%
Water Trading Entity	167.1	159.5	167.1	164.2	-0.6%	2.3%	164.4	165.0	173.0	1.7%	1.3%
Capital	2 037.8	1 912.0	2 210.1	2 570.9	8.1%	30.4%	2 398.4	2 684.1	3 527.0	11.1%	22.4%
Water Trading Entity	2 037.8	1 912.0	2 210.1	2 570.9	8.1%	30.4%	2 398.4	2 684.1	3 527.0	11.1%	22.4%
Foreign governments and international organisations											
Current	179.1	180.0	181.6	184.3	1.0%	2.5%	188.2	187.5	196.8	2.2%	1.5%
Komati River Basin Water Authority	179.1	180.0	181.6	184.3	1.0%	2.5%	188.2	187.5	196.8	2.2%	1.5%

Table 36.8 Water Infrastructure Development 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	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	–	–	231.4	580.0	–	2.8%	1 000.0	955.2	751.5	9.0%	6.6%
Amatola Water Board: Regional bulk infrastructure	–	–	–	150.0	–	0.5%	169.1	92.4	–	-100.0%	0.8%
Magalies Water Board: Regional bulk infrastructure	–	–	231.4	70.0	–	1.0%	348.0	108.0	85.2	6.8%	1.2%
Umgeni Water Board: Regional bulk infrastructure	–	–	–	216.8	–	0.8%	279.1	500.8	437.4	26.4%	2.9%
Sedibeng Water Board: Regional bulk infrastructure	–	–	–	143.2	–	0.5%	203.8	254.0	228.9	16.9%	1.7%

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

- Ensure access to sanitation services for households by rolling out on-site sanitation infrastructure to 40 070 households in rural areas by March 2017.
- Improve access to basic sanitation and ensure human dignity by eradicating bucket sanitation systems in formal areas by March 2016.
- Support the provision of water through the installation of rainwater harvesting tanks to an additional 4 740 households over the MTEF period.
- Enhance the provision of water and sanitation services by facilitating sector collaboration, and coordinate intergovernmental relations on the provision of these services as and when required.

Subprogrammes

- *Water and Sanitation Services Support* provides strategic leadership and overall management to the programme.
- *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				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		
Water and Sanitation Services Support	4.8	4.8	5.4	2.1	-24.0%	0.5%	5.3	5.9	6.1	42.2%	0.5%
Water Sector Support	731.5	217.5	250.4	243.6	-30.7%	42.7%	257.2	294.1	309.3	8.3%	28.9%
National Sanitation Services	286.0	266.4	259.7	1 103.8	56.9%	56.8%	1 182.1	196.8	212.3	-42.3%	70.6%
Total	1 022.3	488.7	515.5	1 349.4	9.7%	100.0%	1 444.6	496.8	527.7	-26.9%	100.0%
Change to 2014 Budget estimate				(7.2)			0.7	(15.6)	(110.4)		

Table 36.9 Water and Sanitation 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Current payments	320.5	261.8	269.9	319.3	-0.1%	34.7%	333.0	362.2	379.9	6.0%	36.5%
Compensation of employees	113.7	124.2	142.8	159.2	11.9%	16.0%	138.8	186.1	188.8	5.8%	17.6%
Goods and services	206.4	137.4	127.1	160.0	-8.1%	18.7%	194.1	176.1	191.2	6.1%	18.9%
of which:											
Computer services	0.9	0.4	0.2	1.1	7.9%	0.1%	11.0	11.5	12.2	123.6%	0.9%
Consultants and professional services:	103.6	56.8	44.0	57.9	-17.6%	7.8%	47.4	36.3	43.9	-8.8%	4.9%
Business and advisory services											
Consultants and professional services:	2.5	–	1.7	6.6	38.5%	0.3%	24.4	27.0	28.5	62.6%	2.3%
Infrastructure and planning											
Contractors	20.6	1.9	4.1	5.3	-36.2%	0.9%	17.1	3.3	3.2	-15.4%	0.8%
Agency and support/outsource services	24.6	25.0	12.4	14.5	-16.1%	2.3%	23.2	23.8	24.8	19.6%	2.3%
Travel and subsistence	29.0	30.1	40.0	30.7	1.8%	3.8%	36.6	37.7	39.7	9.0%	3.8%
Interest and rent on land	0.3	0.3	–	–	-100.0%	–	–	–	–	–	–
Transfers and subsidies	455.1	4.0	110.4	48.2	-52.7%	18.3%	63.8	129.2	140.2	42.7%	10.0%
Provinces and municipalities	450.1	0.1	107.0	47.6	-52.7%	17.9%	48.2	113.5	124.3	37.7%	8.7%
Non-profit institutions	–	–	0.3	0.6	–	–	1.0	1.0	1.0	19.8%	0.1%
Households	4.9	3.9	3.0	–	-100.0%	0.4%	14.5	14.7	14.9	–	1.2%
Payments for capital assets	246.8	222.8	135.1	982.0	58.5%	47.0%	1 047.8	5.4	7.6	-80.2%	53.5%
Buildings and other fixed structures	241.9	217.3	128.9	974.7	59.1%	46.3%	1 042.7	–	–	-100.0%	52.8%
Machinery and equipment	4.4	5.5	6.1	7.3	18.4%	0.7%	5.1	5.4	7.6	1.3%	0.7%
Software and other intangible assets	0.5	–	–	–	-100.0%	–	–	–	–	–	–
Payments for financial assets	–	–	0.1	–	-100.0%	–	–	–	–	–	–
Total	1 022.3	488.7	515.5	1 349.4	9.7%	100.0%	1 444.6	496.8	527.7	-26.9%	100.0%
Proportion of total programme expenditure to vote expenditure	12.1%	5.5%	4.9%	9.9%	–	–	8.8%	3.0%	2.9%	–	–
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Capital	450.0	–	106.7	47.6	-52.7%	17.9%	48.2	113.5	124.2	37.7%	8.7%
Drought relief grant	450.0	–	–	–	-100.0%	13.3%	–	–	–	–	–
Rural households infrastructure grant	–	–	106.7	47.6	–	4.6%	48.2	113.5	124.2	37.7%	8.7%
Households											
Other transfers to households											
Current	4.5	3.8	2.3	–	-100.0%	0.3%	14.5	14.7	14.9	–	1.2%
Employee social benefits	–	–	–	–	–	–	14.5	14.7	14.9	–	1.2%
Resource poor farmers	4.5	3.8	2.3	–	-100.0%	0.3%	–	–	–	–	–
Non-profit institutions											
Current	–	–	0.3	0.6	–	–	1.0	1.0	1.0	19.8%	0.1%
Baswa le Metsee and South African Youth	–	–	0.3	0.6	–	–	1.0	1.0	1.0	19.8%	0.1%
Water prizes											

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

- Create an enabling environment for economic and social regulation of water by revising the water pricing strategy and developing the economic regulation strategy by 2017/18.
- Improve efficiency and effectiveness in the delivery of water and provide dignified sanitation by establishing 9 catchment management agencies and 9 regional water utilities by 2017/18.
- Ensure the equitable allocation of water resources for social and economic development by processing 100 per cent of water use authorisations received by March 2018.
- Strengthen regulation by implementing monitoring programmes for drinking water quality and wastewater quality 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 users, conducting investigations and providing legal support in cases of unlawful water use on an ongoing basis.

Subprogrammes

- *Water Sector Regulation Management and Support* provides strategic leadership and overall management to the programme.
- *Economic and Social Regulation* ensures that pricing is efficient 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, with a focus 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 (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2014/15 - 2017/18
Water Sector Regulation Management and Support	0.3	0.3	0.9	8.7	204.0%	1.3%	6.2	6.8	7.4	-5.3%	2.9%
Economic and Social Regulation	—	0.1	—	3.9	—	0.5%	6.0	7.1	7.5	24.2%	2.5%
Water Use Authorisation and Administration	61.6	53.6	54.6	56.9	-2.6%	28.6%	61.4	69.6	121.6	28.8%	31.2%
Water Supply Services and Sanitation Regulation	21.0	23.9	23.1	35.2	18.9%	13.0%	23.3	23.1	23.1	-13.1%	10.5%
Compliance Monitoring	—	—	0.6	17.4	1955.9%	2.3%	60.4	67.3	71.3	60.1%	21.8%
Enforcement	8.2	9.5	12.8	16.8	26.8%	6.0%	28.9	30.1	31.8	23.7%	10.8%
Institutional Oversight	109.5	117.7	105.1	51.0	-22.5%	48.4%	45.3	51.4	53.8	1.8%	20.3%
Total	200.6	205.1	197.1	189.9	-1.8%	100.0%	231.3	255.3	316.4	18.6%	100.0%
Change to 2014				12.7			(8.2)	(55.8)	(16.3)		
Budget estimate											
Economic classification											
Current payments	121.3	118.7	123.2	188.3	15.8%	69.6%	226.0	250.3	309.3	18.0%	98.1%
Compensation of employees	59.5	59.1	61.7	97.6	18.0%	35.1%	141.9	153.5	164.0	18.9%	56.1%
Goods and services	61.8	59.6	61.5	90.6	13.6%	34.5%	84.2	96.8	145.4	17.1%	42.0%
of which:											
Communication	1.8	1.5	1.0	3.1	19.7%	0.9%	3.2	3.9	6.1	25.4%	1.6%
Consultants and professional services: Business and advisory services	21.6	23.0	30.3	44.1	26.8%	15.0%	24.9	30.1	39.9	-3.3%	14.0%
Consultants and professional services: Infrastructure and planning	0.7	5.3	8.2	8.3	125.3%	2.8%	5.0	10.3	12.1	13.3%	3.6%
Agency and support/outsourced services	12.9	6.3	1.7	7.7	-15.7%	3.6%	7.7	5.5	17.8	32.1%	3.9%
Travel and subsistence	15.4	14.2	11.3	16.9	3.0%	7.3%	23.0	15.3	30.6	22.0%	8.6%
Training and development	1.2	1.1	0.9	2.4	24.9%	0.7%	3.2	3.8	3.9	18.1%	1.3%
Interest and rent on land	—	—	—	0.1	58.7%	—	—	—	—	-100.0%	—
Transfers and subsidies	52.9	85.8	72.6	—	-100.0%	26.7%	1.0	0.8	1.5	—	0.3%
Departmental agencies and accounts	52.9	36.4	59.8	—	-100.0%	18.8%	1.0	—	1.5	—	0.3%
Public corporations and private enterprises	—	49.4	12.6	—	—	7.8%	—	—	—	—	—
Non-profit institutions	—	—	—	—	—	—	—	0.8	—	—	0.1%
Households	0.1	—	0.1	—	-100.0%	—	—	—	—	—	—
Payments for capital assets	1.0	0.6	1.3	1.5	15.8%	0.6%	4.3	4.2	5.6	54.2%	1.6%
Buildings and other fixed structures	—	—	0.4	0.3	—	0.1%	0.3	—	—	-100.0%	0.1%
Machinery and equipment	1.0	0.6	0.9	1.2	7.6%	0.5%	4.0	4.2	5.6	66.0%	1.5%
Payments for financial assets	25.4	—	—	—	-100.0%	3.2%	—	—	—	—	—
Total	200.6	205.1	197.1	189.9	-1.8%	100.0%	231.3	255.3	316.4	18.6%	100.0%
Proportion of total programme expenditure to vote expenditure	2.4%	2.3%	1.9%	1.4%	—	—	1.4%	1.6%	1.7%	—	—

Table 36.10 Water Sector Regulation 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	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	52.9	36.4	59.8	–	-100.0%	18.8%	1.0	–	1.5	–	0.3%
Water Research Commission	–	–	–	–	–	–	1.0	–	1.5	–	0.3%
Breede-Overberg Catchment Management Agency	18.1	19.0	31.6	–	-100.0%	8.7%	–	–	–	–	–
Inkomati Catchment Management Agency	34.8	17.4	28.2	–	-100.0%	10.1%	–	–	–	–	–
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	–	49.4	12.6	–	–	7.8%	–	–	–	–	–
Rand Water Board	–	18.0	–	–	–	2.3%	–	–	–	–	–
Botshelo Water Board	–	31.4	12.6	–	–	5.6%	–	–	–	–	–

Public entities and other agencies

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 services 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, 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 sales

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
Amatola	Primary business	Outcome 6: An efficient, competitive and responsive economic infrastructure network	30 835	31 451	31 723	33 189	34 054	34 640	43 180
Bloem	Primary business		71 396	69 033	76 182	72 063	73 504	74 974	76 474
Botshelo	Primary business		14 823	15 100	13 100	14 900	– ¹	– ¹	– ¹
Bushbuckridge	Primary business		28 840	36 756	35 137	49 694	– ²	– ²	– ²
Lepelle	Primary business		94 565	94 025	97 637	98 022	98 022	98 022	98 022
Magalies	Primary business		80 806	79 985	75 503	86 290	87 866	93 112	98 716
Mhlathuze	Primary business		43 981	39 912	40 208	43 800	45 625	45 625	45 625
Overberg	Primary business		4 253	4 727	2 136	2 156	2 160	2 165	2 171
Pelladrift	Primary business		4 459	4 520	4 013	3 075	– ³	– ³	– ³
Rand	Primary business		1 456 081	1 490 188	1 526 861	1 548 669	1 572 797	1 600 321	1 628 326
Sedibeng	Primary business		90 215	95 773	92 346	89 200	93 930	98 627	103 558
Umgenti	Primary business		417 782	416 550	439 544	441 320	451 777	451 857	451 926

1. Projections are not available, as Botshelo Water was disestablished in 2014/15 and operations have been incorporated into Magalies and Sedibeng Water.

2. Projections are not available, as Bushbuckridge Water was disestablished in 2014/15 and operations have been incorporated into Rand Water.

3. Projections are not available, as Pelladrift Water was disestablished in 2014/15 and operations have been incorporated into Sedibeng Water.

Expenditure analysis

Water boards are self-funded legal entities that 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, which is in line with outcome 6 of government's 2014-2019 medium term strategic framework (an efficient, competitive and responsive economic infrastructure network). In contributing to achieving the goals of the plan, the boards will continue to assist the Department of Water and Sanitation to build bulk water infrastructure to enable them to provide bulk water and sanitation services in their areas of operation.

Operational costs for the provision of bulk treated water will 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. The carrying value of assets is expected to grow to R42.7 billion over the medium term, as the boards are projected to invest R17.3 billion in capital infrastructure over this period. In providing bulk treated water, the boards' largest spending items are energy costs for pumping water, raw water costs, staff costs and chemical costs. Thus, increased expenditure over the medium term is a result of 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. Increased expenditure on compensation of employees over the medium term is a result of wages increasing at a higher rate than inflation, as well as an increase in the number of staff required to provide support services to municipalities.

Revenue collected by the boards is derived mainly from the sale of bulk water, sanitation, and other services to water service authorities in their areas. It is expected that revenue from the sale of bulk water will increase at an average annual rate of 10.8 per cent over the medium term. The increase is due to increased water demand by municipalities and expansion in the boards' areas of operation.

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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
Administration	2 532.7	2 598.1	2 650.5	2 957.3	5.3%	22.7%	3 198.0	3 552.0	3 927.8	9.9%	22.0%
Water boards activities	7 679.7	8 434.8	10 124.1	10 619.2	11.4%	77.3%	11 585.4	12 528.2	13 570.9	8.5%	78.0%
Total	10 212.5	11 032.9	12 774.6	13 576.5	10.0%	100.0%	14 783.3	16 080.2	17 498.7	8.8%	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	Audited outcome		Audited outcome		Audited outcome		Revised estimate		Outcome/Budget Average (%)
	Budget	2011/12	Budget	2012/13	Budget	2013/14	Budget estimate	2014/15	
Revenue									
Non-tax revenue	11 722.4	11 982.5	12 873.9	12 981.3	13 670.2	14 981.3	15 960.8	15 874.3	100.0%
Sale of goods and services other than capital assets	11 075.9	11 069.7	12 203.5	12 027.9	12 821.5	13 609.3	15 117.1	15 002.1	94.4%
of which:									
Administrative fees	0.4	–	–	–	–	11.6	0.2	12.1	–
Sales of bulk water	11 075.6	11 069.7	12 203.5	12 027.9	12 821.5	13 597.6	15 116.9	14 990.0	94.4%
Other non-tax revenue	646.5	912.8	670.4	953.4	848.7	1 372.0	843.8	872.3	5.6%
Transfers received	–	–	–	–	–	23.3	–	–	–
Total revenue	11 722.4	11 982.5	12 873.9	12 981.3	13 670.2	15 004.6	15 960.8	15 874.3	100.0%
Expenses									
Current expenses	10 362.8	10 212.5	11 372.3	11 032.9	11 990.0	12 774.6	13 745.2	13 576.5	100.0%
Compensation of employees	2 005.2	2 127.3	2 139.5	2 248.8	2 364.7	2 688.1	2 702.2	2 722.1	19.5%
Goods and services	7 503.7	7 440.7	8 422.4	8 167.3	8 796.9	9 324.4	10 249.8	10 007.2	73.4%
Depreciation	557.3	502.3	585.8	501.4	647.7	666.6	664.9	716.2	5.3%
Interest, dividends and rent on land	296.6	142.1	224.7	115.4	180.8	95.5	128.3	130.9	1.8%
Total expenses	10 362.8	10 212.5	11 372.3	11 032.9	11 990.0	12 774.6	13 745.2	13 576.5	100.0%
Surplus/(Deficit)	1 360.0	1 770.0	1 502.0	1 948.0	1 680.0	2 230.0	2 216.0	2 298.0	–

Table 36.13 Consolidated water boards statements of historical financial performance and position

Statement of financial position									
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget Average (%)
R million	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15
Carrying value of assets	17 463.3	15 105.4	18 487.3	18 253.5	20 992.2	21 480.0	25 863.5	27 468.6	78.3%
of which:									
Acquisition of assets	810.6	2 067.1	1 091.1	2 478.2	2 771.0	3 725.9	1 327.8	5 831.4	8.9%
Investments	1 263.7	2 582.2	2 128.7	3 254.8	1 696.6	3 595.7	1 622.4	1 886.5	6.6%
Inventory	99.3	227.0	109.6	293.6	119.1	316.0	120.7	343.1	0.6%
Loans	–	5.9	–	5.4	–	5.0	5.7	5.3	–
Accrued investment interest	–	25.2	–	27.6	–	40.7	–	–	–
Receivables and prepayments	1 707.5	2 120.1	1 890.7	2 739.4	1 924.4	4 120.0	2 447.3	2 794.0	7.7%
Cash and cash equivalents	1 902.2	2 206.3	1 382.3	2 031.8	1 667.1	2 132.2	1 980.6	1 980.9	6.6%
Non-current assets held for sale	–	41.5	192.4	1.8	69.5	1.6	13.5	–	0.3%
Defined benefit plan assets	–	13.1	0.3	20.0	7.7	20.8	–	–	–
Taxation	–	3.1	–	–	–	–	–	–	–
Total assets	22 435.9	22 329.9	24 191.3	26 627.9	26 476.6	31 712.0	32 053.8	34 478.4	100.0%
Accumulated surplus/(deficit)	13 612.1	12 611.6	13 662.3	14 393.5	15 509.5	16 783.0	18 118.0	19 051.3	57.7%
Capital and reserves	1 130.4	2 233.4	2 321.7	3 478.0	2 700.3	3 523.3	2 045.3	3 254.6	8.6%
Capital reserve fund	–	23.5	31.4	23.5	200.0	93.9	–	208.0	0.4%
Borrowings	5 377.9	2 778.1	4 751.1	3 198.4	4 489.2	4 276.0	6 314.5	5 877.4	19.4%
Finance lease	–	–	–	–	–	7.9	–	11.4	–
Accrued interest	–	34.7	–	31.4	32.4	27.4	28.6	30.9	0.1%
Deferred income	184.1	365.4	220.0	459.8	181.0	788.9	1 351.5	1 133.0	1.4%
Trade and other payables	1 863.6	3 259.2	2 792.4	3 995.3	2 888.7	5 042.6	3 432.4	3 788.8	10.4%
Taxation	–	1.7	–	6.8	–	3.4	0.9	3.2	–
Provisions	262.3	751.4	412.4	974.4	442.1	1 097.0	696.3	1 056.2	1.9%
Managed funds (e.g. poverty alleviation fund)	2.8	–	–	–	–	–	–	–	–
Derivatives financial instruments	2.8	271.1	–	66.9	33.3	68.7	66.2	63.8	0.1%
Total equity and liabilities	22 435.9	22 329.9	24 191.3	26 627.9	26 476.6	31 712.0	32 053.8	34 478.4	100.0%

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								
	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Revenue								
Non-tax revenue	15 874.3	9.8%	100.0%	13 655.2	15 145.4	21 421.1	10.5%	100.0%
Sale of goods and services other than capital assets	15 002.1	10.7%	92.6%	13 005.8	14 451.4	20 410.6	10.8%	95.1%
of which:								
Administrative fees	12.1	–	–	13.1	14.1	15.3	8.0%	0.1%
Sales of bulk water	14 990.0	10.6%	92.5%	12 992.7	14 437.2	20 395.3	10.8%	95.0%
Other non-tax revenue	872.3	-1.5%	7.4%	649.4	694.1	1 010.6	5.0%	4.9%
Total revenue	15 874.3	9.8%	100.0%	13 655.2	15 145.4	21 421.1	10.5%	100.0%
Expenses								
Current expenses	13 576.5	10.0%	100.0%	14 783.3	16 080.2	17 498.7	8.8%	100.0%
Compensation of employees	2 722.1	8.6%	20.6%	2 981.9	3 235.1	3 491.1	8.6%	20.1%
Goods and services	10 007.2	10.4%	73.4%	10 883.7	11 792.3	12 830.8	8.6%	73.5%
Depreciation	716.2	12.5%	5.0%	792.0	887.2	953.1	10.0%	5.4%
Interest, dividends and rent on land	130.9	-2.7%	1.0%	125.7	165.7	223.8	19.6%	1.0%
Total expenses	13 576.5	10.0%	100.0%	14 783.3	16 080.2	17 498.7	8.8%	100.0%
Surplus/(Deficit)	2 298.0	9.1%	–	(1 128.0)	(935.0)	3 922.0	19.5%	–

Table 36.14 Consolidated water boards statements of estimates of financial performance and position

Statement of financial position		Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Revised estimate	2014/15			2015/16	2016/17	2017/18		
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Carrying value of assets	27 468.6	22.1%	70.9%	33 170.9	38 629.3	42 741.1	15.9%	82.5%
of which:								
Acquisition of assets	5 831.4	41.3%	11.8%	5 851.4	5 610.8	4 329.2	-9.5%	13.1%
Investments	1 886.5	-9.9%	10.1%	1 541.2	1 550.7	1 854.8	-0.6%	4.1%
Inventory	343.1	14.8%	1.0%	359.7	383.1	406.7	5.8%	0.9%
Loans	5.3	-3.7%	—	5.3	5.2	5.2	-0.3%	—
Accrued investment interest	—	-91.4%	0.1%	—	—	—	—	—
Receivables and prepayments	2 794.0	9.6%	10.2%	2 899.3	3 131.6	3 357.2	6.3%	7.2%
Cash and cash equivalents	1 980.9	-3.5%	7.5%	1 972.6	2 216.6	2 947.4	14.2%	5.3%
Total assets	34 478.4	15.6%	100.0%	39 949.0	45 916.5	51 312.5	14.2%	100.0%
Accumulated surplus/(deficit)	19 051.3	14.7%	54.7%	21 621.1	24 866.3	28 674.6	14.6%	54.9%
Capital and reserves	3 254.6	13.4%	10.9%	3 273.8	3 293.1	3 318.9	0.7%	7.8%
Capital reserve fund	208.0	106.9%	0.3%	—	—	—	-100.0%	0.2%
Borrowings	5 877.4	28.4%	13.7%	7 732.7	9 299.4	10 262.1	20.4%	19.2%
Finance lease	11.4	—	—	7.8	3.9	0.1	-83.6%	—
Accrued interest	30.9	-3.8%	0.1%	29.5	28.7	24.0	-8.1%	0.1%
Deferred income	1 133.0	45.8%	2.3%	2 320.3	3 304.2	3 790.9	49.6%	5.9%
Trade and other payables	3 788.8	5.1%	14.1%	3 751.6	3 804.8	3 813.5	0.2%	9.0%
Taxation	3.2	22.2%	—	2.3	2.2	2.2	-11.0%	—
Provisions	1 056.2	12.0%	3.4%	1 144.9	1 247.5	1 355.2	8.7%	2.8%
Derivatives financial instruments	63.8	-38.3%	0.5%	65.2	66.4	71.1	3.7%	0.2%
Total equity and liabilities	34 478.4	15.6%	100.0%	39 949.0	45 916.5	51 312.6	-104.9%	100.0%

Rand Water

Mandate

Rand Water was established in terms of the Water Services Act (1997) and is listed as a schedule 3B public entity in terms of the Public Finance Management Act (1999). The entity supplies water to approximately 12.3 million consumers in Gauteng. In addition to municipalities, Rand Water supplies bulk water to mines and industries. The entity is also mandated to provide management services, training and other support services to water service institutions, and to promote cooperation in the provision of water services. Rand Water's area of operation includes 17 municipalities across Gauteng, North West, Free State and Mpumalanga.

Selected performance indicator

Table 36.15 Rand Water performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Net debt/equity ratio per year	Administration	Outcome 9: A responsive, accountable, effective and efficient developmental local government system	0.3	0.2	0.4	0.4	0.5	0.5	0.5
Debt service ratio per year	Administration		4.3	9.0	5.7	4.0	3.6	3.7	3.9
Costs per kilolitre (R/kl) per year	Bulk water	Outcome 6: An efficient, competitive and responsive economic infrastructure network	4.30	4.60	4.90	5.30	5.70	6.10	6.50
Cost of debt per year	Administration	Outcome 9: A responsive, accountable, effective and efficient developmental local government system	10%	11%	8%	8%	8%	8%	8%

Expenditure analysis

Rand Water contributes to the national development plan's vision of access to affordable, sufficient and safe water and decent sanitation by 2030 through the acceleration of augmenting the water infrastructure network, and connecting households in KwaZulu-Natal and Eastern Cape particularly. 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.

The organisation's focus over the medium term remains on reducing costs, particularly energy, which is the second largest input cost required to pump water to customers. Energy efficiency initiatives include using variable speed on pumps and off-peak pumping. As a result, the overall growth in goods and services is expected to decline from 13.2 per cent growth between 2011/12 and 2014/15 to 8.8 per cent over the medium

term. In light of the investments in infrastructure, the provision for the replacement of assets due to depreciation continues to grow. In 2013/14, in line with the organisation's focus on augmenting the water infrastructure network connecting households, capital spending on infrastructure was R2.5 billion, and is projected to increase to R8 billion over the medium term. Capital expenditure will be partially funded through internal resources in the form of accumulated profits and cash reserves, and additional funding requirements are expected to be met through the raising of funds in the debt capital market. The board has 3 567 funded posts, with 324 vacancies at the end of September 2014.

Rand 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 1.5 per cent over the medium term, which is slightly lower than historical growth due to planned water conservation and demand management, including the reduction of municipal water losses. Revenue growth is driven by increases in the volume sold, as well as tariffs, which are determined annually on a cost reflective basis to cover operational costs such as maintenance, depreciation and financial expenses on capital funding.

Programmes/objectives/activities

Table 36.16 Rand Water 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
Administration	1 080.0	1 139.7	1 294.8	1 363.2	8.1%	15.9%	1 469.7	1 585.6	1 706.3	7.8%	15.0%
Bulk water	5 277.1	5 718.8	6 273.3	7 107.4	10.4%	79.3%	7 918.4	8 624.4	9 386.5	9.7%	80.7%
Secondary activities	–	377.0	719.3	482.5	–	4.8%	391.1	413.4	436.1	-3.3%	4.3%
Total	6 357.1	7 235.5	8 287.4	8 953.1	12.1%	100.0%	9 779.1	10 623.3	11 528.8	8.8%	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										Outcome/ Budget Average (%)
R million	Budget 2011/12	Audited outcome	Budget 2012/13	Audited outcome	Budget 2013/14	Audited outcome	Budget estimate 2014/15	Revised estimate		
Revenue										
Non-tax revenue	6 992.6	7 135.6	7 850.0	8 232.3	8 732.3	9 469.2	9 904.6	10 285.1		100.0%
Sale of goods and services other than capital assets	6 812.3	6 838.5	7 710.6	7 751.2	8 447.8	8 664.9	9 342.1	9 848.1		97.0%
of which:										
Sales of bulk water	6 812.3	6 838.5	7 710.6	7 751.2	8 447.8	8 664.9	9 342.1	9 848.1		97.0%
Other non-tax revenue	180.3	297.1	139.4	481.1	284.5	804.3	562.5	437.0		3.0%
Total revenue	6 992.6	7 135.6	7 850.0	8 232.3	8 732.3	9 469.2	9 904.6	10 285.1		100.0%
Expenses										
Current expenses	6 296.2	6 357.1	7 003.8	7 235.5	7 682.5	8 287.4	8 679.4	8 953.1		100.0%
Compensation of employees	1 039.0	1 264.9	1 156.1	1 370.7	1 312.9	1 651.2	1 535.3	1 515.2		16.8%
Goods and services	4 930.8	4 876.0	5 616.9	5 635.0	6 080.9	6 351.4	6 831.7	7 152.6		79.4%
Depreciation	242.8	211.9	228.5	229.8	280.5	280.3	312.3	285.4		3.5%
Interest, dividends and rent on land	83.7	4.3	2.3	–	8.2	4.5	–	–		0.4%
Total expenses	6 296.2	6 357.1	7 003.8	7 235.5	7 682.5	8 287.4	8 679.4	8 953.1		100.0%
Surplus/(Deficit)	696.0	778.0	846.0	997.0	1 050.0	1 182.0	1 225.0	1 332.0		–
Statement of financial position										
Carrying value of assets	9 304.6	8 597.8	10 177.9	10 094.2	12 059.1	12 313.3	15 454.0	15 161.6		84.2%
of which:										
Acquisition of assets	1 906.0	1 360.5	1 643.3	1 643.3	2 108.0	2 238.6	2 602.2	2 750.0		15.2%
Investments	21.6	–	–	300.9	–	483.2	–	343.7		0.5%
Inventory	50.6	176.4	55.6	239.4	61.0	244.8	64.0	268.0		0.7%
Loans	–	5.9	–	5.4	–	5.0	5.7	5.3		–
Receivables and prepayments	917.3	853.7	1 015.2	1 104.9	1 006.3	1 411.3	1 058.3	1 068.5		7.4%
Cash and cash equivalents	1 207.1	1 327.5	872.5	863.9	831.5	871.5	1 017.2	885.1		7.2%
Non-current assets held for sale	–	1.3	–	1.8	–	1.6	–	–		–
Taxation	–	3.1	–	–	–	–	–	–		–
Total assets	11 501.1	10 965.6	12 121.2	12 610.4	13 957.9	15 330.7	17 599.1	17 732.2		100.0%
Accumulated surplus/(deficit)	7 485.7	7 534.4	8 310.4	8 511.7	9 445.3	9 750.4	10 809.0	11 267.7		66.2%
Borrowings	2 958.5	984.6	2 208.0	1 514.6	2 472.9	2 510.1	4 495.0	4 119.4		21.2%
Deferred income	64.5	102.4	64.5	182.2	78.6	200.7	108.7	203.9		0.7%
Trade and other payables	992.4	1 793.4	1 538.3	2 022.3	1 961.1	2 460.8	2 128.5	2 083.3		11.8%
Taxation	–	1.7	–	2.0	–	2.5	–	–		–
Provisions	–	293.8	–	325.4	–	345.9	–	–		–
Derivatives financial instruments	–	255.3	–	52.2	–	60.3	57.8	57.8		0.1%
Total equity and liabilities	11 501.1	10 965.6	12 121.2	12 610.4	13 957.9	15 330.7	17 599.1	17 732.2		100.0%

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			Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Revised estimate	2014/15	2011/12 - 2014/15			2015/16	2016/17	2017/18		
R million									
Revenue									
Non-tax revenue	10 285.1	13.0%	100.0%		11 498.9	12 791.0	14 189.4	11.3%	100.0%
Sale of goods and services other than capital assets	9 848.1	12.9%	94.3%		11 026.8	12 284.3	13 621.0	11.4%	95.9%
of which:									
Sales of bulk water	9 848.1	12.9%	94.3%		11 026.8	12 284.3	13 621.0	11.4%	95.9%
Other non-tax revenue	437.0	13.7%	5.7%		472.1	506.7	568.3	9.2%	4.1%
Total revenue	10 285.1	13.0%	100.0%		11 498.9	12 791.0	14 189.4	11.3%	100.0%
Expenses									
Current expenses	8 953.1	12.1%	100.0%		9 779.1	10 623.3	11 528.8	8.8%	100.0%
Compensation of employees	1 515.2	6.2%	18.9%		1 634.9	1 765.7	1 903.4	7.9%	16.7%
Goods and services	7 152.6	13.6%	77.8%		7 820.9	8 494.7	9 222.3	8.8%	80.0%
Depreciation	285.4	10.4%	3.3%		323.3	362.9	403.1	12.2%	3.4%
Total expenses	8 953.1	12.1%	100.0%		9 779.1	10 623.3	11 528.8	8.8%	100.0%
Surplus/(Deficit)	1 332.0	19.6%	-		1 720.0	2 168.0	2 661.0	25.9%	-
Statement of financial position									
Carrying value of assets	15 161.6	20.8%	81.1%		18 055.6	21 174.2	24 405.3	17.2%	86.3%
of which:									
Acquisition of assets	2 750.0	26.4%	13.9%		2 766.0	2 929.4	2 988.0	2.8%	12.8%
Investments	343.7	-	1.9%		381.6	427.3	476.1	11.5%	1.8%
Inventory	268.0	15.0%	1.7%		283.3	299.5	315.9	5.6%	1.3%
Loans	5.3	-3.6%	-		5.3	5.2	5.2	-0.3%	-
Receivables and prepayments	1 068.5	7.8%	7.9%		1 193.1	1 323.7	1 447.6	10.7%	5.6%
Cash and cash equivalents	885.1	-12.6%	7.4%		968.2	1 103.7	1 633.6	22.7%	5.0%
Total assets	17 732.2	17.4%	100.0%		20 887.0	24 333.6	28 283.8	16.8%	100.0%
Accumulated surplus/(deficit)	11 267.7	14.4%	65.8%		12 987.4	15 155.1	17 815.7	16.5%	62.7%
Borrowings	4 119.4	61.1%	15.1%		5 403.5	6 490.7	7 607.2	22.7%	25.7%
Deferred income	203.9	25.8%	1.2%		215.6	227.8	240.4	5.6%	1.0%
Trade and other payables	2 083.3	5.1%	15.0%		2 218.6	2 393.5	2 549.5	7.0%	10.3%
Derivatives financial instruments	57.8	-39.0%	0.9%		61.9	66.3	71.1	7.1%	0.3%
Total equity and liabilities	17 732.2	17.4%	100.0%		20 887.0	24 333.6	28 283.8	16.8%	100.0%

Personnel Information

Table 36.19 Rand Water personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015			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 (%)			
			2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
Rand Water			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	3 567	3 567	3 741	1 651.2	0.4	3 243	1 515.2	0.5	3 242	1 634.9	0.5	3 242	1 765.7	0.5	3 242	1 903.4	0.6	7.9%	100.0%
1 – 6	913	913	913	206.9	0.2	913	161.9	0.2	913	206.9	0.2	913	206.9	0.2	913	206.9	0.2	8.5%	28.2%
7 – 10	1 866	1 866	2 127	807.7	0.4	1 813	787.7	0.4	1 812	799.5	0.4	1 812	864.9	0.5	1 812	933.8	0.5	5.8%	55.9%
11 – 12	360	360	360	334.0	0.9	360	303.0	0.8	360	334.0	0.9	360	334.0	0.9	360	334.0	0.9	3.3%	11.1%
13 – 16	150	150	150	222.3	1.5	150	197.3	1.3	150	222.3	1.5	150	222.3	1.5	150	222.3	1.5	4.1%	4.6%
17 – 22	278	278	191	80.3	0.4	7	65.3	9.3	7	72.2	10.3	7	137.6	19.7	7	206.4	29.5	46.7%	0.2%

1. Rand million.

Trans-Caledon Tunnel Authority

Mandate

The Trans-Caledon Tunnel Authority was established in 1986 and derives its legislative mandate from section 108 of 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 36.20 Trans-Caledon Tunnel Authority performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Percentage of Spring Grove Dam completed	Mooi-Mgeni transfer scheme	Outcome 6: An efficient, competitive and responsive economic infrastructure network	29%	50%	100%	— ¹	— ¹	— ¹	— ¹
Percentage of 14.5km pipeline completed	Mooi-Mgeni transfer scheme		— ²	3%	10%	95%	100%	— ²	— ²
Percentage of 14.5km pipeline refurbished	Mooi-Mgeni transfer scheme		— ³	1%	100%	— ³	— ³	— ³	— ³
Percentage of 40km pipeline completed	Olifants River water resource development project		17%	42%	48%	100%	— ⁴	— ⁴	— ⁴
Percentage of 58.6km pipeline completed	Komati water scheme augmentation project		59%	89%	99%	100%	— ⁴	— ⁴	— ⁴
Percentage of 43km pipeline completed	Mokolo Crocodile River water augmentation project	Outcome 6: An efficient, competitive and responsive economic infrastructure network	26%	31%	62%	100%	— ⁴	— ⁴	— ⁴
Percentage of 160km pipeline completed	Mokolo Crocodile River water augmentation project		— ⁵	— ⁵	— ⁵	— ⁵	— ⁵	20%	40%
Western basin: Percentage of upgrade of existing plant completed	Acid mine drainage		3%	100%	— ⁶	— ⁶	— ⁶	— ⁶	— ⁶
Central basin: Percentage of upgrade of construction of new plant completed	Acid mine drainage		— ⁷	10%	95%	100%	— ⁷	— ⁷	— ⁷
Eastern basin: Percentage of upgrade of construction of new plant completed	Acid mine drainage		— ⁸	— ⁸	— ⁸	75%	100%	— ⁸	— ⁸

1. Projections are not available, as this project ended in 2013/14.

2. Historical data and projections are not available, as this project began in 2012/13 and will end in 2015/16.

3. Historical data and projections are not available, as this project began in 2012/13 and ended in 2013/14.

4. Projections are not available, as this project will end in 2014/15.

5. Historical data is not available, as this project will begin in 2016/17.

6. Projections are not available, as this project ended in 2012/13.

7. Historical data and projections are not available, as this project began in 2012/13 and will end in 2014/15.

8. Historical data and projections are not available, as this project began in 2014/15 and will end in 2015/16.

Expenditure analysis

The national development plan envisages universal access to affordable, sufficient and safe water and decent sanitation by 2030 for socioeconomic growth, which is in line with outcome 6 (an efficient, competitive and responsive infrastructure network) of government's 2014-2019 medium term strategic framework. The Trans-Caledon Tunnel Authority supports these policies by financing and implementing bulk raw water infrastructure, as well as providing support to other sector institutions such as water boards and water user associations, enabling them to deliver on their mandates and contribute to outcome 9 (a responsive, accountable, effective and efficient developmental local government system) of the medium term strategic framework. The authority will contribute to these objectives through the coordination of roles related to national water and sanitation infrastructure, and thereby offer vast potential to address spatial imbalances by raising the level of service delivery and quality across the country, particularly in areas that are underserved or unserved.

The 23.6 per cent average annual increase in revenue between 2011/12 and 2014/15 was a result of increased construction activities on projects, which brought in tariff revenue for the Department of Water and Sanitation for projects that had been completed. However, revenue is projected to decline at an average annual rate of 8.4 per cent over the medium term as major projects near completion. As a result, minor growth is expected in expenditure, at an average annual rate of 0.1 per cent. The operation and maintenance of existing infrastructure is expected to drive expenditure on goods and services over the medium term.

The authority has 218 approved posts, of which 194 were filled and 24 vacant at the end of September 2014. The authority intends to fill the vacant posts over the medium term to enable it to achieve government outcomes.

Programmes/objectives/activities

Table 36.21 Trans-Caledon Tunnel Authority 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 (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Administration	2 747.6	2 940.3	3 445.5	3 516.4	8.6%	49.6%	4 531.2	4 280.2	4 494.3	8.5%	57.1%
Berg water project	254.1	93.2	156.2	169.1	-12.7%	2.7%	152.8	133.7	140.3	-6.0%	2.0%
Vaal River eastern subsystem augmentation project	794.4	396.0	660.5	402.8	-20.3%	9.1%	398.3	405.1	425.3	1.8%	5.5%
Mooi-Mgeni transfer scheme	315.5	581.0	992.8	977.5	45.8%	10.7%	276.1	155.5	163.3	-44.9%	5.3%
Olifants River water resource development project	100.6	456.9	538.4	462.8	66.3%	5.9%	208.2	–	–	-100.0%	2.3%
Komati water scheme augmentation project	510.8	444.5	313.0	140.4	-35.0%	5.9%	119.0	110.6	116.2	-6.1%	1.6%
Mokolo Crocodile water augmentation project	277.7	561.9	528.3	1 722.8	83.7%	11.3%	1 243.8	1 860.6	1 953.6	4.3%	22.9%
Acid mine drainage	80.4	97.0	593.7	162.7	26.5%	3.4%	243.5	270.2	283.8	20.4%	3.3%
Other projects	277.7	(1.0)	–	–	-100.0%	1.3%	–	–	–	–	–
Total	5 358.7	5 569.9	7 228.4	7 554.5	12.1%	100.0%	7 172.8	7 215.9	7 576.7	0.1%	100.0%

Statements of historical financial performance and position

Table 36.22 Trans-Caledon Tunnel Authority 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	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15	
Revenue										
Non-tax revenue	3 304.6	4 676.6	3 671.7	5 361.0	6 665.4	5 013.4	8 103.8	8 775.0		100.0%
Sale of goods and services other than capital assets	3 287.7	2 301.0	3 671.7	2 793.0	5 105.4	3 091.3	6 355.7	4 341.6		81.4%
of which:										
Sales of bulk water	3 287.7	2 301.0	3 671.7	2 793.0	5 105.4	3 091.3	6 355.7	4 341.6		81.4%
Other non-tax revenue	16.9	2 375.6	–	2 568.0	1 560.0	1 922.1	1 748.0	4 433.5		18.6%
Total revenue	3 304.6	4 676.6	3 671.7	5 361.0	6 665.4	5 013.4	8 103.8	8 775.0		100.0%
Expenses										
Current expenses	3 975.1	5 358.7	3 774.0	5 569.9	7 378.5	7 228.4	8 750.3	7 554.5		100.0%
Compensation of employees	151.4	123.5	158.6	122.0	170.0	121.7	181.0	199.1		3.2%
Goods and services	655.4	2 695.8	793.8	2 661.1	4 926.1	2 944.5	6 106.7	3 220.5		36.7%
Depreciation	51.1	5.1	134.0	8.5	9.2	11.8	9.8	10.7		1.3%
Interest, dividends and rent on land	3 117.2	2 534.3	2 687.5	2 778.3	2 273.2	4 150.3	2 452.7	4 124.2		58.8%
Total expenses	3 975.1	5 358.7	3 774.0	5 569.9	7 378.5	7 228.4	8 750.3	7 554.5		100.0%
Surplus/(Deficit)	(671.0)	(682.0)	(102.0)	(209.0)	(713.0)	(2 215.0)	(647.0)	1 221.0		–

Statements of estimates of financial performance and position

Table 36.23 Trans-Caledon Tunnel Authority statements of estimates of financial performance and position

Statement of financial performance									Expenditure/ Total: Average (%)
	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)		
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18		
Revenue									
Non-tax revenue	8 775.0	23.3%	100.0%	6 824.9	6 430.1	6 751.7	-8.4%		100.0%
Sale of goods and services other than capital assets	4 341.6	23.6%	53.1%	5 407.1	4 891.2	5 135.8	5.8%		70.2%
of which:									
Sales of bulk water	4 341.6	23.6%	53.1%	5 407.1	4 891.2	5 135.8	5.8%		70.2%
Other non-tax revenue	4 433.5	23.1%	46.9%	1 417.8	1 538.9	1 615.9	-28.6%		29.8%
Total revenue	8 775.0	23.3%	100.0%	6 824.9	6 430.1	6 751.7	-8.4%		100.0%
Expenses									
Current expenses	7 554.5	12.1%	100.0%	7 172.8	7 215.9	7 576.7	0.1%		100.0%
Compensation of employees	199.1	17.2%	2.2%	212.0	225.8	237.1	6.0%		3.0%
Goods and services	3 220.5	6.1%	45.4%	4 255.4	4 373.9	4 592.6	12.6%		55.8%
Depreciation	10.7	28.0%	0.1%	11.4	12.1	12.7	6.0%		0.2%
Interest, dividends and rent on land	4 124.2	17.6%	52.3%	2 694.1	2 604.1	2 734.3	-12.8%		41.1%
Total expenses	7 554.5	12.1%	100.0%	7 172.8	7 215.9	7 576.7	0.1%		100.0%
Surplus/(Deficit)	1 221.0	-221.4%	–	(348.0)	(786.0)	(825.0)	-187.7%		–

Table 36.23 Trans-Caledon Tunnel Authority statements of estimates of financial performance and position

Statement of financial position		Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	Revised estimate			2015/16	2016/17	2017/18		
R million	2014/15	2011/12 - 2014/15					2014/15 - 2017/18	
Carrying value of assets	11.7	12.8%	–	14.4	17.0	17.8	15.0%	–
of which:								
Acquisition of assets	11.7	24.9%	–	14.4	17.0	17.8	15.0%	–
Investments	7 168.6	71.6%	10.5%	8 109.1	7 902.7	8 297.9	5.0%	18.8%
Receivables and prepayments	32 518.3	1.9%	89.4%	33 994.2	33 932.1	35 628.7	3.1%	81.2%
Total assets	39 698.6	7.2%	100.0%	42 117.8	41 851.8	43 944.4	3.4%	100.0%
Accumulated surplus/(deficit)	6 707.0	6.4%	16.0%	5 707.4	4 836.5	5 078.4	-8.9%	13.4%
Borrowings	32 043.6	9.2%	78.4%	35 476.7	36 543.2	38 370.3	6.2%	84.9%
Trade and other payables	948.0	-16.7%	4.6%	933.7	472.1	495.7	-19.4%	1.7%
Total equity and liabilities	39 698.6	7.2%	100.0%	42 117.8	41 851.8	43 944.4	-22.1%	100.0%

Personnel information

Table 36.24 Trans-Caledon Tunnel Authority personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015			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 (%)	
			2013/14			2014/15			2015/16			2016/17			2017/18					2014/15 - 2017/18
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Trans-Caledon Tunnel Authority			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	194	218	138	111.8	0.8	194	161.9	0.8	214	174.1	0.8	207	187.5	0.9	176	198.2	1.1	7.0%	100.0%	
1 – 6	3	3	3	0.5	0.2	3	0.4	0.1	1	0.3	0.3	1	0.3	0.3	1	0.4	0.4	-1.1%	0.8%	
7 – 10	77	77	49	17.4	0.4	77	25.2	0.3	69	24.5	0.4	67	25.2	0.4	64	27.1	0.4	2.5%	35.2%	
11 – 12	34	34	31	21.7	0.7	34	23.5	0.7	35	24.5	0.7	27	18.8	0.7	36	33.7	0.9	12.7%	16.8%	
13 – 16	68	68	48	52.7	1.1	68	65.9	1.0	73	72.8	1.0	75	86.0	1.1	66	85.4	1.3	9.0%	35.7%	
17 – 22	12	36	7	19.6	2.8	12	46.9	3.9	36	52.0	1.4	37	57.2	1.5	9	51.6	5.7	3.3%	11.5%	

¹. Rand million.

Umgeni Water

Mandate

Umgeni Water was established in terms of the Water Services Act (1997) and is listed as a schedule 3B public entity in the Public Finance Management Act (1999). The entity supplies water for the use of approximately 6 million consumers in KwaZulu-Natal.

Selected performance indicators

Table 36.25 Umgeni Water performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
Debt service ratio per year	Bulk activities	Outcome 9: A responsive, accountable, effective and efficient developmental local government system	4.5	4.5	5.1	5.4	5.8	4.8	3.9
Costs per kilolitre (R/k) per year	Bulk activities		R2.41	R2.34	R 2.76	R3.10	R3.51	R3.76	R 4.11
Debtors collection period (days)	Bulk activities		30	37	39	40	41	42	43
Weighted average cost of capital	Bulk activities		9%	9%	9%	10%	10%	10%	10%
Total capital infrastructure expenditure	Bulk activities		R486m	R643m	R975m	R1 203m	R1 398m	R1 092m	R675m

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. Like all the other water boards, 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 will 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.

The focus over the medium term will continue to be on improving the provision of bulk water and sanitation services through the rollout of the capital infrastructure programme, which is expected to exceed R1 billion per year between 2014/15 and 2016/17, and infrastructure maintenance. In line with this focus, most of the infrastructure budget is projected to be spent on rural development and community sustainability. As a result of capital spending, expenditure on interest is expected to grow, due to a projected increase in interest bearing loans taken on by the entity as a result of additional funding requirements for both capital and operating expenditure. To contain overall costs, the organisation plans to enhance procurement processes, improve metering and billing systems by reviewing the metering process, and enhance business controls to reduce fraud risk.

The organisation has 1 157 funded posts, all of which were filled at the end of September 2014. To meet the operational requirements for bulk infrastructure and to operate new water schemes, the number of posts is expected to increase to 1 201 by 2017/18, with a projected increase in expenditure on compensation of employees to R564.1 million. The organisation is in the process of recruiting staff.

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 0.7 per cent over the medium term, which is slightly lower than historical growth. This is due to planned water conservation and demand management, and fewer water losses in the municipal reticulation networks. Revenue growth over the medium term will be driven by increases in the volume of water sold, as well as tariffs, which are determined annually on a cost reflective basis to cover operational costs such as maintenance, depreciation, and financial expenses on capital funding.

Programmes/objectives/activities

Table 36.26 Umgeni Water 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 (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Administration	306.9	341.4	359.6	575.5	23.3%	26.1%	633.2	765.2	919.9	16.9%	39.4%
Bulk activities	769.8	786.8	976.4	884.4	4.7%	56.3%	992.6	992.6	1 038.0	5.5%	54.0%
Waste water	50.0	55.1	58.6	59.4	5.9%	3.7%	60.3	64.7	69.5	5.4%	3.5%
Other activities	284.0	215.1	282.0	50.9	-43.6%	13.9%	54.8	57.5	59.6	5.4%	3.1%
Total	1 410.6	1 398.3	1 676.7	1 570.3	3.6%	100.0%	1 740.9	1 880.0	2 087.1	9.9%	100.0%

Statements of historical financial performance and position

Table 36.27 Umgeni Water 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	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15
Revenue									
Non-tax revenue	2 165.4	2 001.9	2 023.8	2 065.2	2 018.3	2 359.1	2 282.0	2 201.9	100.0%
Sale of goods and services other than capital assets	2 128.5	1 847.2	1 958.3	1 908.8	1 958.9	2 204.1	2 231.5	2 121.6	97.1%
of which:									
Sales of bulk water	2 128.5	1 847.2	1 958.3	1 908.8	1 958.9	2 204.1	2 231.5	2 121.6	97.1%
Other non-tax revenue	36.8	154.8	65.5	156.3	59.4	155.0	50.5	80.3	2.9%
Total revenue	2 165.4	2 001.9	2 023.8	2 065.2	2 018.3	2 359.1	2 282.0	2 201.9	100.0%
Expenses									
Current expenses	1 689.6	1 410.6	1 662.2	1 398.3	1 626.6	1 676.7	1 857.7	1 570.3	100.0%
Compensation of employees	338.5	320.7	304.5	291.3	355.8	331.6	463.6	426.9	21.9%
Goods and services	1 120.0	915.8	1 135.7	950.6	1 047.3	1 193.9	1 215.1	978.8	65.3%
Depreciation	113.0	89.6	124.0	89.9	128.4	105.6	108.3	96.7	7.0%
Interest, dividends and rent on land	118.2	84.6	98.0	66.5	95.1	45.6	70.7	67.9	5.8%
Total expenses	1 689.6	1 410.6	1 662.2	1 398.3	1 626.6	1 676.7	1 857.7	1 570.3	100.0%
Surplus/(Deficit)	476.0	591.0	362.0	667.0	392.0	682.0	424.0	632.0	-

Table 36.27 Umgeni Water statements of historical financial performance and position

Statement of financial position									
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget Average (%)
R million	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15
Carrying value of assets	3 738.5	3 112.3	3 723.7	3 443.9	4 730.7	3 988.3	4 984.8	5 767.4	74.4%
of which:									
Acquisition of assets	672.5	485.6	476.1	476.1	465.3	779.0	660.3	1 683.6	13.2%
Investments	1 103.7	1 811.4	1 711.3	2 113.6	1 014.3	2 280.0	1 075.9	1 026.6	20.7%
Inventory	8.6	9.0	9.2	11.0	9.4	11.5	9.6	15.5	0.2%
Accrued investment interest	–	25.2	–	27.6	–	40.7	–	–	–
Receivables and prepayments	261.8	205.7	226.8	304.1	261.4	452.4	298.5	277.1	4.3%
Cash and cash equivalents	0.8	11.6	0.8	7.6	51.5	32.7	1.3	0.7	0.2%
Non-current assets held for sale	–	13.5	14.5	–	14.5	–	13.5	–	0.1%
Total assets	5 113.4	5 188.6	5 686.3	5 907.9	6 081.9	6 805.5	6 383.6	7 087.4	100.0%
Accumulated surplus/(deficit)	2 985.3	2 664.9	2 851.5	3 171.0	3 466.0	3 973.3	3 894.9	4 235.0	56.3%
Capital and reserves	–	442.8	442.8	442.8	442.8	442.8	442.8	442.8	5.3%
Borrowings	1 613.9	1 257.1	1 461.7	1 135.4	1 383.3	1 250.0	1 181.5	1 171.4	24.1%
Accrued interest	–	34.7	–	31.4	32.4	27.4	28.6	30.9	0.2%
Deferred income	–	–	12.5	–	–	–	–	–	0.1%
Trade and other payables	322.4	399.1	579.6	568.6	418.7	602.7	289.7	421.7	7.3%
Provisions	191.9	377.5	338.2	548.0	338.6	500.8	537.6	779.7	6.6%
Derivatives financial instruments	–	12.5	–	10.6	–	8.4	8.4	5.9	–
Total equity and liabilities	5 113.4	5 188.6	5 686.3	5 907.9	6 081.9	6 805.5	6 383.6	7 087.4	100.0%

Statements of estimates of financial performance and position**Table 36.28 Umgeni Water 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							
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Revenue								
Non-tax revenue	2 201.9	3.2%	100.0%	2 364.9	2 584.4	2 833.2	8.8%	100.0%
Sale of goods and services other than capital assets	2 121.6	4.7%	93.6%	2 317.6	2 543.5	2 785.3	9.5%	97.8%
of which:								
Sales of bulk water	2 121.6	4.7%	93.6%	2 317.6	2 543.5	2 785.3	9.5%	97.8%
Other non-tax revenue	80.3	-19.7%	6.4%	47.3	40.9	47.9	-15.8%	2.2%
Total revenue	2 201.9	3.2%	100.0%	2 364.9	2 584.4	2 833.2	8.8%	100.0%
Expenses								
Current expenses	1 570.3	3.6%	100.0%	1 740.9	1 880.0	2 087.1	9.9%	100.0%
Compensation of employees	426.9	10.0%	22.6%	480.0	521.9	564.1	9.7%	27.4%
Goods and services	978.8	2.2%	66.6%	1 096.5	1 135.8	1 231.5	8.0%	61.2%
Depreciation	96.7	2.6%	6.3%	102.7	109.2	116.0	6.3%	5.9%
Interest, dividends and rent on land	67.9	-7.1%	4.4%	61.6	113.2	175.5	37.2%	5.6%
Total expenses	1 570.3	3.6%	100.0%	1 740.9	1 880.0	2 087.1	9.9%	100.0%
Surplus/(Deficit)	632.0	2.3%	–	624.0	704.0	746.0	5.7%	–
Statement of financial position								
Carrying value of assets	5 767.4	22.8%	64.6%	7 175.9	8 462.3	8 976.7	15.9%	86.7%
of which:								
Acquisition of assets	1 683.6	51.3%	13.2%	1 559.3	1 406.6	652.1	-27.1%	16.0%
Investments	1 026.6	-17.2%	29.7%	707.2	665.4	769.1	-9.2%	9.4%
Inventory	15.5	19.9%	0.2%	18.0	20.5	23.3	14.4%	0.2%
Accrued investment interest	–	-91.4%	0.4%	–	–	–	–	–
Receivables and prepayments	277.1	10.4%	4.9%	298.4	326.5	360.9	9.2%	3.6%
Cash and cash equivalents	0.7	-60.5%	0.2%	0.8	1.8	4.2	80.0%	–
Total assets	7 087.4	11.0%	100.0%	8 200.4	9 476.6	10 134.2	12.7%	100.0%
Accumulated surplus/(deficit)	4 235.0	16.7%	55.8%	4 811.7	5 468.9	6 167.8	13.4%	59.3%
Capital and reserves	442.8	–	7.2%	442.8	442.8	442.8	–	5.2%
Borrowings	1 171.4	-2.3%	19.6%	1 692.5	2 263.5	2 184.3	23.1%	20.7%
Accrued interest	30.9	-3.8%	0.5%	29.5	28.7	24.0	-8.1%	0.3%
Trade and other payables	421.7	1.8%	8.0%	341.7	290.6	225.8	-18.8%	3.9%
Provisions	779.7	27.4%	8.7%	879.0	982.0	1 089.5	11.8%	10.7%
Derivatives financial instruments	5.9	-21.9%	0.2%	3.2	–	–	-100.0%	–
Total equity and liabilities	7 087.4	11.0%	100.0%	8 200.4	9 476.6	10 134.2	-78.7%	100.0%

Personnel information

Table 36.29 Umgeni Water personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015			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 (%)			
			2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost		Unit Cost	
Umgeni Water			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	1 157	1 157	1 020	331.6	0.3	1 157	426.9	0.4	1 194	480.0	0.4	1 201	521.9	0.4	1 201	564.1	0.5	9.7%	100.0%
1 – 6	394	394	382	65.7	0.2	394	71.1	0.2	409	84.5	0.2	415	93.2	0.2	415	102.8	0.2	13.1%	34.4%
7 – 10	722	722	604	235.0	0.4	722	305.0	0.4	744	341.5	0.5	745	371.2	0.5	745	400.1	0.5	9.5%	62.2%
11 – 12	36	36	22	19.3	0.9	36	40.5	1.1	36	42.9	1.2	36	45.5	1.3	36	48.4	1.3	6.2%	3.0%
13 – 16	4	4	11	9.2	0.8	4	7.5	1.9	4	8.1	2.0	4	8.7	2.2	4	9.3	2.3	7.2%	0.3%
17 – 22	1	1	1	2.4	2.4	1	2.8	2.8	1	3.0	3.0	1	3.2	3.2	1	3.5	3.5	7.7%	0.1%

1. Rand million.

Water Trading Entity

Mandate

A water trading account was established in 1983 to separate departmental revenue collected through the sale of bulk water and related services from appropriated funds. The trading account was amended by the Public Finance Management Act (1999), under which it became the Water Trading Entity in 2008. 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.

As such, the Water Trading Entity is 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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Percentage of actual versus planned billing per year	Administration	Outcome 12: An efficient, effective and development oriented public service	92%	99%	100%	100%	— ¹	— ¹	— ¹
Percentage of reduction in outstanding debt over 60 days	Administration		15%	35%	36%	40%	40%	50%	60%
Number of debtor days	Implementation of water resources management activities	Outcome 6: An efficient, competitive and responsive economic infrastructure network	348	303	305	170	150	120	100
Total number of water conveyance projects rehabilitated per year	Operations, maintenance and refurbishment of national water resources schemes		2	7	22	12	12	12	12
Percentage spent on asset refurbishment and betterment against budget	Operations, maintenance and refurbishment of national water resources schemes		52%	55%	70%	98%	100%	100%	100%
Percentage completion on project plan of Olifants River water resources development project phase 2A (De Hoop Dam and related infrastructure) as outlined in the original and approved project implementation plan	Implementation of new water resources infrastructure		86%	95%	99%	100%	— ²	— ²	— ²
Percentage completion on project plan of Olifants River water resources development project phase 2C (bulk distribution system) as outlined in the original and approved project implementation plan	Implementation of new water resources infrastructure		5%	18%	50%	80%	95%	100%	— ³

Table 36.30 Water Trading Entity performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Percentage completion on project plan of Nwamitwa Dam as outlined in the original and approved project implementation plan	Implementation of new water resources infrastructure	Outcome 6: An efficient, competitive and responsive economic infrastructure network	— ⁴	5%	10%	15%	20%	40%	60%
Percentage completion on project plan of raising Tzaneen Dam as outlined in the original and approved project implementation plan	Implementation of new water resources infrastructure		— ⁴	5%	25%	35%	10%	40%	60%
Percentage completion on project plan of raising Clanwilliam Dam wall as outlined in the original and approved project implementation plan	Implementation of new water resources infrastructure		1%	8%	20%	7% ⁵	28%	50%	78%
Percentage completion on project plan of raising Hazelmere Dam wall as outlined in the original and approved project implementation plan	Implementation of new water resources infrastructure		10%	42%	54%	13% ⁶	33%	58%	88%
Percentage completion on project plan of Olifants River water resources development project phase 2B (bulk distribution system) as outlined in the original and approved project implementation plan	Bulk water supply to strategic users		— ⁷	— ⁷	— ⁷	5%	10%	20%	50%
Percentage completion on project plan of Olifants River water resources development project phase 2D (bulk distribution system) as outlined in the original and approved project implementation plan	Bulk water supply to strategic users		— ⁷	— ⁷	— ⁷	5%	40%	50%	75%
Percentage completion on project plan of phase 1 of Mokolo River augmentation as outlined in the original and approved project implementation plan	Bulk water supply to strategic users	Outcome 6: An efficient, competitive and responsive economic infrastructure network	12%	36%	55%	80%	95%	100%	— ³
Percentage completion on project plan of phase 2A of Mokolo River augmentation as outlined in the original and approved project implementation plan	Bulk water supply to strategic users		— ⁷	— ⁷	— ⁷	5%	10%	20%	40%
Total cumulative number of dam safety rehabilitation projects completed	Implementation of dam safety projects		30	35	35	39	44	49	55

1. Projections are not available, as this will be monitored until 2014/15.

2. Projections are not available, as this project ended in 2014/15.

3. The projection is not available, as this project will end in 2016/17.

4. Historical data is not available, as this project began in 2012/13.

5. During 2014/15, the target was reduced to reflect physical construction activities. The previous year's performance related to designs and relocation of the N7 road.

6. The target was reduced to reflect physical construction activities, as the design had to be changed.

7. Historical data is not available, as this project began in 2014/15.

Expenditure analysis

The Water Trading Entity's focus over the medium term will be on improving the provision of bulk water through the development of new water infrastructure, and the operation, maintenance and refurbishment of existing infrastructure for water resources. The entity's ongoing focus is on developing new water resources, thereby making 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 water 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 of government's 2014-2019 medium term strategic framework (an efficient, competitive and responsive economic infrastructure network).

Revenue for the entity is generated from raw water charges and transfers received from the Department of Water and Sanitation. Total revenue over the medium term is expected to increase by 7.4 per cent, due to the completion of dams and bulk distribution systems, increasing the availability of water and therefore the amount

of water sold. As a result, the implementation of the new water resources infrastructure programme will account for 58.1 per cent of the entity's total projected expenditure over the medium term.

Expenditure on new water infrastructure is expected to fast-track the completion of the De Hoop Dam; the raising of the Tzaneen, Clanwilliam and Hazelmere dam walls; and phases 1 and 2 of the Mokolo augmentation project, which is expected to increase the value of assets on the entity's balance sheet to R118.9 billion in 2017/18. Expenditure in this area will decrease marginally over the MTEF period, due to Cabinet approved budget reductions of R3.9 billion. The entity plans to rehabilitate 12 projects under the operations, maintenance and refurbishment of national water resources schemes programme in each year of the medium term, resulting in expenditure increasing at an average annual rate of 7.5 per cent. In addition, the entity plans to rehabilitate 16 dam safety projects to meet dam safety regulations.

Expenditure on interest, dividends and rent on land is expected to increase over the medium term, due to 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 construction projects.

The entity has 4 205 funded posts, of which 3 694 were filled and 511 were vacant at the end of November 2014. Personnel numbers are expected to remain constant over the medium term, and as a result, expenditure on compensation of employees is set to increase moderately, by 4.1 per cent over this period, due to inflationary adjustments.

Programmes/objectives/activities

Table 36.31 Water trading entity 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Administration	331.1	523.5	458.1	362.8	3.1%	5.3%	432.7	454.3	477.4	9.6%	5.3%
Implementation of water resources management activities	348.6	551.0	482.2	524.2	14.6%	6.0%	571.2	660.1	693.6	9.8%	7.5%
Operations, maintenance and refurbishment of national water resources schemes	676.7	1 069.7	936.1	1 043.8	15.5%	11.8%	1 175.0	1 233.8	1 296.4	7.5%	14.6%
Implementation of new water resources infrastructure	3 671.7	5 804.1	5 079.4	4 916.1	10.2%	61.4%	4 614.6	4 540.1	4 770.8	-1.0%	58.1%
Bulk water supply to strategic users	754.8	1 193.1	1 044.1	772.0	0.8%	11.9%	845.1	887.4	932.5	6.5%	10.6%
Implementation of dam safety projects	239.0	377.7	330.6	220.0	-2.7%	3.7%	315.8	350.9	368.7	18.8%	3.9%
Total	6 021.9	9 519.1	8 330.5	7 838.9	9.2%	100.0%	7 954.4	8 126.5	8 539.5	2.9%	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										Outcome/Budget Average (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate		
R million	2011/12		2012/13		2013/14		2014/15			2011/12 - 2014/15
Revenue										
Non-tax revenue	2 679.9	6 251.5	2 918.9	7 535.2	7 618.9	8 306.2	7 942.5	7 942.5		80.3%
Sale of goods and services other than capital assets	2 645.9	6 207.0	2 865.5	7 167.8	7 562.6	8 134.1	7 882.8	7 882.8		79.3%
of which:										
Sales of bulk water	2 645.9	6 207.0	2 865.5	7 167.8	7 562.6	8 134.1	7 882.8	7 882.8		79.3%
Other non-tax revenue	34.0	44.5	53.5	367.4	56.3	172.1	59.7	59.7		0.9%
Transfers received	403.5	1 934.4	869.5	1 817.1	1 865.1	2 085.3	2 410.7	2 410.7		19.7%
Total revenue	3 083.4	8 185.9	3 788.5	9 352.3	9 484.0	10 391.4	10 353.2	10 353.2		100.0%
Expenses										
Current expenses	3 875.8	6 021.9	4 299.0	9 519.1	7 178.5	8 330.5	7 838.9	7 838.9		100.0%
Compensation of employees	836.8	618.9	903.8	608.4	909.4	678.0	944.4	944.4		16.8%
Goods and services	1 077.4	2 557.2	1 722.7	3 709.2	2 531.3	3 760.9	2 683.4	2 683.4		34.3%
Depreciation	1 958.4	1 599.3	1 669.2	3 000.8	2 372.0	2 973.0	2 463.1	2 463.1		38.5%
Interest, dividends and rent on land	3.2	1 246.5	3.3	2 200.8	1 365.8	918.6	1 748.0	1 748.0		10.4%
Total expenses	3 875.8	6 021.9	4 299.0	9 519.1	7 178.5	8 330.5	7 838.9	7 838.9		100.0%
Surplus/(Deficit)	(792.0)	2 164.0	(511.0)	(167.0)	2 306.0	2 061.0	2 514.0	2 514.0		-

Table 36.32 Water trading entity statements of historical financial performance and position

Statement of financial position									
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget Average (%)
R million	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15
Carrying value of assets	66 435.3	88 624.5	65 806.8	88 322.3	98 783.6	87 098.4	103 681.9	103 681.9	95.9%
of which:									
Acquisition of assets	2 768.4	1 305.1	1 057.1	1 057.1	4 219.7	1 027.6	2 599.5	2 599.5	3.0%
Inventory	10.0	168.4	10.8	81.0	185.3	169.2	194.4	194.4	0.1%
Receivables and prepayments	1 777.9	3 181.1	2 362.7	3 241.9	2 478.5	4 230.1	2 599.9	2 599.9	2.7%
Cash and cash equivalents	23.0	1 488.7	1 385.6	2 094.6	1 639.7	1 924.4	1 720.1	1 720.1	1.3%
Total assets	68 246.2	93 462.7	69 565.9	93 739.7	103 087.0	93 422.1	108 196.2	108 196.2	100.0%
Accumulated surplus/(deficit)	(205.5)	62 691.2	1 070.7	61 304.9	67 390.4	63 365.8	72 436.9	72 436.9	33.4%
Capital and reserves	61 014.1	272.5	60 055.1	247.5	300.2	268.6	314.9	314.9	44.1%
Capital reserve fund	—	—	5 641.2	—	—	—	—	—	2.0%
Borrowings	—	29 904.3	—	31 444.4	32 963.8	28 941.5	34 579.1	34 579.1	16.0%
Finance lease	—	14.0	13.3	25.3	15.4	24.3	16.2	16.2	—
Deferred income	6 335.9	—	—	—	—	—	—	—	2.3%
Trade and other payables	963.1	574.8	2 243.4	788.7	637.3	895.0	668.6	668.6	1.5%
Provisions	101.4	183.0	542.1	176.4	887.3	195.4	180.6	180.6	0.5%
Derivatives financial instruments	37.0	—	—	—	892.6	—	—	—	0.2%
Total equity and liabilities	68 246.2	93 639.9	69 565.9	93 987.2	103 087.0	93 690.7	108 196.2	108 196.2	100.0%

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								
	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Revenue								
Non-tax revenue	7 942.5	8.3%	78.4%	8 274.6	8 712.5	9 239.4	5.2%	73.3%
Sale of goods and services other than capital assets	7 882.8	8.3%	76.7%	8 254.9	8 691.7	9 169.8	5.2%	72.9%
of which:								
Sales of bulk water	7 882.8	8.3%	76.7%	8 254.9	8 691.7	9 169.8	5.2%	72.9%
Other non-tax revenue	59.7	10.3%	1.7%	19.8	20.8	69.6	5.3%	0.4%
Transfers received	2 410.7	7.6%	21.6%	3 165.4	3 397.0	3 583.8	14.1%	26.7%
Total revenue	10 353.2	8.1%	100.0%	11 440.1	12 109.5	12 823.2	7.4%	100.0%
Expenses								
Current expenses	7 838.9	9.2%	100.0%	7 954.4	8 126.5	8 539.5	2.9%	100.0%
Compensation of employees	944.4	15.1%	9.2%	979.3	1 000.6	1 065.6	4.1%	12.3%
Goods and services	2 683.4	1.6%	40.2%	2 699.3	2 757.9	2 887.4	2.5%	34.0%
Depreciation	2 463.1	15.5%	31.3%	2 554.4	2 609.8	2 740.3	3.6%	31.9%
Interest, dividends and rent on land	1 748.0	11.9%	19.3%	1 721.3	1 758.3	1 846.2	1.8%	21.8%
Total expenses	7 838.9	9.2%	100.0%	7 954.4	8 126.5	8 539.5	2.9%	100.0%
Surplus/(Deficit)	2 514.0	5.1%	—	3 486.0	3 983.0	4 284.0	19.4%	—
Statement of financial position								
Carrying value of assets	103 681.9	5.4%	94.5%	107 554.9	113 255.3	118 918.1	4.7%	95.4%
of which:								
Acquisition of assets	2 599.5	25.8%	1.5%	2 610.2	3 904.3	4 099.5	16.4%	2.8%
Inventory	194.4	4.9%	0.2%	203.9	214.7	225.4	5.1%	0.2%
Receivables and prepayments	2 599.9	-6.5%	3.4%	2 727.3	2 871.8	3 015.4	5.1%	2.4%
Cash and cash equivalents	1 720.1	4.9%	1.9%	2 346.6	2 470.9	2 594.5	14.7%	2.0%
Total assets	108 196.2	5.0%	100.0%	112 832.6	118 812.8	124 753.4	4.9%	100.0%
Accumulated surplus/(deficit)	72 436.9	4.9%	66.7%	76 669.7	80 733.2	84 769.9	5.4%	67.7%
Capital and reserves	314.9	4.9%	0.3%	330.3	347.8	365.2	5.1%	0.3%
Borrowings	34 579.1	5.0%	32.1%	34 924.9	36 775.9	38 614.7	3.7%	31.2%
Finance lease	16.2	4.9%	—	17.0	17.9	18.8	5.1%	—
Trade and other payables	668.6	5.2%	0.8%	701.3	738.5	775.4	5.1%	0.6%
Provisions	180.6	-0.4%	0.2%	189.5	199.5	209.5	5.1%	0.2%
Total equity and liabilities	108 196.2	4.9%	100.0%	112 832.6	118 812.8	124 753.4	29.4%	100.0%

Personnel information

Table 36.34 Water trading entity personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015			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 (%)			
			2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
Water trading entity			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	4 205	4 205	3 676	678.0	0.2	3 694	944.4	0.3	4 205	979.3	0.2	4 205	1 000.6	0.2	4 205	1 065.6	0.3	4.1%	100.0%
1 – 6	2 320	2 320	2 064	190.7	0.1	2 082	250.7	0.1	2 320	259.8	0.1	2 320	265.6	0.1	2 320	283.6	0.1	4.2%	55.5%
7 – 10	1 475	1 475	1 283	266.9	0.2	1 283	338.8	0.3	1 475	352.4	0.2	1 475	360.2	0.2	1 475	385.0	0.3	4.3%	35.0%
11 – 12	288	288	229	122.7	0.5	229	166.0	0.7	288	172.6	0.6	288	176.3	0.6	288	188.6	0.7	4.3%	6.7%
13 – 16	91	91	73	64.1	0.9	73	104.1	1.4	91	107.6	1.2	91	109.8	1.2	91	115.9	1.3	3.7%	2.1%
17 – 22	31	31	27	33.7	1.2	27	84.7	3.1	31	87.0	2.8	31	88.7	2.9	31	92.4	3.0	3.0%	0.7%

1. Rand million.

Other public entities and agencies

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 2015/16 is estimated to be R47.4 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 2015/16 is estimated to be R62.2 million.
- The **Water Research Commission** was established in terms of the Water Research Act (1971) and is listed as a schedule 3A public entity. The commission's mandate is to conduct research on water by determining needs and priorities for research, stimulating and funding water research, promoting the effective transfer of information and technology, and enhancing knowledge and capacity building in the water sector. Research is informed by government policies, needs, and international trends. The commission's total budget for 2015/16 is R295.6 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			
				2011/12	2012/13		2013/14	2015/16	2016/17	2017/18
Departmental infrastructure										
Sediberg bulk regional sewerage scheme: Sebokeng and Meyerton wastewater treatment works	Upgrading existing wastewater treatment works	Tender	1 456.0	31.3	5.9	32.2	200.0	292.0	307.0	210.0
Sediberg bulk regional sewerage scheme remainder	Construction of new wastewater treatment works	Design	2 400.0	5.2	–	–	20.0	15.0	80.0	94.2
OR Tambo Mthatha King Sabata Dalindyebo district municipality bulk water supply and sanitation	Augmentation of existing bulk water scheme	Construction	2 705.0	0.6	50.8	151.3	300.0	310.0	425.0	452.3
De Hoop: Greater Sekukhune district municipality regional bulk water and wastewater infrastructure	Construction of new bulk water infrastructure linking communities with the De Hoop Dam	Feasibility	2 088.0	–	–	88.4	396.1	250.9	319.8	300.0
Mogalakwena bulk water supply	Upgrading of existing bulk water scheme	Construction	2 000.0	9.4	16.5	25.3	40.0	53.8	135.0	168.9
Nebo bulk water supply	Upgrading of boreholes and construction of new bulk water scheme	Construction	1 530.0	80.0	68.4	115.6	84.0	121.5	160.0	132.0
Magalies water supply to Waterberg	Construction of new bulk water scheme	Construction	1 350.0	21.0	24.1	54.6	40.0	60.0	95.0	148.0
Nandoni water treatment works and distribution	Construction of new bulk water scheme	Feasibility	1 891.0	–	–	–	–	–	17.0	–
Nandoni pipeline	Supply of water to Vhembe district municipality	Construction	1 789.7	144.1	253.0	–	23.9	202.0	209.0	–
Ndlambe bulk water supply	Supply of water to Vhembe district municipality	Handed over	750.0	–	735.0	–	–	–	–	–
Mbizana regional bulk water supply	Construction of new bulk water scheme and upgrading existing bulk water scheme	Construction	879.0	31.9	12.9	71.2	143.5	81.5	110.0	190.0
Westonaria/Randfontein regional bulk wastewater treatment works (Hannes van Niekerk)	Construction of new bulk water scheme and upgrading existing bulk water scheme	Construction	780.0	85.7	121.4	160.1	70.0	83.2	139.0	161.3
Westonaria/Randfontein regional bulk wastewater treatment works (Zuurbekom)	Upgrading of existing wastewater treatment works	Handed over	266.0	44.9	172.1	67.0	–	–	–	–
Western highveld regional bulk water supply	Construction of new wastewater treatment works	Design	621.5	–	–	–	60.0	10.0	15.0	80.0
Pongolapoort bulk water scheme	Upgrading of existing bulk water scheme	Construction	486.0	30.0	24.2	49.1	80.0	30.0	30.0	–
Greater Mthonjaneni phases 1 to 3 bulk water supply	Construction of new bulk water scheme	Construction	674.0	5.4	58.4	147.8	60.0	190.0	45.0	150.0
Ngcobo regional bulk water supply (iLembe)	Construction of new bulk water scheme	Construction	668.8	23.0	35.7	32.2	350.0	229.0	208.0	36.2
Umgeni Water Board: Lower Thukela bulk water supply scheme	Construction of new bulk water scheme	Construction	682.6	37.3	100.5	79.8	150.0	106.2	100.0	150.0
Umslwathi bulk water supply scheme	Construction of new bulk water scheme	Construction	965.0	–	43.6	107.0	120.0	415.4	190.9	–
Moolhoek/Tubatse bulk water supply	Construction of new bulk water scheme	Tender	373.9	–	–	–	200.0	–	231.8	300.0
Lebalelo central and north regional water supply	Augmentation existing bulk water scheme	Construction	807.0	48.0	30.3	49.1	–	73.0	90.0	140.0
Matkots bulk water supply	Construction of new bulk water scheme	Feasibility	600.0	–	–	–	–	12.0	20.6	–
Nzhelele Valley bulk water supply	Construction of new bulk water scheme	Feasibility	800.0	–	–	0.9	43.0	–	–	–
Namakwa bulk water supply	Construction of new bulk water scheme	Feasibility	600.0	–	–	0.3	–	–	20.0	–
Madibeng bulk water supply	Upgrading of existing bulk water scheme	Construction	530.0	27.9	12.5	186.1	–	196.0	83.6	35.4
	Upgrading of existing bulk water scheme	Construction	500.0	14.9	2.0	15.9	–	50.0	116.1	134.4

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			
				2011/12	2012/13	2013/14		2014/15	2015/16	2016/17	2017/18
R million			733.8	136.9	220.0	97.6	–	–	55.0	77.7	72.6
Taung/Naledi bulk water supply	Construction of new bulk water scheme and upgrading of existing bulk water scheme	Construction									
Greater Mamusa bulk water supply	Construction of new bulk water scheme and upgrading of existing bulk water scheme	Design	403.0	6.8	6.7	0.6	–	–	50.0	105.0	76.7
Planesberg north and south bulk water supply	Upgrading of existing bulk water scheme and construction of new bulk water scheme.	Construction	771.3	–	13.0	124.4	72.4	–	155.0	108.0	85.2
Chris Hani district municipality bulk water supply, Ncora cluster 4	Construction of new bulk water scheme and upgrading of existing bulk water scheme	Construction	353.9	16.4	25.2	35.0	–	–	50.0	88.0	71.0
Chris Hani district municipality: Ngcobo cluster 6	Construction of new bulk water scheme and spring protection	Construction	324.0	9.2	32.9	26.9	45.0	–	47.3	83.0	66.0
Xonxa Dam water supply to Lukhanji	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	444.0	11.7	69.8	77.9	98.0	–	95.2	87.0	25.7
Anatola Water: Refurbishment of 6 existing plants and downstream infrastructure	Upgrading of existing bulk water scheme	Feasibility	500.0	–	–	–	70.0	–	350.0	–	–
Nkeboana bulk water supply	Construction of new bulk water scheme and upgrading of existing bulk water scheme	Handed over	136.0	0.4	1.9	11.8	70.0	–	30.0	30.0	45.0
Sterkfontein Dam scheme phase 1	Construction of new bulk water scheme	Construction	330.0	62.4	63.5	47.6	–	–	–	–	–
Sterkfontein Dam scheme: Maluti-a-Phofung bulk water supply (phase 2)	Construction of new bulk water scheme	Construction	240.0	–	–	–	–	–	57.6	55.0	53.5
Mhabatshane bulk water supply	Construction of new bulk water scheme	Construction	483.5	126.5	21.6	37.7	–	–	18.8	–	–
Greytown regional bulk scheme	Construction of new bulk water scheme and upgrading of existing bulk water scheme	Construction	950.0	5.6	30.1	28.3	–	–	143.0	134.2	149.2
Middledrift regional bulk scheme (phase 2)	Construction of new water treatment works	Construction	431.2	26.0	3.3	–	–	–	45.0	80.0	200.0
Sinthumule Kutama bulk water augmentation	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	455.0	39.3	15.0	24.4	–	–	150.0	34.8	–
Mouse bulk water supply	Upgrading of existing water treatment works and construction of new bulk water scheme	Feasibility	560.0	23.0	70.2	206.9	–	–	50.1	–	–
Glen Alpine bulk water supply	Construction of new bulk water scheme	Feasibility	345.0	–	–	–	–	–	–	15.0	–
Lephalele/Eskom: Bulk water augmentation	Augmentation of existing bulk water scheme	Feasibility	330.0	–	–	0.3	–	–	–	70.4	77.3
Provincial high catalytic projects (Mutash Hub)	Construction of new bulk water scheme for various purposes	Feasibility	200.0	–	0.3	1.4	–	–	–	19.6	60.0
Tsantsabane bulk water supply and sanitation	Upgrading of existing bulk water supply and wastewater treatment works	Hand over	314.0	29.7	–	–	54.3	–	–	–	–
Moretele bulk water supply	Construction of new bulk water scheme	Feasibility	340.0	–	–	16.9	–	–	18.0	50.0	74.3
Bojanala regional water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Feasibility	400.0	0.6	0.9	–	–	–	–	–	–
West Coast desalination plant	Construction of new desalination plant	Design	112.8	4.0	6.0	4.5	35.0	–	–	–	–

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2014/15	Medium-term expenditure estimate			
				2011/12	2012/13	2013/14		2015/16	2016/17	2017/18	
R million				2.0	5.2	-	-	-	20.0	20.4	44.5
Empuluzi and Methula bulk water scheme	Upgrading of existing bulk water scheme	Design	395.0	2.0	5.2	-	-	-	20.0	20.4	44.5
Western highveld bulk water supply (Rust de Winter)	Construction of new bulk water scheme	Feasibility	257.0	2.0	-	-	-	-	12.6	15.0	21.8
Carolina Sibobela bulk water scheme	Construction of new bulk water scheme	Feasibility	200.0	-	-	1.0	68.7	-	-	-	-
Mincwasa bulk water supply	Construction of new bulk water scheme	Construction	264.2	16.6	23.6	12.1	34.4	41.0	71.7	42.7	-
Xhora east bulk water supply	Construction of new bulk water scheme	Construction	258.5	9.6	15.8	7.0	30.0	45.0	81.6	61.6	-
Greater Bulwer Donnybrook water scheme	Upgrading of existing water treatment works	Various	350.0	8.6	5.6	-	-	34.8	78.1	-	-
Extension of Kalahari East pipeline	Construction of new wastewater treatment works	Design	304.0	-	-	-	2.4	-	-	-	-
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	295.0	25.2	129.2	-	-	13.0	13.0	-	-
Ernelo bulk water supply	Upgrading of existing wastewater treatment works	Construction	325.0	-	-	-	-	15.0	21.0	23.4	-
Hluhluwe (phase 3 and 4)	Supply of water	Construction	412.2	0.3	99.3	-	2.0	4.4	-	-	-
Nebo bulk water scheme: De Hoop augmentation/north/south/Steelport	Upgrading of existing bulk water scheme	Feasibility	150.2	-	-	-	38.2	12.0	40.0	60.0	-
Graaff-Reinet emergency water supply scheme	Upgrading of existing bulk water scheme	Feasibility	29.4	-	3.2	5.2	14.4	5.0	10.0	10.0	-
Sundays River: Paterson bulk water supply	Upgrading of existing water treatment works and construction of new bulk water scheme	Construction	80.2	13.3	14.1	6.4	-	5.0	-	-	-
Steylerville water supply scheme	Augmentation of existing bulk water scheme	Construction	70.0	-	7.0	12.5	20.0	23.8	-	-	-
Ilbeka water supply	Construction of new bulk water scheme	Construction	49.0	18.5	12.6	4.2	-	9.0	-	-	-
Ikwezi bulk water supply	Upgrading of existing bulk water scheme	Feasibility	128.0	-	0.1	0.3	-	-	-	-	-
Kirkwood water treatment works	Upgrading of existing bulk water scheme	Feasibility	20.4	-	0.2	-	49.1	-	10.0	10.0	-
Chris Hani district municipality bulk water supply: Quthubeni (cluster 9)	Construction of new bulk water scheme	Construction	178.4	23.4	21.0	40.2	-	60.0	90.0	33.2	-
Misgund bulk water supply	Construction of new bulk water scheme and upgrading of existing bulk water scheme	Feasibility	7.0	-	0.1	-	4.7	-	-	-	-
Hofmeyr groundwater supply (phase 1 completed)	Development of borehole to augment existing bulk water scheme	Construction	59.3	-	2.2	2.3	-	18.0	-	-	-
Middelburg groundwater supply	Development of borehole to augment existing bulk water scheme	Construction	22.0	3.4	10.9	0.6	-	5.0	-	-	-
Coffee Bay bulk water supply	Construction of new bulk water scheme	Various	94.0	15.1	-	-	25.0	-	-	-	-
Matatiele bulk water supply	Construction of new bulk water scheme	Design	164.7	4.0	1.1	1.2	25.0	25.0	36.0	-	-
Mount Ayliff bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	165.6	3.2	32.5	13.1	-	35.0	60.0	-	-
Jagersfontein/Fauresmith: Bulk water supply (phases 1 to 3)	Construction of new bulk water scheme	Construction	250.0	16.9	4.2	26.5	-	20.0	20.0	-	-
Mohokare bulk water supply	Construction of new bulk water scheme	Construction	136.0	8.1	10.5	22.0	-	53.0	45.0	-	-
Maslionyana bulk water supply	Upgrading of existing bulk water scheme	Design	130.0	0.5	6.7	15.1	-	55.0	72.0	30.0	-

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		
				2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
R million										
Tokologo regional water supply (phase 1)	Construction of new bulk water scheme	Handed over	223.0	46.0	54.0	15.1	-	-	-	-
Tokologo regional water supply (phase 2)	Upgrading of existing bulk water scheme	Tender	290.0	-	-	-	-	33.0	65.0	45.0
Sesoto bulk water supply	Construction of new bulk water scheme	Construction	160.0	13.7	10.0	4.0	-	30.0	(10.0)	45.0
Ditlabeng bulk water supply (phase 1)	Construction of new bulk water scheme	Handed over	97.0	15.3	33.8	21.0	-	-	-	-
Ditlabeng bulk water supply (phase 2)	Construction of new bulk water scheme	Construction	255.0	-	-	-	-	35.6	40.0	30.0
Phumelela bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Hand over	123.0	10.7	32.3	23.3	-	20.0	27.4	28.6
Mothaka regional water scheme	Construction of new bulk water scheme	Feasibility	130.0	0.6	8.0	11.9	-	35.5	30.0	55.0
Mothaka bulk sewer	Construction of bulk sewer	Feasibility	105.0	-	-	-	-	6.0	5.0	20.0
Ngwathe bulk water supply	Upgrading of existing bulk water scheme	Feasibility	11.3	5.5	-	-	-	-	20.0	40.0
Ngwathe bulk water supply (phase 2)	Upgrading of existing wastewater treatment works	Feasibility	160.0	-	-	2.1	30.0	20.0	(10.0)	30.0
Ngwathe bulk sewer	Construction of bulk sewer	Feasibility	300.0	-	-	6.5	-	20.0	30.0	30.0
Letsemeng-Petrusburg-Koffiefontein bulk water supply	Upgrading of existing bulk water scheme	Feasibility	90.0	0.1	0.4	-	30.0	-	20.0	70.0
Nala bulk sewer	Upgrading of existing bulk water scheme	Feasibility	20.0	-	-	4.0	20.0	17.0	20.0	30.0
Naledi bulk water supply	Upgrading of existing bulk water scheme	Feasibility	140.0	-	0.4	-	45.0	-	10.0	30.0
Tswelopele bulk water supply	Construction of new bulk water scheme	Construction	85.0	0.1	0.8	-	25.0	10.0	(20.0)	(30.0)
Manisopa-Tweespruit and Hobhouse bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	250.0	-	0.4	0.4	35.0	20.0	(10.0)	-
Ngwathe boreholes	Construction of new bulk water scheme to augment existing bulk water scheme	Handed over	250.0	-	-	2.1	-	-	-	-
Greater Eston water scheme	Construction of new bulk water scheme	Construction	192.0	28.1	89.9	43.8	-	-	55.0	-
Driefontein Complex bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	196.1	22.3	16.3	56.7	30.0	-	5.0	-
Driefontein Indaka bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	378.5	-	-	-	-	85.0	85.0	116.3
Enadlangeni bulk regional scheme	Construction of new bulk water scheme	Construction	50.3	10.3	4.9	-	20.0	-	-	-
Mandakazi bulk water supply (phase 1 to be completed)	Construction of new bulk water scheme to augment existing bulk water scheme	Tender	228.0	28.4	29.7	5.8	-	57.0	-	-
construction of water treatment works (phase 2)										
Nongoma bulk water supply	Construction of new bulk water scheme	Construction	229.0	23.1	36.1	56.2	14.0	138.0	245.0	100.0
Dukuduku resettlement bulk water supply	Construction of new bulk water scheme	Construction	137.0	30.5	46.0	30.0	-	15.0	-	-
Hiabisa regional bulk water supply	Construction of new bulk water scheme	Handed over	166.9	51.8	14.4	30.0	-	-	-	-
Maghumulo bulk water supply (phases 1 and 2)	Construction of new bulk water scheme	Various	159.1	-	-	-	-	34.8	90.3	-
Giyani bulk water supply drought relief	Construction of new bulk water scheme	Construction	182.1	42.1	11.9	35.0	-	100.0	-	-
Speecon bulk water supply	Upgrading of existing water treatment works and new bulk water scheme	Construction	73.0	-	-	-	31.8	-	-	-

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		
				2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
R million										
Mameiya Sekororo bulk water supply	Construction of new wastewater treatment works	Various	214.0	–	18.2	92.5	37.0	50.2	35.0	–
Port Nolloth bulk water supply	Development of groundwater water scheme	Design	27.0	–	–	–	–	7.5	5.9	19.9
Colesberg bulk water supply	Development of borehole	Design	142.3	31.9	24.3	35.4	–	–	–	–
Colesberg wastewater treatment works	Construction of new water treatment works	Handed over	19.4	9.8	3.4	–	–	–	–	–
Noupoort bulk water supply	Development of groundwater water scheme	Feasibility	59.7	–	0.5	3.5	49.2	30.0	11.0	–
De Aar bulk water supply	Upgrading of existing bulk water scheme	Construction	156.0	–	–	1.1	17.0	10.0	29.0	–
Hopetown water treatment works (Thembelihle) bulk water supply	Upgrading of existing bulk water scheme	Handed over	75.0	6.8	16.7	2.7	–	–	–	–
Strydenburg groundwater project	Construction of new wastewater treatment works	Construction	24.0	–	0.3	–	–	8.4	–	–
Heuningvei scheme bulk water supply	Construction of new bulk water scheme	Feasibility	131.0	21.2	51.4	52.2	46.2	–	–	–
Kuruman bulk water supply	Construction of new desalination plant	Feasibility	95.5	–	3.6	6.2	–	15.6	–	–
Kathu wastewater treatment works	Upgrading of existing bulk water scheme	Feasibility	17.6	–	17.0	0.6	–	–	–	–
Kathu bulk water supply	Construction of new bulk water scheme	Various	53.4	–	–	0.6	–	–	30.0	–
Hantam desalination plant (Brandvlei)	Construction of new bulk water scheme	Various	28.0	0.7	0.1	0.7	55.0	4.1	11.0	40.0
Loeriesfontein bulk water supply	Construction of new bulk water scheme	Feasibility	20.0	–	–	1.4	52.0	10.0	35.0	24.0
Kenhardt bulk water supply	Upgrading of existing wastewater treatment works	Construction	69.2	4.2	–	–	–	–	–	–
Rienvasmaak water supply	Augmentation of existing bulk water scheme	Feasibility	3.1	3.1	–	–	–	–	60.0	110.0
Holpan bulk water supply (Windsorton)	Upgrading of existing bulk water scheme	Feasibility	60.0	–	0.4	0.2	44.9	6.3	20.0	20.0
Upgrading of the Homevale wastewater treatment plant (Sol Plaatje wastewater treatment works)	Upgrading of existing groundwater water scheme	Construction	78.0	–	31.8	15.6	–	5.6	–	–
Khai-Ma municipality bulk water supply	Supply of water	Construction	52.5	–	–	–	2.4	–	–	–
Niekerkshoop bulk water supply	Supply of water	Construction	11.1	–	2.8	6.1	15.2	–	–	–
Frankfort (Matube) bulk sewer	Construction of new bulk water scheme	Feasibility	120.0	–	–	–	–	20.0	30.0	20.0
Pixley ka Seme bulk water supply	Upgrading of existing groundwater water scheme	Feasibility	40.0	2.7	1.6	2.1	–	–	11.0	8.0
Mandale bulk water supply	Upgrading of existing water treatment works and new bulk water scheme	Feasibility	23.0	–	–	–	–	–	13.0	–
Van der Kloof bulk water supply (Vosburg)	Construction of new wastewater treatment works	Feasibility	50.0	–	–	–	–	13.0	13.0	13.0
Kaimoes water treatment works	Construction of new wastewater treatment works	Feasibility	40.0	–	–	–	–	–	20.0	20.0
Kakamas wastewater treatment works	Construction of new wastewater treatment works	Feasibility	40.0	–	–	0.6	–	–	–	–
Magareng wastewater treatment works	Upgrading of water treatment works	Feasibility	60.0	–	–	–	–	–	20.0	20.0

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				
				2011/12	2012/13		2013/14	2014/15	2015/16	2016/17	2017/18
R million											
Warrenton water treatment works	Upgrading of existing water treatment works and new bulk water scheme	Feasibility	60.0	–	0.1	0.7	–	–	0.7	6.2	5.0
Gariep Dam to Norvalspont bulk water supply	Construction of new bulk water scheme	Feasibility	25.0	–	–	–	–	–	–	6.9	–
Renosterberg bulk water supply	Construction of new bulk water scheme	Feasibility	16.0	–	–	–	–	–	–	5.0	5.7
Van Wyksvlei groundwater	Construction of new bulk water scheme	Feasibility	25.0	–	0.4	0.2	–	–	–	5.4	2.5
Boemendal water pipeline	Construction of new bulk water scheme	Construction	57.5	11.9	35.6	–	–	–	–	–	–
Eerstehoek/Ekulindeni bulk water supply	Construction of new bulk water supply and upgrading of existing water treatment works	Feasibility	126.0	2.0	4.5	–	–	–	–	–	23.0
Ernslo North regional scheme (Muskaligwa)	Upgrading of existing groundwater water scheme	Feasibility	185.0	2.0	5.9	18.5	–	–	–	–	–
Balf/Siyat/Grey/Willem/Nthor bulk water supply	Construction of new bulk water scheme	Various	103.0	2.0	4.5	0.5	–	–	14.0	25.0	22.0
Emalahleni Bulk water supply upgrade	Upgrading of water treatment works and construction of new bulk water scheme	Feasibility	150.0	20.0	26.0	14.8	–	–	49.1	20.0	30.0
Northern Nzikazi water treatment works	Construction of new bulk water scheme	Tender	73.0	–	0.5	0.3	–	–	30.0	40.0	40.0
Aconhoek bulk water supply	Augmentation/existing bulk water scheme	Construction	191.7	37.7	83.5	28.7	–	–	–	24.0	30.0
Mbombela 2010 water and sanitation	Upgrading of existing water treatment works	Construction	44.9	–	–	–	–	–	–	40.0	–
Drekoopies water treatment works upgrading	Construction of new bulk water scheme and water treatment works	Design	93.0	3.2	5.9	–	–	–	15.0	35.0	19.8
Sibange water treatment works	Construction of new bulk water scheme	Construction	80.0	2.8	6.1	–	–	–	15.0	44.2	34.9
Lushuhwane bulk water scheme	Construction of new bulk water and sanitation schemes	Various	194.8	–	–	–	–	–	35.0	25.8	–
Amsterdam and Sheepmore bulk water scheme	Upgrading of existing water treatment works and new bulk water scheme	Design	48.0	–	–	–	–	–	15.0	7.5	–
Thaba Chweu groundwater development	Construction of new bulk water scheme and water treatment works	Design	4.5	–	–	3.3	–	–	–	–	–
Emalahleni bulk water supply (phase 2)	Upgrading existing water treatment works and new bulk water scheme	Feasibility	122.0	–	–	–	–	–	–	–	30.0
Hoxane bulk water supply	Upgrading existing water treatment works and new bulk water scheme	Feasibility	14.2	–	5.5	0.4	–	–	–	–	–
Thembisile water scheme (Loskop)	Construction of new bulk water scheme	Feasibility	260.0	–	–	–	–	–	13.0	16.6	23.0
Koster wastewater treatment works upgrade	Development of borehole	Construction	86.0	–	3.1	2.0	–	–	10.0	15.0	57.6
Matikeng South bulk water supply	Construction of new bulk water scheme	Design	165.0	–	1.5	21.2	–	–	45.0	14.0	22.0
Ventersdorp bulk water project in Dr Kaunda district municipality	Construction of new bulk water scheme	Handed over	36.2	2.5	13.8	10.9	–	–	–	–	–
Railou local municipality bulk water supply	Construction of new wastewater treatment works	Feasibility	218.1	2.7	1.7	2.1	–	–	45.0	51.0	98.6
Wolmaransstad wastewater treatment works	Upgrading of existing bulk water scheme	Design	92.0	–	9.3	1.5	–	–	44.6	36.0	–

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		
				2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
R million										
Potchefstroom water treatment works upgrade	Upgrading of existing water treatment works and new bulk water scheme	Construction	105.0	-	-	-	-	10.0	40.0	34.8
Kagisano Molopo bulk water supply	Upgrading of existing water treatment works and new bulk water scheme	Pre-feasibility	130.0	-	-	-	-	-	50.0	70.0
Nahoon Dam (Buffalo City municipality)	Upgrading of existing wastewater treatment works	Feasibility	150.0	-	-	2.4	-	-	50.0	50.0
Ngqamakwe water supply	Upgrading of existing wastewater treatment works	Feasibility	245.0	-	-	-	-	-	40.0	25.0
Citrudal wastewater treatment works	Augmentation of existing bulk water scheme	Feasibility	35.6	0.3	2.0	3.8	-	20.0	14.8	65.0
Cianwilliam water treatment works	Upgrading of existing bulk water scheme	Design	16.0	0.5	1.0	0.9	-	11.0	(20.0)	-
Cianwilliam/Lamberts Bay regional water supply	Upgrading of existing bulk water scheme	Hand over	67.5	10.1	9.7	21.0	-	-	-	-
Tulbagh bulk water supply (Witzenberg)	Construction of new wastewater treatment works	Handed over	78.0	11.9	20.7	8.3	-	-	-	-
Drakenstein wastewater treatment works	Upgrading of existing bulk water scheme	Design	29.0	12.0	7.0	-	-	-	20.0	-
Stellenbosch wastewater treatment works	Construction of new desalination plant and upgrading of existing bulk water scheme	Construction	61.0	2.0	-	10.0	-	48.1	43.0	12.7
Worcester bulk water supply	Construction of new bulk water scheme	Construction	67.8	0.3	19.0	33.4	-	-	-	-
Grabouw wastewater treatment works	Upgrading of existing wastewater treatment works	Construction	14.0	0.3	7.7	8.5	-	4.0	-	-
Hermanus bulk water supply	Upgrading of existing wastewater treatment works	Hand over	20.6	8.8	12.0	-	-	-	-	-
Hermanus wastewater treatment works	Augmentation of existing bulk water scheme	Handed over	31.1	17.0	14.0	-	-	-	-	-
Swellendam wastewater treatment works	Upgrading of existing wastewater treatment works	Handed over	21.6	0.3	19.4	10.1	-	-	-	-
Struisbaai wastewater treatment works	Construction of new water treatment works, development of borehole and upgrading of existing bulk water scheme	Handed over	11.4	0.3	5.6	5.6	-	-	-	-
Oudtshoorn groundwater supply	Upgrading of existing wastewater treatment works	Various	78.0	1.0	8.0	18.0	-	20.0	10.0	42.4
Beaufort West bulk water supply	Upgrading of existing wastewater treatment works and construction of new wastewater treatment works	Construction	30.0	0.8	0.9	0.2	-	11.8	16.7	14.0
Vanrhynsdorp raw water supply	Upgrading of existing wastewater treatment works	Construction	38.0	0.4	-	-	-	15.2	20.0	-
Klawer bulk water supply	Augmentation of existing bulk water scheme from boreholes	Feasibility	17.7	-	-	-	-	4.6	8.4	-
Paarl bulk sewer	Development of borehole	Feasibility	58.8	0.3	-	39.3	-	6.6	8.5	-
Calitzdorp and Ladysmith wastewater treatment works	Augmentation of existing bulk water scheme	Design	18.4	-	0.5	0.2	-	3.0	10.0	53.9
Kannaland Dam relocation	Augmentation of existing bulk water scheme	Design	22.8	-	3.4	2.1	-	10.0	5.0	34.9
Bitou cross border bulk water supply	Construction of new bulk sewage conveyance pipelines	Construction	120.0	-	0.5	2.4	-	20.0	36.2	58.4

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			
				2011/12	2012/13		2013/14	2014/15	2015/16	2016/17
R million			129.0	5.5	-	-	-	-	-	-
George bulk water supply augmentation	Upgrading of existing wastewater treatment works	Feasibility								
James Kleyhans bulk water supply	Augmentation of existing bulk water scheme	Feasibility	2.0	-	-	2.0	-	15.0	96.0	-
Ntshankulu bulk water supply	Construction of new bulk water scheme	Handed over	1.0	-	-	-	-	-	-	-
Inqunza Hill bulk water supply	Upgrading of existing bulk water scheme	Feasibility	1.0	-	-	-	-	-	20.0	30.0
Aganang bulk water supply	Upgrading of existing bulk water scheme	Feasibility	1.2	-	-	0.5	-	20.0	40.0	70.0
Potokwane wastewater treatment works	Upgrading of existing bulk water scheme	Construction	2.7	-	-	0.2	-	42.0	60.0	10.0
Sekukhune master plan	Upgrading of existing bulk water scheme	Design	3.1	-	-	0.8	-	-	-	-
Upgrade of Delmas wastewater treatment works	Development of master plan	Design	1.8	-	-	-	-	22.0	22.1	23.0
Upgrade of Botleng wastewater treatment works	Development of master plan	Feasibility	59.4	-	-	-	-	15.0	21.0	23.4
Balfour wastewater treatment works	Upgrading of existing bulk water scheme	Feasibility	85.5	-	-	0.5	-	28.4	40.6	-
Masakoma pipeline	Supply of water	Handed over	19.0	-	19.0	-	-	-	-	-
Groot Letaba river water development project: Nwamitwa dam	Supply of water	Construction	158.7	-	-	-	-	-	-	-
Infrastructure transfers to other spheres, agencies and departments										
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 Sekukhune	Construction	3 074.0	562.6	386.3	268.7	102.7	21.5	-	-
Olifants River water resources development project (phases 2B and 2C)	Construction of Flag Boshielo to Mokopane pipeline and second pipeline between Flag Boshielo to Mokopane	Feasibility	13 114.0	-	-	-	91.8	90.6	337.0	456.0
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 Nebo Plateau to Roossenekal	Construction	3 400.0	468.7	566.9	521.0	546.1	11.4	11.4	-
Olifants River water resources development project (phase 2D)	Construction of second pipeline between Steelpoort Weir and Mooihoek	Feasibility	834.5	-	-	-	68.4	68.4	98.0	-
Olifants River water resources development project (phases 2E and 2F)	Construction of second Pipeline parallel to Lebalelo scheme and Lebalelo scheme to Olifantspoort	Construction	2 412.2	-	-	-	-	-	-	232.8
Olifants River water resources development project (phase 2H)	Incorporation of Lebalelo infrastructure Olifants River water resources development project	Design	1 444.4	-	-	-	128.3	(0.6)	-	-
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	-	-	-	92.7	115.6	228.0	228.0

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		
				2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
R million				300.5	220.6	248.0	250.8	322.2	273.6	342.0
Dam safety rehabilitation programme	Rehabilitation of assets and improvement of dam safety	Design	2 800.0							
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	9.3	228.7	44.5	467.9	414.5	342.0	399.0
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	293.0	-	-	57.0	5.7	5.7	-
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	-	-	-	171.0	114.0	91.2	228.0
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	-	-	-	-	-	-	125.4
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	-	-	-	12.1	166.8	118.9	91.2
Midloti River development project: Raising of Hazelmere Dam	Augmentation of water supply to Umgeni Water for treatment, for KwaZulu-Natal north coast	Design	360.0	4.5	13.0	11.6	156.0	168.3	146.5	42.8
Mopani district municipality emergency works	Refurbishing of dilapidated infrastructure	Construction	80.0	-	36.8	103.9	59.5	126.7	81.0	-
Enterprise resource programme system upgrade	Upgrading of SAP system	Construction	205.0	53.8	22.6	25.4	58.0	-	-	-
National water resources infrastructure support/project management	Funding of national office costs including construction, engineering, operations and new development	Feasibility	-	-	213.3	344.0	250.2	253.8	279.1	298.0
Financial management/project support	Funding of financial management and SAP maintenance and support	Feasibility	-	-	207.1	158.3	217.1	228.0	241.7	256.2
Mzimkulu River: Nowabeni 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	-	-	-	-	-	-	102.6
Bushbuckridge water treatment plant, pipelines and reservoirs	Supply of water to Bushbuckridge area	Handed over	114.0	-	-	100.0	-	-	-	-
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	-	-	-	-
Water services	Supplying water	Construction	20 000.0	-	-	308.2	-	264.0	430.0	421.8
Total			124 292.2	3 569.3	5 685.8	5 400.6	6 468.3	8 511.8	9 656.0	9 488.4

Vote 37

Arts and Culture

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	244.0	236.6	–	7.4	257.5	270.9
Institutional Governance	424.1	76.3	347.7	–	395.9	415.7
Arts and Culture Promotion and Development	1 076.2	197.9	878.3	–	1 121.2	1 182.6
Heritage Promotion and Preservation	2 175.6	129.3	2 046.2	–	2 328.8	2 477.8
Total expenditure estimates	3 919.9	640.2	3 272.3	7.4	4 103.4	4 347.0
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, public entities, donor funding, public private partnerships, conditional allocations 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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of community conversations on social cohesion and nation building conducted per year	Institutional Governance	Outcome 14: Nation building and social cohesion	49	61 ¹	0	45	33	33	33
Number of artists placed in schools per year	Arts, Culture Promotion and Development	Outcome 1: Quality basic education	50	75	200	240	300	340	380
Number of flagship cultural events supported per year	Arts, Culture Promotion and Development	Outcome 14: Nation building and social cohesion	6	19	22	22	25	25	18
Number of language practice bursaries awarded per year	Arts, Culture Promotion and Development		342	555	336	320	320	320	320
Number of part time job opportunities created across all Mzansi golden economy work streams per year	Arts, Culture Promotion and Development	Outcome 4: Decent employment through inclusive economic growth	6 000	25 850	28 000	28 200	20 990	26 000	35 100
Number of community arts programmes activated per year ²	Arts, Culture Promotion and Development	Outcome 14: Nation building and social cohesion	– ²	– ²	– ²	9	80	150	250
Number of flagpoles and flags installed at schools per year	Heritage Promotion and Preservation		1 940	184	1 000	15 000	2 000	2 000	2 000
Percentage of schools that have booklet and poster (frame) of national symbols and orders per year	Heritage Promotion and Preservation		– ²	– ²	– ²	25% (6 000)	50% (6 000)	75% (6 000)	100% (6 000)
Number of bursaries in heritage studies awarded per year	Heritage Promotion and Preservation		31	65	106	120	65	65	65
Number of community libraries built per year	Heritage Promotion and Preservation		13	14	16	17	20	23	26
Number of community libraries upgraded per year	Heritage Promotion and Preservation		51	37	40	45	50	55	60

1. This figure includes both pre- 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. Historical data is unavailable, as this is a new indicator to give effect to outcome 14 of government's 2014-2019 medium term strategic framework.

Expenditure analysis

Over the medium term, the Department of Arts and Culture will focus on promoting and preserving heritage, providing community library services, creating jobs in the arts and culture sector, and facilitating social cohesion and nation building. These activities contribute to the national development plan's vision of a transformed society and a united country, with inclusive economic development and job creation. They also contribute to the goals of government's 2014-2019 medium term strategic framework to increase interactions across race and class, foster constitutional values, and encourage equal opportunities, inclusion and redress.

Heritage

The department provides heritage infrastructure to areas that were previously disadvantaged, contributing to transforming the South African heritage landscape. Related projects are implemented by the 13 heritage public entities. Over the medium term, the entities are set to receive transfers of R583.3 million in 2014/15 rising to R602.1 million by 2017/18, for two areas of work in particular, operations and infrastructure. The liberation heritage route honours the liberation struggle's heroes and heroines. 6 projects will be funded over the medium term, at a cost of R195 million, including gardens representing various countries that supported the struggle, a sculpture installation of approximately 500 statues, and a museum. The Heroes Acre project, with an allocation of R240 million over the medium term, will include symbolic elements, conference facilities and interpretative spaces. Increased tourism and job creation will be spin-off benefits of these projects.

R830.2 million over the medium term is allocated to other infrastructure projects. The bulk of this funding is for upgrading and maintaining museums, archives, the National Library of South Africa and the South African Library for the Blind. 6 projects will be constructed in rural areas by 2017/18, including the Sarah Baartman Centre of Remembrance in Hankey and the Ingquza Hill Museum near Flagstaff, both in the Eastern Cape. A further 2 projects in rural areas are planned for the future.

Community library services

The department will continue to support infrastructure delivery, capacity building, and technological support for community library services, as well as purchase library materials. R2.8 billion over the MTEF period is earmarked for constructing 69 new libraries and upgrading 165 existing libraries to contribute to making library services accessible to communities. Cabinet approved reductions of R103.4 million over the medium term will be effected on the funding for community library services in the Public Library Services subprogramme of the Heritage Promotion and Preservation programme. This is not expected to have a negative impact on service delivery in the longer term, as the funding for some projects has been deferred.

Job creation

The national development plan acknowledges the contribution of the cultural and creative industries to job creation. Through its Mzansi golden economy strategy, the department will ensure that the arts sector contributes to inclusive economic growth, job creation, artist development and urban renewal. The primary objective of the strategy is to create employment and stimulate the economy beyond the arts, culture and heritage sector. Over the medium term, the strategy will support 68 cultural events, implement 30 public art development programmes, and create 82 090 temporary jobs with funds of R1.1 billion in the *Cultural and Creative Industries Development* subprogramme. Cabinet approved reductions of R19.9 million over the MTEF period will be effected on Mzansi golden economy projects. To facilitate spending going forward, proposals will be reviewed quarterly and not annually and grants below R100 000 will be expedited. The reductions are not anticipated to impact negatively on the Mzansi golden economy strategy, as the department has deferred some outputs to the future.

Community art

Community art centres provide a space for members of a community to share and develop arts and culture skills. Over the medium term, the department will run various community arts and culture projects to the value of R24.8 million. The department will build 2 community art centres at a cost of R10 million each, and refurbish 19 centres at an estimated cost of R1.3 million per centre. The total funding of R45 million will be reprioritised, mainly from capital works projects.

The department will continue to improve education in arts and culture in collaboration with the Department of Basic Education by placing 1 020 artists in schools over the medium term. R15.5 million has been allocated to Artists in Schools in the *Arts and Culture Promotion and Development* programme over the period.

Social cohesion and nation building

Over the medium term, the department plans to host 10 social cohesion platforms each year, which include workshops and community meetings where South Africans develop programmes specific to their own communities to improve mutual respect and develop community spirit. These platforms also promote active citizenship. The department has budgeted R32.1 million over the period in the *Social Cohesion and Nation Building* subprogramme for the platforms.

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	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	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Programme 1	165.6	180.2	195.6	195.0	181.8	210.8	214.5	214.1	243.2	228.3	234.4	233.0	109.9%	108.9%
Programme 2	47.8	69.9	61.1	51.6	84.1	89.0	58.6	98.8	81.3	99.8	100.0	100.3	128.7%	94.0%
Programme 3	797.0	800.2	736.8	895.4	859.7	813.5	1 025.6	898.1	898.5	1 032.9	1 031.5	1 012.6	92.3%	96.4%
Programme 4	1 458.2	1 486.7	1 412.3	1 546.6	1 549.8	1 546.0	1 619.0	1 706.7	1 535.2	2 166.8	2 161.8	2 079.6	96.8%	95.2%
Total	2 468.6	2 536.9	2 405.8	2 688.5	2 675.3	2 659.3	2 917.8	2 917.8	2 758.2	3 527.7	3 527.7	3 425.6	97.0%	96.5%
Economic classification														
Current payments	392.9	483.6	413.2	581.7	542.7	489.1	669.1	680.9	496.9	693.3	693.3	693.3	89.5%	87.2%
Compensation of employees	164.8	167.4	163.7	180.0	183.0	172.7	196.4	196.4	190.8	209.9	209.9	209.9	98.1%	97.4%
Goods and services of which:	228.1	316.3	249.5	401.6	359.7	316.3	472.7	484.5	306.1	483.4	483.4	483.4	85.5%	82.4%
Consultants and professional services:	13.7	13.7	1.1	14.1	19.1	2.6	8.6	4.3	1.5	3.7	3.7	3.7	22.1%	21.7%
Business and advisory services														
Contractors	15.7	15.7	39.3	19.9	21.0	63.8	24.0	29.2	58.1	46.9	46.9	46.9	195.4%	184.5%
Agency and support / outsourced services	41.7	129.8	45.0	205.9	152.0	71.6	247.0	252.2	146.2	238.3	238.3	238.3	68.4%	64.9%
Operating leases	53.9	53.9	30.8	61.3	60.7	48.3	70.2	69.5	15.8	73.8	73.8	73.8	65.1%	65.4%
Property payments	13.5	13.5	28.1	15.0	22.0	22.4	22.1	20.9	12.5	23.7	23.7	23.7	116.6%	108.3%
Travel and subsistence	24.7	24.7	40.7	22.3	25.4	54.1	34.3	48.0	20.9	37.5	37.5	37.5	129.0%	112.9%
Transfers and subsidies	2 069.3	2 046.9	1 989.0	2 100.2	2 125.6	2 164.8	2 241.7	2 229.9	2 227.6	2 827.1	2 827.1	2 724.9	98.6%	98.7%
Provinces and municipalities	543.4	569.9	569.9	564.6	564.6	564.6	597.8	597.8	606.3	1 016.2	1 016.2	1 016.2	101.3%	100.3%
Departmental agencies and accounts	1 317.4	1 317.4	1 247.8	1 435.8	1 437.0	1 429.6	1 535.9	1 535.9	1 433.9	1 643.4	1 643.4	1 541.3	95.3%	95.3%
Higher education institutions	–	–	–	–	–	–	–	–	–	12.5	12.5	12.5	100.0%	100.0%
Foreign governments and international organisations	–	–	–	–	7.5	–	1.8	–	1.0	3.0	3.0	3.0	83.3%	38.1%
Public corporations and private enterprises	–	–	–	–	–	–	–	–	–	2.4	2.4	2.4	100.0%	100.0%
Non-profit institutions	12.3	12.3	12.3	12.9	12.9	12.9	38.5	38.5	102.3	121.9	121.9	121.9	134.3%	134.3%
Households	196.2	147.3	159.0	87.0	103.6	157.7	67.7	57.6	84.2	27.7	27.7	27.7	113.2%	127.4%
Payments for capital assets	6.4	6.4	3.6	6.6	7.0	5.3	7.0	7.0	33.6	7.4	7.4	7.4	182.1%	179.4%
Buildings and other fixed structures	–	–	0.1	–	–	–	–	–	14.0	–	–	–	–	–
Machinery and equipment	6.4	6.4	3.3	6.6	7.0	5.1	7.0	7.0	7.0	7.4	7.4	7.4	83.3%	82.0%
Heritage assets	–	–	0.2	–	–	–	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	0.2	–	–	12.6	–	–	–	–	–
Payments for financial assets	–	–	0.1	–	–	0.1	–	–	0.1	–	–	–	–	–
Total	2 468.6	2 536.9	2 405.8	2 688.5	2 675.3	2 659.3	2 917.8	2 917.8	2 758.2	3 527.7	3 527.7	3 425.6	97.0%	96.5%

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 (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme 1	233.0	9.0%	7.8%	244.0	257.5	270.9	5.1%	6.4%
Programme 2	100.3	12.8%	2.9%	424.1	395.9	415.7	60.6%	8.5%
Programme 3	1 012.6	8.2%	30.8%	1 076.2	1 121.2	1 182.6	5.3%	27.8%
Programme 4	2 079.6	11.8%	58.4%	2 175.6	2 328.8	2 477.8	6.0%	57.4%
Total	3 425.6	10.5%	100.0%	3 919.9	4 103.4	4 347.0	8.3%	100.0%
Change to 2014				(55.1)	(85.0)	(53.8)		
Budget estimate								
Economic classification								
Current payments	693.3	12.8%	18.6%	640.2	683.6	693.8	–	17.2%
Compensation of employees	209.9	7.8%	6.6%	221.9	236.7	251.5	6.2%	5.8%
Goods and services	483.4	15.2%	12.0%	418.4	446.9	442.3	-2.9%	11.3%
of which:								
Consultants and professional services: Business and advisory services	3.7	-35.3%	0.1%	41.0	37.6	38.5	118.2%	0.8%
Contractors	46.9	43.9%	1.9%	44.2	46.3	49.3	1.6%	1.2%
Agency and support / outsourced services	238.3	22.4%	4.5%	106.2	124.1	101.1	-24.9%	3.6%
Operating leases	73.8	11.1%	1.5%	77.2	81.3	85.4	5.0%	2.0%
Property payments	23.7	20.8%	0.8%	24.4	25.7	27.0	4.3%	0.6%
Travel and subsistence	37.5	15.0%	1.4%	57.8	61.8	68.3	22.1%	1.4%
Transfers and subsidies	2 724.9	10.0%	81.0%	3 272.3	3 412.4	3 645.5	10.2%	82.6%
Provinces and municipalities	1 016.2	21.3%	24.5%	1 311.0	1 367.1	1 452.8	12.7%	32.6%
Departmental agencies and accounts	1 541.3	5.4%	50.3%	1 557.2	1 654.0	1 746.4	4.3%	41.1%
Higher education institutions	12.5	–	0.1%	–	–	–	-100.0%	0.1%
Foreign governments and international organisations	3.0	–	–	3.7	3.7	4.1	10.6%	0.1%
Public corporations and private enterprises	2.4	–	–	199.8	197.6	207.7	342.3%	3.8%
Non-profit institutions	121.9	115.0%	2.2%	166.5	154.1	196.9	17.3%	4.0%
Households	27.7	-42.7%	3.8%	34.1	35.8	37.7	10.9%	0.9%
Payments for capital assets	7.4	4.9%	0.4%	7.4	7.4	7.7	1.5%	0.2%
Buildings and other fixed structures	–	–	0.1%	–	–	–	–	–
Machinery and equipment	7.4	4.9%	0.2%	7.4	7.4	7.7	1.5%	0.2%
Total	3 425.6	10.5%	100.0%	3 919.9	4 103.4	4 347.0	8.3%	100.0%

Personnel information

Table 37.4 Vote personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. Institutional Governance																			
3. Arts and Culture Promotion and Development																			
4. Heritage Promotion and Preservation																			
Number of posts estimated for 31 March 2015		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 (%)	
		2013/14			2014/15			2015/16			2016/17			2017/18					
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2014/15 - 2017/18		
Arts and Culture																			
Salary level	484	42	507	190.8	0.4	526	209.9	0.4	524	221.9	0.4	524	236.7	0.5	524	251.5	0.5	-0.1%	100.0%
1 – 6	92	32	133	17.1	0.1	124	17.2	0.1	123	18.3	0.1	123	19.0	0.2	123	19.9	0.2	-0.3%	23.5%
7 – 10	230	1	219	54.5	0.2	231	68.5	0.3	231	72.3	0.3	231	76.3	0.3	231	80.2	0.3	–	44.0%
11 – 12	101	3	94	53.2	0.6	104	60.1	0.6	104	62.7	0.6	104	66.2	0.6	104	69.5	0.7	–	19.8%
13 – 16	59	6	59	51.1	0.9	65	58.6	0.9	64	61.2	1.0	64	64.4	1.0	64	68.3	1.1	-0.5%	12.2%
Other	2	–	2	14.9	7.5	2	5.5	2.8	2	7.4	3.7	2	10.7	5.4	2	13.6	6.8	–	0.4%
Programme	484	42	507	190.8	0.4	526	209.9	0.4	524	221.9	0.4	524	236.7	0.5	524	251.5	0.5	-0.1%	100.0%
Programme 1	184	17	212	80.5	0.4	201	86.4	0.4	201	91.7	0.5	201	98.0	0.5	201	104.1	0.5	–	38.3%
Programme 2	50	8	51	23.5	0.5	58	28.9	0.5	58	30.6	0.5	58	32.6	0.6	58	34.6	0.6	–	11.1%
Programme 3	100	10	94	39.6	0.4	110	45.3	0.4	110	48.1	0.4	110	51.2	0.5	110	54.4	0.5	–	21.0%
Programme 4	150	7	150	47.2	0.3	157	49.4	0.3	155	51.5	0.3	155	54.9	0.4	155	58.5	0.4	-0.4%	29.6%

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

2. Rand million.

Departmental receipts

Table 37.5 Departmental receipts by economic classification

				Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ total: Average (%)				Average growth rate (%)	Receipt item/ total: Average (%)
Audited outcome			2014/15					Medium-term receipts estimate				
R thousand	2011/12	2012/13	2013/14			2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Departmental receipts	1 001	1 856	544	667	726	-10.2%	100.0%	754	772	830	4.6%	100.0%
Sales of goods and services produced by department	263	408	247	161	210	-7.2%	27.3%	196	209	222	1.9%	27.2%
Sales by market establishments of which:	13	23	16	10	10	-8.4%	1.5%	13	15	17	19.3%	1.8%
Rental parking: Covered and open	13	23	16	10	10	-8.4%	1.5%	13	15	17	19.3%	1.8%
Administrative fees of which:	2	5	5	5	5	35.7%	0.4%	7	8	9	21.6%	0.9%
Promotion of Access to Information Act (2005)	2	4	5	4	4	26.0%	0.4%	5	6	7	20.5%	0.7%
Duplicate certificates	–	1	–	1	1	–	–	2	2	2	26.0%	0.2%
Other sales of which:	248	380	226	146	195	-7.7%	25.4%	176	186	196	0.2%	24.4%
Coat of arms	145	209	106	60	109	-9.1%	13.8%	110	115	120	3.3%	14.7%
Photocopy and faxes	86	80	42	25	25	-33.8%	5.6%	30	35	40	17.0%	4.2%
Commission on insurance and garnishee	16	89	77	60	60	55.4%	5.9%	35	35	35	-16.4%	5.4%
Traffic fines	1	2	1	1	1	–	0.1%	1	1	1	–	0.1%
Sales of scrap, waste, arms and other used current goods of which:	–	1	1	–	–	–	–	1	1	1	–	0.1%
Waste paper	–	1	1	–	–	–	–	1	1	1	–	0.1%
Fines, penalties and forfeits	1	–	–	–	–	-100.0%	–	–	–	–	–	–
Interest, dividends and rent on land	10	10	17	6	6	-15.7%	1.0%	7	7	7	5.3%	0.9%
Interest	10	10	17	6	6	-15.7%	1.0%	7	7	7	5.3%	0.9%
Transactions in financial assets and liabilities	727	1 437	279	500	510	-11.1%	71.6%	550	555	600	5.6%	71.9%
Total	1 001	1 856	544	667	726	-10.2%	100.0%	754	772	830	4.6%	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 (%)
	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
R million											
Ministry	3.5	3.7	3.8	4.1	5.8%	1.7%	4.1	4.3	4.5	3.1%	1.7%
Management	41.7	49.4	69.0	45.8	3.1%	23.5%	42.8	44.9	46.6	0.6%	18.0%
Corporate Services	66.8	67.5	74.9	70.1	1.6%	31.8%	81.8	86.6	91.9	9.4%	33.0%
Office of the CFO	25.4	24.5	21.9	21.7	-5.0%	10.6%	24.9	26.4	27.8	8.6%	10.1%
Office Accommodation	58.2	65.7	73.6	86.5	14.2%	32.4%	90.5	95.3	100.1	5.0%	37.2%
Total	195.6	210.8	243.2	228.3	5.3%	100.0%	244.0	257.5	270.9	5.9%	100.0%
Change to 2014				(10.9)			(0.9)	3.8	3.3		
Budget estimate											
Economic classification											
Current payments	190.5	205.2	234.5	220.9	5.1%	97.0%	236.6	250.1	263.1	6.0%	97.0%
Compensation of employees	63.8	71.8	80.5	81.6	8.5%	33.9%	91.7	98.0	104.1	8.5%	37.5%
Goods and services	126.7	133.4	154.0	139.3	3.2%	63.0%	144.9	152.1	159.0	4.5%	59.5%
of which:											
Audit costs: External	9.2	5.3	4.8	4.6	-20.6%	2.7%	4.9	5.1	5.4	5.3%	2.0%
Computer services	3.3	2.2	4.7	6.4	25.2%	1.9%	5.8	6.2	6.5	0.3%	2.5%
Agency and support / outsourced services	7.5	15.6	13.1	6.9	-2.7%	4.9%	6.4	6.8	6.1	-3.6%	2.6%
Operating leases	30.6	48.3	78.1	71.7	32.7%	26.1%	74.8	78.7	82.7	4.9%	30.8%
Property payments	28.1	22.4	1.5	23.7	-5.5%	8.6%	24.4	25.7	26.9	4.3%	10.1%
Travel and subsistence	16.2	20.1	26.8	8.8	-18.5%	8.2%	8.5	8.8	9.9	4.1%	3.6%
Transfers and subsidies	1.5	0.2	0.4	-	-100.0%	0.2%	-	-	-	-	-
Departmental agencies and accounts	0.2	-	0.1	-	-100.0%	-	-	-	-	-	-
Households	1.3	0.2	0.3	-	-100.0%	0.2%	-	-	-	-	-
Payments for capital assets	3.5	5.3	8.3	7.4	28.2%	2.8%	7.4	7.4	7.7	1.5%	3.0%
Machinery and equipment	3.3	5.1	7.0	7.4	30.6%	2.6%	7.4	7.4	7.7	1.5%	3.0%
Heritage assets	0.2	-	-	-	-100.0%	-	-	-	-	-	-
Software and other intangible assets	-	0.2	1.3	-	-	0.2%	-	-	-	-	-
Payments for financial assets	-	0.1	-	-	-100.0%	-	-	-	-	-	-
Total	195.6	210.8	243.2	228.3	5.3%	100.0%	244.0	257.5	270.9	5.9%	100.0%
Proportion of total programme expenditure to vote expenditure	8.1%	7.9%	8.8%	6.5%	-	-	6.2%	6.3%	6.2%	-	-
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	1.3	0.2	0.3	-	-100.0%	0.2%	-	-	-	-	-
Employee social benefits	1.3	0.2	0.3	-	-100.0%	0.2%	-	-	-	-	-

Programme 2: Institutional Governance

Programme purpose

Coordinate and manage all cross-cutting functions of the department and its public entities. Provide support and oversight to these public entities.

Objectives

- Drive an integrated and joint outcomes based planning, monitoring and evaluation project across the arts, culture and heritage sector to ensure that the sector achieves its developmental objectives by:
 - signing annual shareholder compacts with all of the department's public entities
 - hosting 12 governance forums between the department and its public entities by March 2016.
- Promote nation building and social cohesion through targeted engagements, dialogues and interaction with stakeholders and society by supporting 10 public platforms advocating social cohesion per year.
- Develop and sustain a positive image of South Africa's rich and diverse arts, culture and heritage across the continent and internationally by:

- drafting a cultural diplomacy strategy for the sector by March 2016
- rolling out 2 cultural seasons (in Africa and in the Brazil-Russia-India-China-South Africa (BRICS) group of countries) per year
- implementing 16 bilateral projects with various countries annually as part of servicing bilateral agreements and programmes of cooperation on arts, culture and heritage.
- Coordinate and manage arts, culture and heritage infrastructure that supports local, regional, national and international arts, culture and heritage offerings.

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), as per 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. This subprogramme's total budget is either transferred in full to approved institutions or paid to the Department of Public Works.

Expenditure trends and estimates

Table 37.7 Institutional Governance 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	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
International Co-operation	25.2	31.4	37.4	42.5	19.0%	19.2%	38.2	39.4	42.5	–	10.7%
Social Cohesion and Nation Building	27.7	49.2	34.3	46.2	18.7%	22.1%	48.8	51.1	53.3	4.8%	13.2%
Coordination, Monitoring, Evaluation and Good Governance	8.2	8.4	9.7	11.0	10.4%	5.2%	17.4	18.3	19.3	20.5%	4.4%
Capital Works	20.0	27.3	158.1	174.4	105.8%	53.4%	319.7	287.0	303.9	20.3%	71.7%
Total	81.1	116.3	239.4	274.3	50.1%	100.0%	424.1	395.9	419.0	15.2%	100.0%
Change to 2014 Budget estimate				173.7			318.8	285.3	302.4		
Economic classification											
Current payments	46.9	67.9	64.0	72.5	15.6%	35.3%	76.3	79.7	84.3	5.2%	20.7%
Compensation of employees	19.2	20.6	23.5	28.4	13.9%	12.9%	30.6	32.6	34.6	6.8%	8.3%
Goods and services	27.7	47.3	40.5	44.1	16.8%	22.4%	45.7	47.1	49.7	4.1%	12.3%
of which:											
Catering: Departmental activities	0.4	0.3	0.9	1.0	30.4%	0.4%	1.5	1.3	1.4	13.8%	0.3%
Communication	1.5	1.6	1.4	1.8	7.5%	0.9%	1.7	1.8	1.9	1.0%	0.5%
Contractors	5.8	20.4	4.4	9.7	19.0%	5.7%	10.7	11.3	12.0	7.4%	2.9%
Agency and support / outsourced services	5.9	9.3	10.7	7.7	9.0%	4.7%	6.0	6.5	6.7	-4.4%	1.8%
Travel and subsistence	8.7	9.9	13.3	18.5	28.8%	7.1%	19.8	20.1	22.8	7.2%	5.4%
Venues and facilities	2.5	0.7	1.3	1.9	-9.3%	0.9%	1.3	1.3	1.3	-11.6%	0.4%
Transfers and subsidies	34.2	48.4	161.4	201.8	80.7%	62.7%	347.7	316.3	334.7	18.4%	79.3%
Departmental agencies and accounts	20.1	27.3	144.1	158.2	99.0%	49.2%	227.1	187.2	189.9	6.3%	50.4%
Foreign governments and international organisations	–	–	–	2.1	–	0.3%	2.5	2.4	2.7	9.0%	0.6%
Public corporations and private enterprises	–	–	–	–	–	–	89.6	96.8	107.7	–	19.4%
Non-profit institutions	2.8	3.8	1.9	33.2	128.6%	5.9%	19.7	20.5	24.6	-9.5%	6.5%
Households	11.4	17.3	15.4	8.3	-9.9%	7.4%	8.9	9.3	9.8	5.7%	2.4%
Payments for capital assets	–	–	14.0	–	-100.0%	2.0%	–	–	–	–	–
Buildings and other fixed structures	–	–	14.0	–	-100.0%	2.0%	–	–	–	–	–
Total	81.1	116.3	239.4	274.3	50.1%	100.0%	424.1	395.9	419.0	15.2%	100.0%
Proportion of total programme expenditure to vote expenditure	3.4%	4.4%	8.7%	7.8%	–	–	10.8%	9.6%	9.6%	–	–

Table 37.7 Institutional Governance 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											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Households											
Other transfers to households											
Current	11.4	17.3	15.4	8.3	-9.9%	7.4%	8.9	9.3	9.8	5.7%	2.4%
Employee social benefits	0.4	–	–	–	-100.0%	0.1%	–	–	–	–	–
Arts and youth development	11.0	17.3	15.4	8.3	-8.9%	7.3%	8.9	9.3	9.8	5.7%	2.4%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Capital	20.0	27.3	144.1	158.2	99.2%	49.2%	227.1	187.2	189.9	6.3%	50.4%
Heritage legacy projects	–	–	75.3	92.8	–	23.6%	–	–	–	-100.0%	6.1%
National Archives	20.0	27.3	68.8	55.4	40.4%	24.1%	68.6	35.0	8.3	-46.9%	11.1%
Libraries	–	–	–	10.0	–	1.4%	48.3	10.0	15.6	16.0%	5.5%
Liberation heritage route and Sarah Baartman Centre	–	–	–	–	–	–	100.0	130.0	149.0	–	25.0%
Drakenstein Correctional Facility	–	–	–	–	–	–	3.1	2.2	–	–	0.4%
Khoe and San heritage route	–	–	–	–	–	–	3.0	8.0	17.0	–	1.9%
Nelson Mandela House	–	–	–	–	–	–	4.0	2.0	–	–	0.4%
Foreign governments and international organisations											
Current	–	–	–	2.1	–	0.3%	2.5	2.4	2.7	9.0%	0.6%
Commonwealth Foundation	–	–	–	2.1	–	0.3%	2.5	2.4	2.7	9.0%	0.6%
Non-profit institutions											
Current	2.8	3.8	1.9	16.9	82.7%	3.6%	16.7	17.5	18.3	2.6%	4.6%
Various institutions	–	–	–	13.9	–	2.0%	14.4	15.1	15.9	4.5%	3.9%
Gwala-Ngamasiko Cultural Festival	–	–	–	1.0	–	0.1%	2.3	2.4	2.4	33.1%	0.5%
Kauru Visual Arts Exhibition	2.8	3.8	1.9	2.0	-10.3%	1.5%	–	–	–	-100.0%	0.1%
Capital	–	–	–	16.2	–	2.3%	3.0	3.0	6.3	-27.0%	1.9%
Die Erfenisstigting	–	–	–	4.2	–	0.6%	–	–	–	-100.0%	0.3%
Adams College	–	–	–	1.7	–	0.2%	–	–	3.3	25.9%	0.3%
Voortrekker Monument	–	–	–	0.5	–	0.1%	–	–	–	-100.0%	–
Liliesleaf	–	–	–	3.0	–	0.4%	–	–	–	-100.0%	0.2%
Valoyi Traditional Authority Trust	–	–	–	3.8	–	0.5%	–	–	–	-100.0%	0.2%
Ray Alexander Simons Memory Centre	–	–	–	3.1	–	0.4%	–	–	–	-100.0%	0.2%
Origins Centre	–	–	–	–	–	–	3.0	3.0	3.0	–	0.6%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Capital	–	–	–	–	–	–	89.6	96.8	107.7	–	19.4%
JL Dube House	–	–	–	–	–	–	4.1	6.0	12.5	–	1.5%
OR Tambo Memorial	–	–	–	–	–	–	6.5	11.0	22.0	–	2.6%
Ingquza Hill Museum	–	–	–	–	–	–	5.0	15.0	15.0	–	2.3%
Bram Fischer House	–	–	–	–	–	–	2.0	–	–	–	0.1%
National Heritage Monument	–	–	–	–	–	–	72.0	64.8	58.2	–	12.9%

Programme 3: Arts and Culture Promotion and Development

Programme purpose

Promote and develop arts, culture and languages.

Objectives

- Promote heritage 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.
- Develop cultural and creative industries through interventions and initiatives that stimulate increased audiences and local content by:
 - supporting 25 flagship cultural events such as the Cape Town Jazz Festival, Joy of Jazz Festival, National Arts Festival and Macufe Mangaung Cultural Festival by March 2016
 - supporting 8 key touring productions and exhibitions per year
 - implementing 10 public art development programmes per year.

- Position the sector as a contributor to economic growth by:
 - establishing 8 fully functional incubators that support the development of arts and culture entrepreneurs by March 2016
 - creating 20 990 job opportunities across all Mzansi golden economy work streams by March 2016.
- Develop and maintain arts, culture and heritage infrastructure that supports local, regional, national and international arts, culture and heritage offerings by refurbishing 5 community art centres by March 2016.
- Increase participation in and access to arts, culture and heritage by implementing programmes at 350 community art centres by March 2018.
- Promote the use of marginalised official languages and respect for oral knowledge and histories by supporting the implementation of the Use of Official Languages Act (2012) and the South African Language Practitioners Council Bill, over the medium term.

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 Xhosa, 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 (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
National Language Services	42.0	38.3	38.9	50.3	6.2%	4.9%	46.5	48.8	51.7	0.9%	4.5%
Pan South African Language Board	56.1	69.5	95.7	83.5	14.2%	8.8%	87.3	92.0	96.6	5.0%	8.1%
Cultural and Creative Industries Development	175.8	197.6	273.4	334.3	23.9%	28.2%	352.3	364.1	380.7	4.4%	32.4%
Performing Arts Institutions	315.5	334.2	293.7	319.2	0.4%	36.3%	319.6	342.9	373.5	5.4%	30.7%
National Film and Video Foundation	74.9	86.4	105.2	111.6	14.2%	10.9%	116.7	122.9	129.1	5.0%	10.9%
National Arts Council	68.5	87.5	87.6	91.9	10.3%	9.6%	96.1	101.2	106.2	5.0%	9.0%
Capital Works of Performing Arts Institutions	4.0	–	4.0	42.1	119.2%	1.4%	57.7	49.3	45.0	2.2%	4.4%
Total	736.8	813.5	898.5	1 032.9	11.9%	100.0%	1 076.2	1 121.2	1 182.6	4.6%	100.0%
Change to 2014				2.3			(13.8)	(18.4)	(14.6)		
Budget estimate											

Table 37.8 Arts and Culture Promotion and Development expenditure trends and estimates by subprogramme and economic classification

Economic classification											
R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
Current payments	85.6	110.9	160.2	189.5	30.3%	15.7%	197.9	218.3	202.1	2.2%	18.3%
Compensation of employees	41.0	37.5	39.6	46.2	4.0%	4.7%	48.1	51.2	54.4	5.6%	4.5%
Goods and services	44.6	73.4	120.7	143.3	47.5%	11.0%	149.8	167.1	147.7	1.0%	13.8%
of which:											
Advertising	4.1	3.1	0.4	2.1	-19.8%	0.3%	8.5	8.4	8.4	58.3%	0.6%
Consultants and professional services:	0.4	0.2	2.6	5.3	146.5%	0.2%	35.9	32.0	34.0	86.3%	2.4%
Business and advisory services											
Consultants and professional services: Legal costs	–	1.4	0.2	2.5	–	0.1%	1.9	1.7	1.8	-10.7%	0.2%
Contractors	10.2	20.4	9.0	21.5	28.0%	1.8%	1.2	1.3	1.8	-56.5%	0.6%
Agency and support / outsourced services	19.3	36.9	89.6	96.9	71.3%	7.0%	82.0	103.1	80.5	-6.0%	8.2%
Travel and subsistence	6.2	7.3	15.2	9.5	15.3%	1.1%	16.5	16.7	17.3	22.3%	1.4%
Transfers and subsidies	651.1	702.6	729.2	843.4	9.0%	84.0%	878.3	902.9	980.5	5.1%	81.7%
Departmental agencies and accounts	508.8	571.2	575.3	629.8	7.4%	65.6%	618.1	660.9	696.9	3.4%	59.0%
Public corporations and private enterprises	4.0	–	4.0	22.8	78.5%	0.9%	110.2	100.8	100.0	63.8%	7.6%
Non-profit institutions	6.2	6.5	95.6	155.9	192.6%	7.6%	129.9	120.1	161.3	1.1%	12.9%
Households	132.1	124.9	54.3	34.9	-35.8%	9.9%	20.2	21.1	22.3	-13.8%	2.2%
Payments for capital assets	0.1	–	9.1	–	-100.0%	0.3%	–	–	–	–	–
Buildings and other fixed structures	0.1	–	–	–	-100.0%	–	–	–	–	–	–
Software and other intangible assets	–	–	9.1	–	–	0.3%	–	–	–	–	–
Total	736.8	813.5	898.5	1 032.9	11.9%	100.0%	1 076.2	1 121.2	1 182.6	4.6%	100.0%
Proportion of total programme expenditure to vote expenditure	30.6%	30.6%	32.6%	29.3%	–	–	27.5%	27.3%	27.2%	–	–
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	132.1	124.9	54.3	34.9	-35.8%	9.9%	20.2	21.1	22.3	-13.8%	2.2%
Language development projects	17.6	9.8	12.5	9.0	-20.0%	1.4%	13.9	14.6	15.3	19.4%	1.2%
Visual and performing arts projects	53.5	32.9	24.8	2.0	-66.6%	3.3%	–	–	–	-100.0%	–
Cultural industries	19.0	63.7	9.2	19.6	0.9%	3.2%	–	–	–	-100.0%	0.4%
Investing in Culture	42.0	–	–	–	-100.0%	1.2%	–	–	–	–	–
2013 Africa Cup of Nations	–	18.5	–	–	–	0.5%	–	–	–	–	–
2014 African Nations Championship	–	–	7.0	–	–	0.2%	–	–	–	–	–
Mzansi golden economy: Public art	–	–	0.8	0.9	–	0.1%	0.8	–	–	-100.0%	–
Mzansi golden economy: Touring ventures	–	–	–	3.4	–	0.1%	2.0	2.0	2.0	-16.3%	0.2%
Mzansi golden economy: Export market development and promotion	–	–	–	–	–	–	2.0	2.0	2.0	–	0.1%
Arts and culture industries: Local market and development promotion	–	–	–	–	–	–	1.5	2.5	3.0	–	0.2%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	378.2	434.0	491.1	502.0	9.9%	51.9%	519.6	546.7	580.6	5.0%	48.7%
Gifts and donations	0.1	0.1	0.1	–	-100.0%	–	–	–	–	–	–
Pan South African Language Board	56.1	69.5	95.7	83.5	14.2%	8.8%	87.3	92.0	96.6	5.0%	8.1%
Artscape	42.3	45.0	47.8	50.8	6.2%	5.3%	53.1	55.9	58.7	5.0%	5.0%
Market Theatre	23.1	24.6	26.2	27.8	6.4%	2.9%	29.1	30.6	32.2	5.0%	2.7%
National Arts Council	68.5	87.5	87.6	91.9	10.3%	9.6%	96.1	101.2	106.2	5.0%	9.0%
Performing Arts Centre of the Free State	31.1	33.3	35.5	37.7	6.6%	3.9%	39.4	41.5	43.6	5.0%	3.7%
The Playhouse Company	36.1	38.5	40.6	43.1	6.0%	4.5%	39.6	41.2	49.8	5.0%	3.9%
State Theatre	37.1	39.7	42.4	45.0	6.7%	4.7%	47.1	49.6	52.1	5.0%	4.4%
Windybrow Theatre	8.9	9.5	10.1	10.7	6.4%	1.1%	11.2	11.8	12.4	5.0%	1.0%
National Film and Video Foundation	74.9	86.4	105.2	111.6	14.2%	10.9%	116.7	122.9	129.1	5.0%	10.9%
Capital	130.6	137.1	84.3	127.8	-0.7%	13.8%	98.4	114.3	116.3	-3.1%	10.4%
Artscape: Capital works projects	26.7	44.0	45.7	48.0	21.6%	4.7%	14.8	20.2	–	-100.0%	1.9%
State Theatre: Capital works projects	13.2	9.8	9.8	14.1	2.1%	1.3%	16.7	11.1	24.8	20.7%	1.5%
The Playhouse Company: Capital works projects	28.8	25.8	2.0	19.4	-12.3%	2.2%	12.5	25.5	28.4	13.6%	1.9%
Performing Arts Centre of the Free State: Capital works projects	7.6	15.7	4.4	15.3	26.5%	1.2%	24.4	14.5	19.7	8.7%	1.7%
Market Theatre: Capital works projects	31.5	22.2	22.5	–	-100.0%	2.2%	14.0	18.0	13.4	–	1.0%
Windybrow Theatre: Capital works projects	22.9	19.7	–	–	-100.0%	1.2%	10.0	15.0	30.0	–	1.2%
National Arts Council: Capital works projects	–	–	–	21.0	–	0.6%	1.0	–	–	-100.0%	0.5%
National Film and Video Foundation: Capital works projects	–	–	–	10.0	–	0.3%	5.0	10.0	–	-100.0%	0.6%
Non-profit institutions											
Current	6.2	6.5	95.6	155.9	192.6%	7.6%	129.9	120.1	161.3	1.1%	12.9%
Business and Arts South Africa	6.2	6.5	6.9	7.3	5.5%	0.8%	7.6	8.1	8.5	5.0%	0.7%
Visual and performing arts projects	–	–	–	12.3	–	0.4%	–	–	–	-100.0%	0.3%
Mzansi golden economy: Public art	–	–	6.5	9.9	–	0.5%	–	–	–	-100.0%	0.2%

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 (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		
Various institutions: Mzansi golden economy: Cultural events	–	–	81.5	98.5	–	5.2%	53.1	46.9	81.9	-6.0%	6.4%
Various institutions: Mzansi golden economy: Touring ventures	–	–	0.6	18.1	–	0.5%	16.0	14.0	13.0	-10.4%	1.4%
Various institutions: Mzansi golden economy: National Cultural Industries Skills Academy	–	–	–	4.6	–	0.1%	5.8	6.2	7.0	15.2%	0.5%
Various institutions: Mzansi golden economy: Community arts development	–	–	–	5.3	–	0.2%	5.5	5.0	5.0	-1.9%	0.5%
Various institutions: Mzansi golden economy: Export market development and promotion	–	–	–	–	–	–	8.0	8.0	8.0	–	0.5%
Various institutions: Mzansi Golden Economy: Entrepreneur and local content development	–	–	–	–	–	–	12.0	13.0	13.0	–	0.9%
Arts and culture industries: Local market and development promotion	–	–	–	–	–	–	15.9	9.1	15.9	–	0.9%
Arts and culture Industries: Community arts development	–	–	–	–	–	–	6.0	9.8	9.0	–	0.6%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	–	–	–	11.6	–	0.3%	58.5	61.5	55.0	67.8%	4.2%
Meraka Institute	–	–	–	4.3	–	0.1%	–	–	–	-100.0%	0.1%
Various institutions: Mzansi golden economy: Cultural events	–	–	–	2.2	–	0.1%	20.0	20.0	19.0	105.8%	1.4%
Various institutions: Mzansi golden economy: Touring ventures	–	–	–	2.8	–	0.1%	5.0	5.0	5.0	21.3%	0.4%
Various institutions: Mzansi golden economy: National Cultural Industries Skills Academy	–	–	–	–	–	–	3.0	3.0	3.0	–	0.2%
Various institutions: Mzansi golden economy: Export market development and promotion	–	–	–	–	–	–	10.0	10.0	10.0	–	0.7%
Various institutions: Mzansi golden economy: Entrepreneur and local content development	–	–	–	–	–	–	11.0	11.0	11.0	–	0.7%
Arts and culture industries	–	–	–	2.4	–	0.1%	9.5	12.5	7.0	42.9%	0.7%
Capital	4.0	–	4.0	11.1	40.6%	0.5%	51.7	39.3	45.0	59.4%	3.3%
Various institutions	4.0	–	4.0	11.1	40.6%	0.5%	51.7	39.3	45.0	59.4%	3.3%

Programme 4: Heritage Promotion and Preservation

Programme purpose

Preserve and promote South African heritage, archival and heraldic heritage, and fund libraries.

Objectives

- Promote the use of official languages and promote a culture of reading and writing across society and respect for oral knowledge and histories by:
 - distributing 400 000 library materials per year
 - conducting 4 oral history projects by March 2016.
- Develop arts, culture and heritage infrastructure that supports local, regional, national and international arts, culture and heritage offerings as well as increase participation in and access to arts, culture and heritage.
- Promote and develop arts, culture and heritage and advance the socioeconomic inclusivity and contribution of the sector by completing and fully maintaining 2 projects for liberation heritage route by 2019.

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 funds to provincial departments for the community library services conditional allocation 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 (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Heritage Promotion	50.8	71.4	75.5	104.9	27.4%	4.8%	86.5	90.3	94.8	-3.3%	4.2%
National Archive Services	41.5	36.9	43.3	47.4	4.5%	2.7%	41.7	44.4	47.8	0.3%	2.0%
Heritage Institutions	335.1	406.7	464.0	583.5	20.3%	28.5%	490.9	558.8	602.5	1.1%	24.9%
National Library Services	87.5	89.8	91.9	104.8	6.2%	6.0%	105.7	125.5	125.9	6.3%	5.1%
Public Library Services	572.8	567.3	600.3	1 039.8	22.0%	44.3%	1 339.2	1 392.7	1 480.0	12.5%	58.5%
Capital Works	165.3	249.9	—	—	-93.8%	6.6%	—	—	—	-100.0%	—
South African Heritage Resources Agency	85.5	41.0	43.7	47.4	-17.8%	3.5%	48.6	51.1	53.9	4.3%	2.2%
South African Geographical Names Council	6.4	5.5	4.9	8.6	10.3%	0.4%	4.5	4.4	4.9	-17.1%	0.2%
National Heritage Council	47.3	50.1	53.6	55.9	5.7%	3.3%	58.5	61.6	64.7	5.0%	2.7%
Total	1 392.3	1 518.7	1 377.1	1 992.4	12.7%	100.0%	2 175.6	2 328.8	2 474.5	7.5%	100.0%
Change to 2014 Budget estimate				(165.1)			(359.1)	(355.8)	(345.0)		
Economic classification											
Current payments	90.1	105.1	116.6	157.7	20.5%	7.5%	129.3	135.6	144.3	-2.9%	6.3%
Compensation of employees	39.6	42.8	47.2	53.8	10.7%	2.9%	51.5	54.9	58.5	2.9%	2.4%
Goods and services	50.5	62.3	69.4	103.9	27.2%	4.6%	77.9	80.6	85.7	-6.2%	3.9%
of which:											
Computer services	—	0.9	—	3.3	—	0.1%	3.3	4.4	4.6	12.2%	0.2%
Consultants and professional services:	0.5	1.0	0.9	1.3	33.2%	0.1%	2.4	2.9	3.0	33.2%	0.1%
Business and advisory services											
Contractors	11.8	19.9	25.2	53.9	66.0%	1.8%	30.8	32.2	33.9	-14.3%	1.7%
Agency and support / outsourced services	12.3	9.8	8.5	12.9	1.5%	0.7%	11.8	7.7	7.8	-15.6%	0.4%
Consumable supplies	0.3	0.1	4.5	0.6	17.2%	0.1%	5.2	5.5	5.8	118.3%	0.2%
Travel and subsistence	9.6	16.8	17.9	12.6	9.4%	0.9%	13.1	16.2	18.3	13.3%	0.7%
Transfers and subsidies	1 302.1	1 413.6	1 258.3	1 834.7	12.1%	92.5%	2 046.2	2 193.2	2 330.3	8.3%	93.7%
Provinces and municipalities	569.9	564.6	594.8	1 016.2	21.3%	43.7%	1 311.0	1 367.1	1 452.8	12.7%	57.4%
Departmental agencies and accounts	714.7	831.2	646.5	796.3	3.7%	47.6%	712.0	805.8	856.3	2.5%	35.3%
Foreign governments and international organisations	—	—	1.0	1.1	—	—	1.2	1.3	1.4	7.5%	0.1%
Non-profit institutions	6.0	6.3	6.7	16.3	39.2%	0.6%	16.9	13.6	14.3	-4.3%	0.7%
Households	11.4	11.5	9.3	4.8	-25.1%	0.6%	5.0	5.3	5.6	5.2%	0.2%
Payments for capital assets	—	—	2.2	—	—	—	—	—	—	—	—
Software and other intangible assets	—	—	2.2	—	—	—	—	—	—	—	—
Payments for financial assets	—	0.1	—	—	-100.0%	—	—	—	—	—	—
Total	1 392.3	1 518.7	1 377.1	1 992.4	12.7%	100.0%	2 175.6	2 328.8	2 474.5	7.5%	100.0%
Proportion of total programme expenditure to vote expenditure	57.9%	57.1%	49.9%	56.5%	—	—	55.5%	56.8%	56.9%	—	—

Table 37.9 Heritage Promotion and Preservation expenditure trends and estimates by subprogramme and economic classification

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Households											
Other transfers to households											
Current	11.4	11.5	9.3	4.8	-25.1%	0.6%	5.0	5.3	5.6	5.2%	0.2%
Heritage projects	11.3	11.0	8.5	4.8	-24.8%	0.6%	5.0	5.3	5.6	5.2%	0.2%
Projects that conserve archival material	0.1	0.5	0.8	–	-100.0%	–	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	485.6	520.1	553.8	598.5	7.2%	34.4%	622.2	651.6	697.0	5.2%	28.6%
Die Afrikaanse Taal Museum: Paarl	4.2	4.6	5.0	5.3	7.9%	0.3%	5.6	5.9	6.2	5.3%	0.3%
Freedom Park: Pretoria	60.4	62.3	66.4	70.5	5.3%	4.1%	65.7	65.5	81.5	5.0%	3.2%
Iziko Museums of Cape Town	53.9	57.7	61.5	65.3	6.6%	3.8%	68.3	72.0	75.6	5.0%	3.1%
Luthuli Museum: Stanger	6.6	7.0	7.5	8.9	10.3%	0.5%	9.3	9.8	10.3	5.2%	0.4%
KwaZulu-Natal Museum: Pietermaritzburg	14.3	15.3	16.4	17.4	6.7%	1.0%	18.2	19.1	20.1	5.0%	0.8%
National Heritage Council	47.3	50.1	53.6	55.9	5.7%	3.3%	58.5	61.6	64.7	5.0%	2.7%
National Museum: Bloemfontein	31.0	35.1	38.4	41.1	9.9%	2.3%	43.3	45.6	47.9	5.3%	2.0%
Nelson Mandela Museum: Mthatha	16.6	17.7	18.9	20.1	6.6%	1.2%	21.1	22.3	23.4	5.1%	1.0%
Robben Island Museum: Cape Town	55.0	58.9	61.6	65.4	6.0%	3.8%	68.4	72.0	75.6	5.0%	3.1%
South African Heritage Resources Agency	38.5	41.0	43.7	46.4	6.4%	2.7%	48.6	51.1	53.9	5.1%	2.2%
National English Literary Museum: Grahamstown	7.1	7.6	8.1	8.7	6.8%	0.5%	9.1	9.5	10.0	5.0%	0.4%
Voortrekker Museum: Pietermaritzburg	9.8	10.5	11.2	11.9	6.7%	0.7%	12.5	13.1	13.8	5.0%	0.6%
War Museum of the Boer Republics: Bloemfontein	6.7	7.8	8.0	8.6	8.5%	0.5%	9.1	9.6	10.1	5.4%	0.4%
William Humphreys Art Gallery: Kimberley	4.9	5.3	5.6	6.0	6.4%	0.3%	6.2	6.6	6.9	5.0%	0.3%
Ditsong Museums of South Africa: Pretoria	54.4	58.4	62.5	66.4	6.8%	3.8%	69.4	73.1	76.7	5.0%	3.2%
National Library of South Africa	61.2	66.2	69.8	84.1	11.2%	4.5%	91.5	96.4	101.2	6.4%	4.2%
South African Library for the Blind	13.5	14.6	15.6	16.6	7.2%	1.0%	17.4	18.3	19.2	5.0%	0.8%
Capital	229.1	311.1	92.7	197.7	-4.8%	13.2%	89.8	154.2	159.2	-7.0%	6.7%
Museums	165.3	249.9	–	–	-93.8%	6.6%	–	–	–	-100.0%	–
Iziko Museums of Cape Town: Capital works projects	8.0	12.4	26.4	40.8	72.2%	1.4%	40.5	61.0	41.0	0.1%	2.0%
Nelson Mandela Museum: Mthatha: Capital works projects	1.8	5.7	13.7	4.4	34.2%	0.4%	1.8	1.0	2.0	-23.2%	0.1%
South African Heritage Resources Agency: Capital works projects	47.0	–	–	1.0	-72.3%	0.8%	–	–	–	-100.0%	–
KwaZulu-Natal Museum: Pietermaritzburg: Capital works projects	–	0.3	17.7	8.4	–	0.4%	–	6.0	29.0	51.4%	0.5%
Luthuli Museum: Stanger: Capital works projects	–	–	1.9	2.1	–	0.1%	–	4.2	4.4	27.9%	0.1%
William Humphreys Art Gallery: Kimberley: Capital works projects	–	–	0.3	1.0	–	–	–	–	–	-100.0%	–
War Museum of the Boer Republics: Bloemfontein: Capital works projects	–	10.5	1.8	0.9	–	0.2%	–	–	–	-100.0%	–
Die Afrikaanse Taal Museum: Paarl: Capital works projects	–	–	0.5	6.0	–	0.1%	–	–	–	-100.0%	0.1%
Ditsong Museums of South Africa: Pretoria: Capital works projects	–	8.0	19.1	28.7	–	0.9%	2.1	–	–	-100.0%	0.3%
National Museum: Bloemfontein: Capital works projects	–	0.6	0.4	11.4	–	0.2%	–	–	–	-100.0%	0.1%
National English Literary Museum: Grahamstown: Capital works projects	–	–	–	39.9	–	0.6%	40.0	42.0	51.7	9.1%	1.9%
Robben Island Museum: Cape Town: Capital works projects	–	16.4	5.8	29.1	–	0.8%	–	20.0	16.0	-18.1%	0.7%
Freedom Park: Pretoria: Capital works projects	–	4.3	–	2.0	–	0.1%	–	–	–	-100.0%	–
National Library of South Africa: Capital works projects	7.0	3.0	–	5.5	-8.0%	0.2%	4.8	3.3	5.2	-1.6%	0.2%
South African Library for the Blind: Capital works projects	–	–	–	2.2	–	–	0.7	13.7	6.3	42.5%	0.3%
Blind South Africa: Capital works projects	–	–	–	1.3	–	–	–	3.0	3.7	40.1%	0.1%
Cultural precincts	–	–	–	–	–	–	–	–	–	–	–
Voortrekker Museum: Pietermaritzburg: Capital works projects	–	–	5.0	13.0	–	0.3%	–	–	–	-100.0%	0.1%

Table 37.9 Heritage Promotion and Preservation expenditure trends and estimates by subprogramme and economic classification

Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Foreign governments and international organisations											
Current	–	–	1.0	1.1	–	–	1.2	1.3	1.4	7.5%	0.1%
African World Heritage Fund	–	–	1.0	1.1	–	–	1.2	1.3	1.4	7.5%	0.1%
Non-profit institutions											
Current	6.0	6.3	6.7	16.3	39.2%	0.6%	16.9	13.6	14.3	-4.3%	0.7%
Engelenburg House art collection: Pretoria	0.2	0.3	0.3	0.3	5.5%	–	0.3	0.3	0.3	4.9%	–
Blind South Africa	5.8	6.1	6.4	6.8	5.5%	0.4%	7.1	7.5	7.9	5.0%	0.3%
Various projects	–	–	–	4.7	–	0.1%	4.0	4.0	4.2	-3.7%	0.2%
Library and Information Association of South Africa	–	–	–	4.5	–	0.1%	5.5	1.8	1.9	-25.1%	0.2%
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Current	465.6	407.1	389.7	670.4	12.9%	30.8%	889.2	887.7	1 017.0	14.9%	38.6%
Community library services grant: Capital	465.6	407.1	389.7	670.4	12.9%	30.8%	889.2	887.7	1 017.0	14.9%	38.6%
Capital	104.4	157.5	205.0	345.8	49.1%	12.9%	421.8	479.5	435.7	8.0%	18.8%
Community library services grant: Current	104.4	157.5	205.0	345.8	49.1%	12.9%	421.8	479.5	435.7	8.0%	18.8%

Public entities and other agencies

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. Total transfers in 2015/16 amount to R494.4 million, including for 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. Total transfers to the libraries in 2015/16 amount to R121.5 million, including for capital works.
- The **National Arts Council of South Africa** 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 2015/16 is R96.1 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 2015/16 is R117.7 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 2015/16 is R58.5 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 2015/16 is R125.9 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 transfers in 2015/16 amount to R343.9 million, including capital works.

- The **South African Heritage Resources Agency** is the national administrative management body for the protection of South Africa's cultural heritage. The agency's main functions include managing the national estate through partnerships with other bodies to promote an integrated heritage resources management system. The agency's total budget for 2015/16 is R53.7 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		
				2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
R million										
Infrastructure transfers to other spheres, agencies and departments										
Freedom Park	Freedom Park	Various	700.0	-	4.3	-	-	-	-	-
Department of Arts and Culture public entities and heritage projects	Upgrades	Various	383.7	169.3	-	87.4	126.9	-	-	-
Iziko Museums of Cape Town	Upgrades	Various	477.0	8.0	12.4	26.4	40.8	40.5	61.0	41.0
Robben Island Museum	Upgrades	Various	544.3	-	16.4	5.8	29.1	-	20.0	16.0
Market Theatre	Upgrades	Various	354.5	31.0	22.2	22.5	-	14.0	18.0	13.4
The Playhouse Company	Upgrades	Various	526.7	29.0	25.8	2.0	19.4	12.5	25.5	28.4
National Archives Building, Pretoria	Upgrades	Various	605.4	-	27.3	0.1	55.4	68.6	35.0	8.3
William Humphreys Art Gallery	Upgrades	Various	26.0	-	-	0.3	1.0	-	-	-
Die Afrikaanse Taal Museum	Upgrades	Various	19.6	-	-	0.6	6.0	-	-	-
Ditsong museums projects	Upgrades	Various	85.3	-	8.0	19.1	28.7	2.1	-	-
KwaZulu-Natal museums projects	Upgrades	Various	170.2	-	0.3	17.3	8.4	-	6.0	29.0
Lufhuli Museum	Upgrades	Various	160.2	-	-	1.9	2.1	-	4.2	4.4
Voortrekker Museum	Upgrades	Various	63.7	-	-	5.0	13.0	-	-	-
National Museum, Bloemfontein	Upgrades	Various	215.1	-	-	0.8	11.4	-	-	-
The National English Literary Museum	Upgrades	Various	244.3	-	0.6	-	39.9	40.0	42.0	51.7
Nelson Mandela Museum	Upgrades	Various	41.7	2.0	5.7	13.7	4.4	1.8	1.0	2.0
War Museum of the Boer Republics	Upgrades	Various	33.6	-	10.5	1.8	0.9	-	-	-
South African Heritage Resources Agency	Upgrades	Various	85.7	47.0	-	-	1.0	-	-	-
National Library, Centre for the Book	Upgrades	Various	21.7	-	-	66.8	1.0	-	-	-
National Library, Pretoria campus	Upgrades	Various	25.4	7.0	3.0	-	4.5	4.8	3.3	5.2
South African Library for the Blind	Upgrades	Various	60.5	-	-	19.0	2.2	0.7	13.7	6.3
Artscape Theatre Centre	Upgrades	Various	178.1	27.0	44.0	45.7	48.0	14.8	20.2	-
Performing Arts Centre of the Free State	Upgrades	Various	195.7	8.0	15.7	4.4	15.3	24.4	14.5	19.7
State Theatre	Upgrades	Various	154.9	13.0	9.8	9.8	14.1	16.7	11.1	24.8
Windybrow Theatre	Upgrades	Various	76.6	23.0	19.7	-	-	10.0	15.0	30.0
Performing arts projects	Upgrades	Various	177.5	-	-	-	11.1	-	-	-
National Archives: Old library building	Upgrades	Various	117.2	-	-	-	10.0	48.3	10.0	15.6
National Arts Council	Upgrades	Various	22.0	-	-	-	21.0	1.0	-	-
National Film and Video Foundation	Upgrades	Various	187.8	-	-	-	10.0	5.0	10.0	-
Freedom Park	Upgrades	Various	81.9	-	4.3	-	2.0	-	-	-
Cultural precincts	Upgrades	Various	71.9	-	-	-	8.0	-	-	-
Die Efenissigting	Upgrades	Various	1.0	-	-	-	1.0	-	-	-
Adams College	Upgrades	Various	26.1	-	-	-	1.7	-	-	3.3
Voortrekker Monument	Upgrades	Various	7.5	-	-	-	0.5	-	-	-
Blind South Africa	Upgrades	Various	40.4	-	-	-	1.3	-	3.0	3.7
Cultural precincts	Upgrades	Various	60.0	-	-	-	-	20.0	20.0	20.0
Upgrading of public spaces	Upgrades	Various	21.0	-	-	-	-	6.7	14.3	-
South African Roadies Association	Construction	Various	10.0	-	-	-	-	10.0	-	-
Upgrading of community arts centres	Upgrades	Various	45.0	-	-	-	-	15.0	5.0	25.0
J.L. Dube House	Upgrades	Various	22.6	-	-	-	-	4.1	6.0	12.7

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
R million										
OR Tambo Memorial	Upgrades	Various	39.5	-	-	-	-	6.5	11.0	22.0
Inguza Hill Museum	Upgrades	Various	35.0	-	-	-	-	5.0	15.0	15.0
Bram Fischer House	Upgrades	Various	2.0	-	-	-	-	2.0	-	-
National Heritage Monument	Upgrades	Various	195.0	-	-	-	-	72.0	64.8	58.2
Drakenstein correctional facility	Upgrades	Various	5.4	-	-	-	-	3.1	2.2	-
Khoie and San heritage route	Upgrades	Various	28.0	-	-	-	-	3.0	8.0	17.0
Nelson Mandela House	Upgrades	Various	6.0	-	-	-	-	4.0	2.0	-
Origins Centre	Upgrades	Various	9.0	-	-	-	-	3.0	3.0	3.0
Liberation heritage route	Upgrades	Various	240.0	-	-	-	-	60.0	80.0	100.0
Sarah Baartman Centre	Upgrades	Various	139.0	-	-	-	-	40.0	50.0	49.0
Total			7 040.6	364.3	229.8	350.3	540.1	559.6	594.9	624.6

Vote 38

Human Settlements

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	435.1	432.4	–	2.7	462.8	490.1
Human Settlements Policy, Strategy and Planning	74.3	72.6	1.2	0.6	79.3	83.8
Human Settlements Delivery Support	169.8	160.6	8.7	0.5	176.3	182.2
Housing Development Finance	30 264.1	21.4	30 242.5	0.2	32 487.7	34 490.5
Total expenditure estimates	30 943.4	687.0	30 252.4	4.0	33 206.0	35 246.6
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, public entities, donor funding, public private partnerships, conditional allocations 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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
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	26	1	5	5	6	7	8
Total number of municipalities provided with technical assistance for informal settlement upgrading	Human Settlements Delivery Support		20	20	20	53	53	53	53
Number of informal settlements with settlement upgrading plans per year	Human Settlements Delivery Support		– ¹	– ¹	148	450	400	400	400
Number of additional People's Housing Process subsidies allocated to approved beneficiaries per year	Human Settlements Delivery Support		– ²	– ²	– ²	6 000	6 500	7 000	7 500
Number of additional units in the housing subsidy submarket completed per year	Housing Development Finance		120 610	115 079	105 936	66 655	103 983	113 588	120 308
Number of additional affordable rental housing units completed per year	Housing Development Finance		8 710	15 554	4 984	5 668	4 987	5 447	5 770
Number of additional households living in informal settlements upgraded to level 2 in terms of the informal settlements programme per year	Housing Development Finance		74 358	54 918	41 496	28 898	138 521	151 316	160 268

Table 38.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of finance linked individual subsidy programme subsidies allocated to approved beneficiaries per year	Housing Development Finance	Outcome 8: Sustainable human settlements and improved quality of household life	— ³	— ³	— ³	— ³	12 929	14 123	14 958
Total value of finance linked individual subsidy programme subsidies allocated to approved beneficiaries per year	Housing Development Finance		— ³	— ³	— ³	— ³	R34m	R72m	R144m
Number of catalytic projects initiated per year	Housing Development Finance		— ³	— ³	— ³	— ³	10	10	10

1. Historical data is not available, as this indicator was added in the 2013 ENE.

2. Historical data is not available, as this indicator was added in the 2014 ENE.

3. Historical data is not available, as this is a new indicator as per government's 2014-2019 medium term strategic framework.

Expenditure analysis

Over the MTEF period, the Department of Human Settlements will take progressive steps towards achieving the national development plan's vision of transforming human settlements and the spatial economy to create more functionally integrated, balanced and vibrant urban settlements. More specifically, the department will be implementing the human settlements reforms in government's 2014-2019 medium term strategic framework. The reforms aim to ensure that poor households have adequate housing in better living environments, to support the development of a functional and equitable residential property market, and to improve institutional capacity and coordination for better spatial targeting.

Provinces, municipalities and the department's public entities are the implementing agents of national policy directives. They are responsible for delivering housing opportunities, funded by transfers from the department. Over the MTEF period, these transfers, in the *Housing Development Finance* programme, will increase to R59.1 billion to the provinces, through the human settlements development grant, and to R33.3 billion to metropolitan municipalities, through the urban settlements development grant. Transfers are expected to grow at an average annual rate of 6.3 per cent over the period to support the delivery of 1.495 million housing opportunities across the country by 2019. The main driver of delivery will be mixed use catalytic projects, led by the department's master spatial plan. A catalytic project is a human settlements project that intends to initiate change away from isolated and segregated communities towards more spatially, socially and economically integrated communities. 30 catalytic projects will be initiated by 2017/18, and the department expects to disburse R315 million over the MTEF period to 8 metropolitan municipalities as capacity funding towards packaging catalytic projects. This funding is disbursed through the municipal human settlements capacity grant.

Social housing

An additional 27 000 households are expected to be living in affordable social rental units by 2019, in line with government's 2014-2019 medium term strategic framework. Over the medium term, 16 204 such units are expected to be built, funded through the restructuring capital grant of the Social Housing Regulatory Authority and the provincial institutional subsidy.

Subsidised housing

563 000 fully subsidised housing units are expected to be built by 2019 (337 879 of which will be delivered over the MTEF period) through the integrated residential development programme. 70 000 finance linked subsidies are expected to be disbursed to qualifying beneficiaries by 2019 (of which 42 010 will be disbursed over the MTEF period) through funding provided in the human settlements development grant.

Upgrading informal settlements

450 105 households in informal settlements are expected to have been upgraded by 2017/18 through the department's transfers to municipalities and provinces, contributing to government's 2014-2019 medium term strategic framework aim of ensuring that 750 000 poor households have adequate housing in better living environments by 2019. The upgrades will provide interim basic water, sanitation services and security of tenure, funded through the provincial human settlements development grant and the metropolitan urban settlements development grant, which are expected to grow at 7.2 per cent and 4.4 per cent.

The upgrading will also be supported by spending on consultants to the national upgrading support programme. This programme, funded in the *Human Settlements Delivery Support* programme, has an allocation of R210 million over the MTEF period to provide project level, technical support to 53 municipalities for planning upgrades in informal settlements.

In addition, the Housing Development Agency will support the planning in identified mining towns. The agency will also provide programme and project support to provinces and municipalities, in particular to assist them with implementing informal settlements upgrading and catalytic projects. Transfers to the agency are thus expected to increase to R215.7 million in 2017/18.

Departmental functioning to support delivery

Over the MTEF period, the department will spend approximately 1.1 per cent of its total allocation on compensation of employees. As at 30 September 2014, the department had 685 funded posts, 593 of which were filled. The vacancy rate of 13.4 per cent in 2014/15 was a contributor to underspending in the department's compensation of employees budget in previous years. The number of funded posts is expected to decrease to 645 over the MTEF period as a result of Cabinet approved reductions to the department's compensation of employees budget.

A large proportion of this budget is spent in the *Administration* programme, which has the highest number of posts as a result of increased internal support for line function activities in the department. Significant expenditure on consultants, related to the Special Investigating Unit for its investigations into housing subsidy fraud, is expected in the *Administration* programme. Over the medium term, spending on computer services is largely related to upgrading the housing subsidy system which is used for subsidy beneficiary administration.

The department will be drafting a new green paper on human settlements, aligned to the national development plan. The green paper is expected to be completed in 2015/16, and to provide new legislation by 2017/18. To fund these policy making responsibilities, spending in the *Human Settlements Policy, Strategy and Planning* programme will increase to R83.8 million by 2017/18.

The department also plans to strengthen its capacity support to provinces and municipalities and enhance its project monitoring and evaluation systems over the medium term. These functions are funded in the *Human Settlements Delivery Support* programme, and spending is largely driven by compensation of employees and consultants to the national upgrading support programme.

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		
	2011/12			2012/13			2013/14			2014/15		
R million	2011/12	Adjusted appropriation	Audited outcome	2012/13	Adjusted appropriation	Audited outcome	2013/14	Adjusted appropriation	Audited outcome	2014/15	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
Programme 1	388.2	390.9	271.6	412.0	425.0	300.6	422.4	422.4	297.8	425.9	79.1%	78.0%
Programme 2	73.2	71.1	60.9	83.5	85.4	63.2	84.1	84.1	73.3	89.4	86.2%	86.8%
Programme 3	94.2	103.2	91.9	158.5	161.0	113.6	153.6	188.9	81.3	298.5	66.7%	73.9%
Programme 4	21 724.9	21 905.1	21 888.5	24 058.0	24 057.0	23 719.5	27 377.1	27 280.0	26 990.8	29 707.6	98.2%	99.1%
Total	22 280.6	22 470.2	22 312.9	24 712.0	24 728.5	24 196.9	28 037.2	27 975.4	27 443.3	30 521.4	97.7%	98.5%
Change to 2014										(1 103.8)		
Budget estimate												

Table 38.2 Vote expenditure trends by programme and economic classification

Economic classification	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
Current payments	576.3	582.4	428.0	667.4	666.6	473.3	724.2	700.2	454.5	823.9	696.5	696.5	73.5%	77.6%
Compensation of employees	283.5	275.7	216.2	299.0	285.1	222.9	330.1	326.9	240.2	390.0	328.8	328.8	77.4%	82.9%
Goods and services of which:	292.2	306.1	211.7	368.0	380.7	250.4	393.7	373.2	214.3	433.9	367.7	367.7	70.2%	73.1%
Advertising	19.2	12.6	10.0	23.1	21.8	21.0	21.9	15.6	23.3	19.4	25.1	25.1	95.0%	105.6%
Computer services	58.0	60.6	12.9	61.7	53.1	32.5	51.2	51.5	26.8	53.3	53.0	53.0	55.8%	57.4%
Consultants and professional services:	74.5	87.4	71.6	138.0	142.7	74.4	157.8	143.5	30.9	184.8	123.4	123.4	54.1%	60.4%
Business and advisory services														
Consumables: Stationery, printing and office supplies	10.6	5.2	1.6	13.5	9.3	5.2	13.9	8.5	4.2	13.1	9.5	9.5	40.3%	63.2%
Operating leases	37.3	35.0	17.9	34.5	40.2	16.8	36.0	35.2	23.2	36.4	24.7	24.7	57.3%	61.2%
Travel and subsistence	31.2	36.8	48.1	32.4	40.3	51.0	39.3	39.3	42.3	51.2	45.0	45.0	120.9%	115.5%
Interest and rent on land	0.5	0.5	0.2	0.5	0.8	—	0.4	—	—	—	—	—	17.8%	18.0%
Transfers and subsidies	21 700.6	21 881.3	21 881.1	24 036.4	24 044.6	23 718.9	27 309.8	27 265.6	26 979.7	28 728.3	28 710.9	28 410.9	99.2%	99.1%
Provinces and municipalities	21 208.5	21 388.5	21 388.5	23 118.2	23 118.2	22 787.2	26 167.5	26 105.2	26 105.2	27 716.7	27 669.1	27 569.1	99.6%	99.6%
Departmental agencies and accounts	487.1	487.1	484.1	912.8	912.8	912.8	1 133.8	1 150.8	864.6	1 002.1	1 023.2	823.2	87.2%	86.3%
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	0.5	1.0	1.0	1.3	1.1	1.6	1.1	1.1	1.1	1.1	94.4%	84.3%
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	4.7	8.0	4.0	9.1	14.1	4.2	4.3	4.8	4.5	9.0	9.0	215.0%	132.7%
Payments for capital assets	3.7	6.5	3.8	8.2	17.3	4.6	3.3	9.7	8.9	969.3	10.2	10.2	2.8%	62.8%
Buildings and other fixed structures	—	—	—	—	—	—	—	—	—	964.7	—	—	—	—
Machinery and equipment	3.5	6.3	3.8	8.0	15.8	4.6	3.0	9.2	8.2	4.3	9.9	9.9	140.1%	64.2%
Software and other intangible assets	0.2	0.2	—	0.2	1.5	—	0.2	0.5	0.7	0.2	0.2	0.2	113.9%	40.5%
Payments for financial assets	—	—	—	—	—	0.1	—	—	0.2	—	—	—	—	1 350.0%
Total	22 280.6	22 470.2	22 312.9	24 712.0	24 728.5	24 196.9	28 037.2	27 975.4	27 443.3	30 521.4	29 417.6	29 117.6	97.7%	98.5%

Expenditure estimates

Table 38.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Human Settlements Policy, Strategy and Planning								
3. Human Settlements Delivery Support								
4. Housing Development Finance								
Programme	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme 1	433.3	3.5%	1.3%	435.1	462.8	490.1	4.2%	1.4%
Programme 2	87.0	7.0%	0.3%	74.3	79.3	83.8	-1.3%	0.3%
Programme 3	183.5	21.2%	0.5%	169.8	176.3	182.2	-0.2%	0.6%
Programme 4	28 413.9	9.1%	98.0%	30 264.1	32 487.7	34 490.5	6.7%	97.8%
Total	29 117.6	9.0%	100.0%	30 943.4	33 206.0	35 246.6	6.6%	100.0%
Change to 2014				(714.1)	(1 038.7)	(715.5)		
Budget estimate								

Table 38.3 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 (%)
Current payments	696.5	6.1%	2.0%	687.0	726.9	765.3	3.2%	2.2%
Compensation of employees	328.8	6.0%	1.0%	322.2	344.8	365.7	3.6%	1.1%
Goods and services	367.7	6.3%	1.0%	364.7	382.1	399.7	2.8%	1.2%
of which:								
Advertising	25.1	25.8%	0.1%	16.4	17.3	18.1	-10.3%	0.1%
Computer services	53.0	-4.4%	0.1%	54.1	57.0	59.9	4.2%	0.2%
Consultants and professional services:	123.4	12.2%	0.3%	126.2	129.8	132.8	2.5%	0.4%
Business and advisory services								
Consumables: Stationery, printing and office supplies	9.5	22.3%	–	12.4	13.0	13.6	12.7%	–
Operating leases	24.7	-11.0%	0.1%	38.0	40.3	42.3	19.7%	0.1%
Travel and subsistence	45.0	6.9%	0.2%	46.5	50.2	54.5	6.6%	0.2%
Transfers and subsidies	28 410.9	9.1%	98.0%	30 252.4	32 474.9	34 476.9	6.7%	97.7%
Provinces and municipalities	27 569.1	8.8%	94.9%	28 857.0	31 059.9	32 883.5	6.1%	93.7%
Departmental agencies and accounts	823.2	19.1%	3.0%	1 385.5	1 404.4	1 582.3	24.3%	4.0%
Higher education institutions	4.5	–	–	–	–	–	-100.0%	–
Foreign governments and international organisations	1.1	3.6%	–	1.2	1.2	1.3	4.6%	–
Public corporations and private enterprises	4.0	–	–	–	–	–	-100.0%	–
Households	9.0	24.4%	–	8.8	9.4	9.9	3.2%	–
Payments for capital assets	10.2	15.8%	–	4.0	4.2	4.4	-24.3%	–
Machinery and equipment	9.9	16.2%	–	3.7	3.9	4.1	-25.4%	–
Software and other intangible assets	0.2	5.3%	–	0.3	0.3	0.3	4.8%	–
Total	29 117.6	9.0%	100.0%	30 943.4	33 206.0	35 246.6	6.6%	100.0%

Personnel information

Table 38.4 Vote personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. Human Settlements Policy, Strategy and Planning																			
3. Human Settlements Delivery Support																			
4. Housing Development Finance																			
Number of posts estimated for 31 March 2015			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 (%)	
		2013/14			2014/15			2015/16			2016/17			2017/18					2014/15 - 2017/18
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Human Settlements			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	850	–	601	240.2	0.4	685	328.8	0.5	645	322.2	0.5	645	344.8	0.5	645	365.7	0.6	-2.0%	100.0%
1 – 6	195	–	145	23.3	0.2	158	30.3	0.2	146	30.0	0.2	146	32.0	0.2	146	34.1	0.2	-2.6%	22.7%
7 – 10	357	–	268	82.9	0.3	294	105.4	0.4	276	100.7	0.4	276	107.7	0.4	276	114.3	0.4	-2.1%	42.8%
11 – 12	168	–	103	57.4	0.6	135	92.1	0.7	124	79.9	0.6	124	85.6	0.7	124	90.5	0.7	-2.8%	19.4%
13 – 16	130	–	85	76.6	0.9	98	99.0	1.0	99	109.0	1.1	99	116.7	1.2	99	123.7	1.2	0.3%	15.1%
Other	–	–	–	–	–	–	2.0	–	–	2.6	–	–	2.8	–	–	2.9	–	–	–
Programme	850	–	601	240.2	0.4	685	328.8	0.5	645	322.2	0.5	645	344.8	0.5	645	365.7	0.6	-2.0%	100.0%
Programme 1	511	–	395	140.6	0.4	431	185.7	0.4	431	198.1	0.5	431	212.0	0.5	431	224.8	0.5	–	65.8%
Programme 2	121	–	74	38.3	0.5	121	56.8	0.5	79	48.5	0.6	79	51.9	0.7	79	55.1	0.7	-13.2%	13.7%
Programme 3	186	–	103	47.2	0.5	101	70.1	0.7	106	60.3	0.6	106	64.6	0.6	106	68.5	0.6	1.6%	16.0%
Programme 4	32	–	29	14.1	0.5	32	16.3	0.5	29	15.3	0.5	29	16.4	0.6	29	17.3	0.6	-3.2%	4.5%

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

2. Rand million.

Departmental receipts

Table 38.5 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 (%)
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
R thousand	2011/12	2012/13	2013/14	2014/15	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
Departmental receipts	610	1 039	763	1 141	1 141	23.2%	100.0%	789	791	795	-11.3%	100.0%
Sales of goods and services produced by department	300	167	190	205	205	-11.9%	24.3%	199	201	204	-0.2%	23.0%
Sales by market establishments	196	47	52	54	54	-34.9%	9.8%	58	59	60	3.6%	6.6%
of which:												
Parking	196	47	52	54	54	-34.9%	9.8%	58	59	60	3.6%	6.6%
Administrative fees	–	–	1	1	1	–	0.1%	2	2	3	44.2%	0.2%
of which:												
Commissions on insurance	–	–	1	1	1	–	0.1%	2	2	3	44.2%	0.2%
Other sales	104	120	137	150	150	13.0%	14.4%	139	140	141	-2.0%	16.2%
of which:												
Replacement of security cards	104	120	137	150	150	13.0%	14.4%	139	140	141	-2.0%	16.2%
Sales of scrap, waste, arms and other used current goods	2	3	3	6	6	44.2%	0.4%	3	3	4	-12.6%	0.5%
of which:												
Waste paper	2	3	3	6	6	44.2%	0.4%	3	3	4	-12.6%	0.5%
Interest, dividends and rent on land	23	90	63	430	430	165.4%	17.1%	200	200	200	-22.5%	29.3%
Interest	23	90	63	430	430	165.4%	17.1%	200	200	200	-22.5%	29.3%
Transactions in financial assets and liabilities	285	779	507	500	500	20.6%	58.3%	387	387	387	-8.2%	47.2%
Total	610	1 039	763	1 141	1 141	23.2%	100.0%	789	791	795	-11.3%	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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
Ministry	25.9	30.4	28.7	44.4	19.8%	9.9%	47.9	52.1	57.0	8.7%	11.1%
Departmental Management	74.4	61.6	53.5	100.5	10.5%	22.2%	103.8	110.2	116.2	5.0%	23.6%
Corporate Services	124.1	154.5	151.5	205.2	18.3%	48.8%	198.3	210.1	221.6	2.6%	45.9%
Property Management	17.6	20.4	24.7	36.0	27.0%	7.6%	37.7	39.9	41.9	5.2%	8.5%
Financial Management	29.7	33.7	39.3	47.2	16.7%	11.5%	47.5	50.5	53.4	4.2%	10.9%
Total	271.6	300.6	297.8	433.3	16.8%	100.0%	435.1	462.8	490.1	4.2%	100.0%
Change to 2014				7.3			(10.5)	(9.3)	(8.4)		
Budget estimate											
Economic classification	268.8	296.9	290.3	426.3	16.6%	98.4%	432.4	459.9	487.1	4.5%	99.1%
Current payments				426.3			432.4	459.9	487.1		
Compensation of employees	128.5	134.7	140.6	185.7	13.1%	45.2%	198.1	212.0	224.8	6.6%	45.0%
Goods and services	140.2	162.2	149.7	240.7	19.7%	53.2%	234.3	247.9	262.3	2.9%	54.1%
of which:											
Advertising	9.3	20.8	19.9	23.5	36.3%	5.6%	14.1	14.8	15.6	-12.9%	3.7%
Audit costs: External	5.2	6.9	8.6	8.2	16.1%	2.2%	8.4	8.9	9.3	4.6%	1.9%
Computer services	7.7	32.2	26.8	51.8	88.7%	9.1%	52.2	55.0	57.7	3.7%	11.9%
Consultants and professional services:	40.0	24.5	16.1	42.6	2.2%	9.4%	46.2	48.8	51.3	6.4%	10.4%
Business and advisory services											
Operating leases	17.7	16.8	23.2	24.4	11.3%	6.3%	37.8	40.0	42.0	19.9%	7.9%
Travel and subsistence	25.8	27.8	23.9	24.1	-2.2%	7.8%	23.0	25.3	28.4	5.6%	5.5%
Interest and rent on land	0.1	–	–	–	-100.0%	–	–	–	–	–	–

Table 38.6 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 (%)
	2011/12	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R million												
Transfers and subsidies	0.1	0.1	0.2	1.2	170.7%	0.1%					-66.0%	0.1%
Departmental agencies and accounts	–	–	–	1.2	–	0.1%	–	–	–	–	-100.0%	0.1%
Households	0.1	0.1	0.2	–	-100.0%	–	–	–	–	–	–	–
Payments for capital assets	2.7	3.5	7.2	5.7	27.9%	1.5%	2.7	2.9	3.0		-19.5%	0.8%
Machinery and equipment	2.7	3.5	6.6	5.5	26.5%	1.4%	2.5	2.6	2.7		-20.9%	0.7%
Software and other intangible assets	–	–	0.6	0.2	106.1%	0.1%	0.3	0.3	0.3		4.8%	0.1%
Payments for financial assets	–	0.1	0.1	–	26.0%	–	–	–	–		-100.0%	–
Total	271.6	300.6	297.8	433.3	16.8%	100.0%	435.1	462.8	490.1		4.2%	100.0%
Proportion of total programme expenditure to vote expenditure	1.2%	1.2%	1.1%	1.5%	–	–	1.4%	1.4%	1.4%		–	–

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 human settlements governance frameworks by developing and maintaining policies, programmes, and norms and standards for human settlements development on a continual basis.
- Promote sustainable human settlements development by drafting the human settlements macro policy and strategy, as contained in the national development plan, by 2015/16.
- Facilitate a national rollout of human settlements programmes and related projects by managing and monitoring programmes in terms of the human settlements planning frameworks and processes, on an ongoing basis.
- Improve the development of sustainable human settlements by assessing 21 municipalities for accreditation and 9 metropolitan municipalities for assignment by 2017/18.
- Improve cooperation and collaboration in the sector by managing intergovernmental and sector relations with all stakeholders in the human settlements development value chain 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	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18		
R million											
Management for Policy, Strategy and Planning	2.0	2.2	3.6	5.4	40.0%	4.6%	6.3	6.7	7.0	9.3%	7.8%
Human Settlements Policy Frameworks	23.5	27.8	27.8	28.9	7.1%	37.9%	28.2	30.0	31.8	3.2%	36.6%
Human Settlements Strategy and Planning	35.5	33.3	42.0	52.7	14.1%	57.5%	39.9	42.6	45.0	-5.2%	55.5%
Total	60.9	63.2	73.3	87.0	12.6%	100.0%	74.3	79.3	83.8	-1.3%	100.0%
Change to 2014				(2.4)			(20.0)	(21.1)	(22.5)		
Budget estimate											
Economic classification											
Current payments	60.0	61.0	71.6	80.0	10.1%	95.8%	72.6	77.4	81.8	0.8%	96.1%
Compensation of employees	30.7	33.3	38.3	56.8	22.8%	55.9%	48.5	51.9	55.1	-1.0%	65.5%
Goods and services	29.4	27.7	33.3	23.2	-7.5%	39.9%	24.1	25.5	26.8	4.8%	30.7%
of which:											
Communication	1.0	1.1	1.2	1.6	18.1%	1.7%	1.3	1.4	1.5	-4.1%	1.8%
Consultants and professional services:	12.4	8.5	4.5	5.3	-24.7%	10.8%	5.3	5.5	5.8	3.1%	6.7%
Business and advisory services											
Consumable supplies	0.3	—	10.1	0.9	43.8%	4.0%	1.2	1.3	1.4	16.0%	1.5%
Travel and subsistence	10.4	12.4	9.5	7.9	-8.8%	14.1%	9.5	10.1	10.7	10.5%	11.8%
Operating payments	0.2	0.4	0.9	0.7	49.1%	0.8%	0.9	0.9	1.0	10.8%	1.1%
Venues and facilities	3.4	1.5	2.0	3.1	-3.3%	3.5%	1.7	1.8	1.9	-14.9%	2.6%
Transfers and subsidies	0.5	1.8	1.1	5.1	122.8%	3.0%	1.2	1.2	1.3	-37.1%	2.7%
Foreign governments and international organisations	0.5	1.3	1.1	1.1	34.1%	1.4%	1.2	1.2	1.3	4.6%	1.5%
Public corporations and private enterprises	—	—	—	4.0	—	1.4%	—	—	—	-100.0%	1.2%
Non-profit institutions	—	0.4	—	—	—	0.1%	—	—	—	—	—
Households	—	0.1	0.1	—	—	0.1%	—	—	—	—	—
Payments for capital assets	0.4	0.4	0.6	1.9	63.2%	1.2%	0.6	0.6	0.7	-29.4%	1.2%
Machinery and equipment	0.4	0.4	0.6	1.9	63.2%	1.2%	0.6	0.6	0.7	-29.4%	1.2%
Total	60.9	63.2	73.3	87.0	12.6%	100.0%	74.3	79.3	83.8	-1.3%	100.0%
Proportion of total programme expenditure to vote expenditure	0.3%	0.3%	0.3%	0.3%	—	—	0.2%	0.2%	0.2%	—	—
Details of selected transfers and subsidies											
Foreign governments and international organisations											
Current	0.5	1.3	1.1	1.1	34.1%	1.4%	1.2	1.2	1.3	4.6%	1.5%
Habitat Foundation	0.5	0.9	1.1	1.1	34.1%	1.2%	1.2	1.2	1.3	4.6%	1.5%
City Alliance	—	0.4	—	—	—	0.2%	—	—	—	—	—
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	—	—	—	4.0	—	1.4%	—	—	—	-100.0%	1.2%
Council for Scientific and Industrial Research	—	—	—	4.0	—	1.4%	—	—	—	-100.0%	1.2%

Programme 3: Human Settlements Delivery Support

Programme purpose

Support the execution of, and monitor and evaluate the implementation of human settlements programmes and projects. Manage the building of capacity and skills in the sector and provide oversight of public entities.

Objectives

- Improve the delivery rate of housing projects, including blocked projects and informal settlement upgrading projects, by providing ongoing technical support to provinces and municipalities in the planning and implementation of strategic programmes and projects.

- Promote better human settlements outcomes in informal settlements through the progressive implementation of the national upgrading support programme in 53 municipalities by 2017/18.
- Develop professional and institutional capacity to support roles and responsibilities at 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 (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Management for Human Settlements Delivery Support	4.3	3.1	4.1	6.7	15.4%	3.9%	7.6	8.0	8.5	8.3%	4.3%
Programme Management Unit	26.5	24.9	33.1	122.2	66.3%	44.0%	116.4	119.3	122.1	–	67.4%
Chief of Operations	61.0	85.5	44.2	54.7	-3.6%	52.2%	45.8	48.9	51.6	-1.9%	28.2%
Total	91.9	113.6	81.3	183.5	25.9%	100.0%	169.8	176.3	182.2	-0.2%	100.0%
Change to 2014				(23.5)			(46.8)	(65.9)	(73.1)		
Budget estimate											
Economic classification											
Current payments	83.5	96.0	71.9	167.7	26.2%	89.1%	160.6	166.4	171.9	0.8%	93.6%
Compensation of employees	43.2	40.1	47.2	70.1	17.5%	42.7%	60.3	64.6	68.5	-0.8%	37.0%
Goods and services	40.2	56.0	24.6	97.6	34.4%	46.4%	100.3	101.8	103.4	2.0%	56.6%
of which:											
Communication	1.3	1.3	1.4	2.0	15.0%	1.3%	2.3	2.4	2.6	7.7%	1.3%
Computer services	5.1	0.3	–	1.1	-40.5%	1.4%	1.8	2.0	2.1	24.0%	1.0%
Consultants and professional services: Business and advisory services	19.2	40.5	9.4	74.8	57.2%	30.6%	73.7	73.9	74.1	-0.3%	41.6%
Consumables: Stationery, printing and office supplies	0.4	0.6	0.4	1.9	70.8%	0.7%	2.5	2.6	2.7	12.2%	1.3%
Travel and subsistence	10.9	9.7	7.7	10.8	-0.5%	8.3%	11.7	12.2	12.9	6.1%	6.7%
Venues and facilities	1.1	1.4	3.0	1.3	7.2%	1.4%	1.5	1.6	1.7	8.1%	0.8%
Transfers and subsidies	8.0	17.0	8.5	13.5	19.2%	10.0%	8.7	9.4	9.8	-10.0%	5.8%
Higher education institutions	–	3.1	3.9	4.5	–	2.5%	–	–	–	-100.0%	0.6%
Households	8.0	13.9	4.6	9.0	4.1%	7.5%	8.7	9.4	9.8	3.0%	5.2%
Payments for capital assets	0.4	0.6	0.9	2.3	73.3%	0.9%	0.5	0.5	0.6	-38.1%	0.5%
Machinery and equipment	0.4	0.6	0.8	2.3	73.3%	0.9%	0.5	0.5	0.6	-38.1%	0.5%
Software and other intangible assets	–	–	0.1	–	–	–	–	–	–	–	–
Total	91.9	113.6	81.3	183.5	25.9%	100.0%	169.8	176.3	182.2	-0.2%	100.0%
Proportion of total programme expenditure to vote expenditure	0.4%	0.5%	0.3%	0.6%	–	–	0.5%	0.5%	0.5%	–	–

Table 38.8 Human Settlements Delivery Support expenditure trends and estimates by subprogramme and economic classification

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												
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18			
Households												
Other transfers to households												
Current	8.0	13.9	4.6	9.0	4.1%	7.5%	8.7	9.4	9.8	3.0%	5.2%	
Bursaries for non-employees	8.0	13.8	4.6	9.0	4.1%	7.5%	8.7	9.4	9.8	3.0%	5.2%	
Higher education institutions												
Current	–	3.1	3.9	4.5	–	2.5%	–	–	–	-100.0%	0.6%	
Nelson Mandela Metropolitan University	–	3.1	3.9	4.5	–	2.5%	–	–	–	-100.0%	0.6%	

Programme 4: Housing Development Finance

Programme purpose

Fund the delivery of all 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, the municipal human settlements capacity 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.
- *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 municipalities 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 allocation transferred to municipalities to build capacity within metropolitan municipalities.

Expenditure trends and estimates

Table 38.9 Housing 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 (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Management for Housing Development Finance	1.2	1.7	1.9	2.6	30.7%	–	3.5	3.7	4.0	15.3%	–
Chief Investment Officer	14.8	17.8	19.0	20.2	10.9%	0.1%	18.1	19.6	20.8	1.0%	0.1%
Human Settlements Development Grant	15 121.5	15 395.0	17 028.3	17 084.4	4.2%	63.8%	18 202.7	19 884.0	21 060.3	7.2%	60.5%
Contributions	484.1	912.8	864.6	1 022.1	28.3%	3.2%	1 385.5	1 404.4	1 582.3	15.7%	4.3%
Urban Settlements Development Grant	6 267.0	7 392.2	9 076.9	10 284.7	18.0%	32.6%	10 554.3	11 075.9	11 708.1	4.4%	34.6%
Municipal Human Settlements Capacity Grant	–	–	–	300.0	–	0.3%	100.0	100.0	115.0	-27.4%	0.5%
Total	21 888.5	23 719.5	26 990.8	28 713.9	9.5%	100.0%	30 264.1	32 487.7	34 490.5	6.3%	100.0%
Change to 2014 Budget estimate				18.5			(636.9)	(942.5)	(611.5)		
Current payments	15.8	19.4	20.8	22.5	12.6%	0.1%	21.4	23.2	24.5	2.9%	0.1%
Compensation of employees	13.8	14.8	14.1	16.3	5.6%	0.1%	15.3	16.4	17.3	2.2%	0.1%
Goods and services	2.0	4.6	6.7	6.2	47.2%	–	6.1	6.8	7.2	4.8%	–
of which:											
Advertising	0.2	0.1	0.3	0.2	0.8%	–	0.2	0.2	0.2	4.8%	–
Catering: Departmental activities	–	0.2	0.1	0.2	101.5%	–	0.2	0.2	0.3	4.6%	–
Communication	0.3	0.2	0.2	0.4	14.1%	–	0.4	0.5	0.5	3.0%	–
Consultants and professional services: Business and advisory services	–	0.9	0.8	0.7	185.7%	–	1.1	1.6	1.6	31.1%	–
Consumables: Stationery, printing and office supplies	–	1.9	1.8	1.2	–	–	1.3	1.4	1.5	7.4%	–
Travel and subsistence	1.0	1.1	1.1	2.2	32.0%	–	2.3	2.4	2.6	4.7%	–
Transfers and subsidies	21 872.6	23 700.1	26 969.9	28 691.1	9.5%	99.9%	30 242.5	32 464.3	34 465.7	6.3%	99.9%
Provinces and municipalities	21 388.5	22 787.2	26 105.2	27 669.1	9.0%	96.7%	28 857.0	31 059.9	32 883.5	5.9%	95.6%
Departmental agencies and accounts	484.1	912.8	864.6	1 022.1	28.3%	3.2%	1 385.5	1 404.4	1 582.3	15.7%	4.3%
Payments for capital assets	0.2	0.1	0.2	0.2	7.6%	–	0.2	0.2	0.2	-4.1%	–
Machinery and equipment	0.2	0.1	0.2	0.2	7.6%	–	0.2	0.2	0.2	-4.1%	–
Total	21 888.5	23 719.5	26 990.8	28 713.9	9.5%	100.0%	30 264.1	32 487.7	34 490.5	6.3%	100.0%
Proportion of total programme expenditure to vote expenditure	98.1%	98.0%	98.4%	97.6%	–	–	97.8%	97.8%	97.9%	–	–
Details of selected transfers and subsidies											
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	–	–	–	300.0	–	0.3%	100.0	100.0	115.0	-27.4%	0.5%
Human settlements capacity allocation	–	–	–	300.0	–	0.3%	100.0	100.0	115.0	-27.4%	0.5%
Capital	6 267.0	7 392.2	9 076.9	10 284.7	18.0%	32.6%	10 554.3	11 075.9	11 708.1	4.4%	34.6%
Urban settlements development allocation	6 267.0	7 392.2	9 076.9	10 284.7	18.0%	32.6%	10 554.3	11 075.9	11 708.1	4.4%	34.6%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	257.9	265.4	246.6	424.5	18.1%	1.2%	453.2	368.0	471.8	3.6%	1.4%
Social Housing Regulatory Authority: Operational	19.3	21.1	32.2	33.5	20.1%	0.1%	34.6	36.4	38.2	4.5%	0.1%
Rural Housing Loan Fund	49.5	32.0	–	–	-100.0%	0.1%	–	–	50.0	–	–
Housing Development Agency	89.1	92.3	97.5	121.0	10.8%	0.4%	176.2	167.5	215.7	21.2%	0.5%
National Urban Reconstruction and Housing Agency	100.0	120.0	100.0	–	-100.0%	0.3%	61.0	–	–	–	–
National Housing Finance Corporation	–	–	–	230.0	–	0.2%	100.0	100.0	100.0	-24.2%	0.4%
Community Schemes Ombud Services	–	–	17.0	40.0	–	0.1%	39.5	23.9	29.4	-9.8%	0.1%
Social Housing Regulatory Authority: Institutional Investment	–	–	–	–	–	–	41.9	40.2	38.5	–	0.1%
Capital	226.2	647.4	618.0	597.5	38.2%	2.1%	932.3	1 036.4	1 110.5	22.9%	2.9%
Social Housing Regulatory Authority: Restructuring capital grant	226.2	647.4	618.0	597.5	38.2%	2.1%	932.3	1 036.4	1 110.5	22.9%	2.9%
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Capital	15 121.5	15 395.0	17 028.3	17 084.4	4.2%	63.8%	18 202.7	19 884.0	21 060.3	7.2%	60.5%
Human settlements development allocation	15 121.5	15 395.0	17 028.3	17 084.4	4.2%	63.8%	18 202.7	19 884.0	21 060.3	7.2%	60.5%

Public entities and other agencies

National Home Builders Registration Council

Mandate

The National Home Builders Registration Council was established in terms of the Housing Consumers Protection and 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		
			2011/12	2012/13	2013/14		2015/16	2016/17	2017/18
Number of subsidy inspections carried out per year	Regulation	Outcome 8: Sustainable human settlements and improved quality of household life	290 826	179 930	230 217	500 480	528 006	557 047	587 684
Number of non-subsidy inspections carried out per year	Regulation		223 349	248 114	221 107	183 852	193 964	204 632	215 887
Number of home inspectors to be trained per year	Regulation		— ¹	— ¹	— ¹	— ¹	400	440	460
Number of home builders to be trained per year	Regulation		609	1 002	1 369	2 000	1 200	1 500	2 000
Number of people to be trained in construction for government projects (youth, women, people with disabilities and military veterans) per year	Regulation		192	948	934	1 500	2 000	2 000	2 000
Number of subsidy sector project enrolments per year	Protection		35 426	32 959	26 719	45 100	47 581	50 197	52 958
Number of subsidy home enrolments per year	Protection		138 883	161 443	119 440	125 120	132 002	139 262	146 921
Number of late enrolments per year	Protection		602	658	512	2 298	2 424	2 558	2 698
Number of forensic assessments conducted per year	Protection		45 952	32 760	40 500	31 600	33 180	34 839	36 581
Number of geotechnical assessments conducted per year	Protection		— ²	— ²	45 000	20 959	22 007	23 107	24 263
Number of days taken to evaluate structural claims	Protection		— ²	— ²	— ²	20	20	20	20
Number of non-subsidy enrolments per year	Protection		38 651	44 698	48 879	45 963	48 491	51 158	53 972

1. Historical data is not available, as this is a new indicator.

2. Historical data is not available, as this was not monitored at the time.

Expenditure analysis

The National Home Builders Registration Council assures quality of housing delivery by the private sector and government, and provides home builder training to the sector. This is in line with the national development plan's vision of adequate housing and improved quality living environments, as well as outcome 8 (sustainable human settlements and improved quality of household life) of government's 2014-2019 medium term strategic framework. To this end, the council's focus over the MTEF period will be on strengthening the administration, consumer protection and regulation functions of the council.

The council raises revenue primarily through home enrolment fees, technical services, and interest and dividends earned on investments. Total revenue is expected to increase at an average annual rate of 5.9 per cent over the medium term, largely due to increases in the number of homes enrolled in both subsidy and non-subsidy sectors, as the economy begins to recover and as the construction of subsidy housing gears up over the medium term.

Total expenditure of the council is projected to increase to R1.1 billion in 2017/18. The council's focus over the medium term is to build its internal inspection capacity, thereby eliminating the need for outsourced capacity and strengthening the internal operations of the council. Expenditure on outsourced inspection capacity is thus expected to decrease from R70.6 million in 2014/15 to zero over the medium term, while spending on compensation of employees as a whole is set to increase to R634.7 million in 2017/18, aligning with the increase in the number of personnel from 592 in 2014/15 to 728 in 2017/18. As a result, the council will be able

to inspect every new subsidised house that is enrolled with the council four times during construction. In addition, a centre for housing innovation has been established, which focuses on home builder training, inspector training and alternative building technologies. The council expects to train 1 300 inspectors and 4 700 new home builders over the medium term. Spending in the regulation programme increased significantly between 2011/12 and 2014/15 as a result of increased capacity within the inspection unit, and is expected to increase to R416.2 million by 2017/18.

Spending in the protection programme increased rapidly from R7.1 million in 2011/12 to R202.7 million in 2014/15, largely as a result of increased capacity for legal compliance and enforcement, the establishment of the project management office, and the Centre for Research and Housing Innovation. Expenditure over the medium term in the protection programme is expected to increase at an average annual rate of 15.5 per cent. This is largely due to the expected increase in spending on compensation of employees as a result of the growth in personnel. This increase will lead to a growth in the number of forensic assessments conducted by the council to 36 581 by 2017/18, as well as a growth in the number of geotechnical assessments, which are projected to increase to 24 263 projects in the subsidy sector by 2017/18. In addition, the council projects that 418 185 new subsidy houses and 153 621 non-subsidy houses will be enrolled over the MTEF period as a result of increased internal capacity.

Implementation of the enterprise resource planning system is expected to improve the efficiency of the council's administrative functions, and will be the main driver of administrative expenditure from R248.8 million in 2014/15 to R347.2 million in 2017/18. The significant decline in expenditure in 2013/14 in this programme was as a result of the reprioritisation of funding out of administration and into the regulation and protection programmes. This was done to target spending on direct services related to the council's core mandate.

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 2014/15	Average growth rate (%) 2011/12 - 2014/15	Expenditure/ Total: Average (%) 2014/15	Medium-term expenditure estimate			Average growth rate (%) 2014/15 - 2017/18	Expenditure/ Total: Average (%) 2017/18
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
Administration	447.0	506.5	167.6	248.8	-17.7%	52.4%	293.7	335.5	347.2	11.7%	30.9%
Regulation	159.0	140.6	248.3	443.3	40.7%	36.2%	373.9	394.5	416.2	-2.1%	41.5%
Protection	7.1	12.7	102.8	202.7	206.0%	11.4%	280.7	296.1	312.4	15.5%	27.5%
Total	613.1	659.7	518.6	894.8	13.4%	100.0%	948.3	1 026.1	1 075.8	6.3%	100.0%

Statements of historical financial performance and position

Table 38.12 National Home Builders Registration Council statements of historical financial performance and position

Statement of financial performance										Outcome/ Budget Average (%)
	Budget 2011/12	Audited outcome	Budget 2012/13	Audited outcome	Budget 2013/14	Audited outcome	Budget estimate 2014/15	Revised estimate		
R million										
Revenue										
Non-tax revenue	608.5	723.3	742.8	1 188.8	932.3	733.2	965.2	965.2		111.1%
Sale of goods and services other than capital assets	352.0	425.3	529.1	840.4	727.6	410.0	753.4	753.4		102.8%
of which:										
Sales by market establishment	352.0	425.3	529.1	840.4	727.6	410.0	753.4	753.4		102.8%
Other non-tax revenue	256.4	298.0	213.8	348.4	204.7	323.1	211.9	211.9		133.2%
Total revenue	608.5	723.3	742.8	1 188.8	932.3	733.2	965.2	965.2		111.1%
Expenses										
Current expenses	495.4	611.1	524.9	659.7	812.6	518.6	865.1	894.8		99.5%
Compensation of employees	201.0	174.7	257.0	195.0	294.3	259.7	454.5	459.1		90.2%
Goods and services	271.3	421.3	247.7	452.9	491.1	248.7	382.0	420.3		110.9%
Depreciation	23.1	15.1	20.2	11.8	27.2	10.1	28.5	15.3		52.9%
Transfers and subsidies	3.4	2.0	3.2	-	2.5	-	-	-		21.6%
Total expenses	498.8	613.1	528.1	659.7	815.1	518.6	865.1	894.8		99.2%
Surplus/(Deficit)	110.0	110.0	215.0	529.0	117.0	215.0	100.0	70.0		-

Table 38.12 National Home Builders Registration Council statements of historical financial performance and position

Statement of financial position									
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget Average (%)
R million	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15
Carrying value of assets	46.7	48.1	98.3	77.0	331.7	155.3	348.4	323.2	73.2%
of which:									
Acquisition of assets	8.3	5.3	243.9	40.9	126.7	88.7	124.8	167.3	60.0%
Investments	3 321.2	3 693.6	3 586.6	3 974.4	3 576.4	4 422.2	4 071.6	4 502.7	114.0%
Inventory	0.4	0.4	0.1	0.2	0.5	0.2	0.3	0.2	83.0%
Receivables and prepayments	13.4	59.1	23.7	35.7	27.2	35.7	26.0	35.1	183.4%
Cash and cash equivalents	3.1	43.1	25.1	134.5	25.0	147.5	29.2	30.1	431.2%
Total assets	3 384.6	3 844.3	3 733.8	4 221.9	3 960.8	4 760.8	4 475.5	4 891.4	113.9%
Accumulated surplus/(deficit)	2 375.7	2 546.9	2 854.6	3 051.1	2 870.6	3 274.3	3 265.7	3 351.3	107.5%
Capital and reserves	99.1	55.6	46.3	29.0	50.6	20.4	29.0	50.4	69.1%
Trade and other payables	55.8	251.8	45.3	125.9	62.8	171.9	164.4	193.7	226.4%
Provisions	854.0	990.0	787.6	1 016.0	374.2	1 294.2	1 016.3	1 295.9	151.6%
Total equity and liabilities	3 384.6	3 844.3	3 733.8	4 221.9	3 358.4	4 760.8	4 475.5	4 891.4	118.5%

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 (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Revenue								
Non-tax revenue	965.2	10.1%	100.0%	1 049.1	1 089.5	1 145.8	5.9%	100.0%
Sale of goods and services other than capital assets	753.4	21.0%	65.9%	817.4	849.7	896.3	6.0%	78.0%
of which:								
Sales by market establishment	753.4	21.0%	65.9%	817.4	849.7	896.3	6.0%	78.0%
Other non-tax revenue	211.9	-10.7%	34.1%	231.7	239.8	249.4	5.6%	22.0%
Total revenue	965.2	10.1%	100.0%	1 049.1	1 089.5	1 145.8	5.9%	100.0%
Expenses								
Current expenses	894.8	13.6%	99.9%	948.3	1 026.1	1 075.8	6.3%	100.0%
Compensation of employees	459.1	38.0%	39.9%	570.3	601.6	634.7	11.4%	57.3%
Goods and services	420.3	-0.1%	58.1%	353.8	374.8	390.4	-2.4%	39.3%
Depreciation	15.3	0.4%	2.0%	24.2	49.7	50.6	49.0%	3.5%
Total expenses	894.8	13.4%	100.0%	948.3	1 026.1	1 075.8	6.3%	100.0%
Surplus/(Deficit)	70.0	-14.0%	-	101.0	63.0	70.0	-	-
Statement of financial position								
Carrying value of assets	323.2	88.7%	3.2%	376.6	334.9	292.3	-3.3%	6.6%
of which:								
Acquisition of assets	167.3	216.9%	1.6%	8.0	9.0	-	-100.0%	0.9%
Investments	4 502.7	6.8%	93.8%	4 566.4	4 693.4	4 812.5	2.2%	92.2%
Inventory	0.2	-21.1%	-	0.2	0.2	0.2	7.1%	-
Receivables and prepayments	35.1	-16.0%	1.0%	29.9	28.5	31.6	-3.4%	0.6%
Cash and cash equivalents	30.1	-11.2%	2.0%	29.2	29.1	28.3	-2.0%	0.6%
Total assets	4 891.4	8.4%	100.0%	5 002.2	5 086.1	5 165.0	1.8%	100.0%
Accumulated surplus/(deficit)	3 351.3	9.6%	69.0%	3 452.1	3 515.5	3 585.5	2.3%	69.0%
Capital and reserves	50.4	-3.2%	0.9%	50.4	60.4	71.0	12.1%	1.2%
Trade and other payables	193.7	-8.4%	4.3%	203.7	214.1	212.4	3.1%	4.1%
Provisions	1 295.9	9.4%	25.9%	1 295.9	1 296.1	1 296.1	-	25.7%
Total equity and liabilities	4 891.4	8.4%	100.0%	5 002.2	5 086.1	5 165.0	17.5%	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 2015			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 (%)
			2013/14			2014/15			2015/16			2016/17			2017/18				
National Home Builders Registration Council			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	728	728	509	259.7	0.5	592	459.1	0.8	728	570.3	0.8	728	601.6	0.8	728	634.7	0.9	11.4%	100.0%
1 – 6	18	18	26	2.5	0.1	18	2.3	0.1	18	2.8	0.2	18	3.0	0.2	18	3.1	0.2	11.4%	2.6%
7 – 10	502	502	207	74.4	0.4	391	289.4	0.7	502	359.5	0.7	502	379.3	0.8	502	400.1	0.8	11.4%	68.2%
11 – 12	158	158	158	84.8	0.5	134	107.8	0.8	158	133.8	0.8	158	141.2	0.9	158	149.0	0.9	11.4%	21.9%
13 – 16	48	48	115	91.9	0.8	47	54.5	1.2	48	67.7	1.4	48	71.4	1.5	48	75.3	1.6	11.4%	6.9%
17 – 22	2	2	3	6.2	2.1	2	5.2	2.6	2	6.4	3.2	2	6.8	3.4	2	7.2	3.6	11.4%	0.3%

¹. Rand million.

Other public entities and agencies

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 **Community Schemes Ombud Service** is mandated to provide a dispute resolution service for community schemes; to regulate, monitor and control the quality of all sectional title schemes' governance documentation; and to take custody of, preserve and provide public access to scheme governance documentation. The ombud's total budget for 2015/16 is R41 million.
- The **Estate Agency Affairs Board** regulates, maintains and promotes the standard of conduct of estate agents, issues Estate Agents Fidelity Fund certificates, prescribes the standard of training of estate agents, investigates complaints lodged against estate agents, and manages and controls the Estate Agents Fidelity Fund. The board's total budget for 2015/16 is R123.3 million.
- The **Housing Development Agency** is mandated to identify, acquire, hold, develop and release state and privately owned land for residential and community purposes and to create sustainable human settlements. The agency's total budget for 2015/16 is R278.9 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 corporation's total budget for 2015/16 is R221.7 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 agency's total budget for 2015/16 is R112.6 million.
- The **Rural Housing Loan Fund** is a wholesale lending institution. Its main business is to raise money and lend it on to retail credit intermediaries to provide repeat access to housing credit to low income rural households. The fund's total budget for 2015/16 is R37.1 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 provision to accredited social housing institutions. The authority's total budget for 2015/16 is R1 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			
				2011/12	2012/13		2013/14	2015/16	2016/17	2017/18
Infrastructure transfers to other spheres, agencies and departments										
R million										
Human settlements development allocation	Houses completed and sites serviced	Various	–	15 121.5	15 395.0	16 983.9	17 084.4	18 202.7	19 884.0	21 060.3
Urban settlements development allocation	Bulk infrastructure installed	Various	–	6 267.0	7 392.2	9 076.9	10 284.7	10 554.3	11 075.9	11 708.1
Total			–	21 388.5	22 787.2	26 060.8	27 369.1	28 757.0	30 959.9	32 768.5

Vote 39

Rural Development and Land Reform

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	1 264.3	1 253.8	0.1	10.3	1 318.4	1 389.1
National Geomatics Management Services	799.9	644.4	147.2	8.4	830.4	875.2
Rural Development	1 975.7	626.8	1 345.7	3.3	2 187.5	2 263.9
Restitution	2 602.7	480.7	2 119.9	2.1	3 181.4	3 341.0
Land Reform	2 737.1	612.0	2 124.0	1.1	2 874.4	3 019.5
Total expenditure estimates	9 379.7	3 617.7	5 736.8	25.1	10 392.0	10 888.7

Executive authority Minister of Rural Development and Land Reform
 Accounting officer Director General of Rural Development and Land Reform
 Website address www.ruraldevelopment.gov.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, public entities, donor funding, public private partnerships, conditional allocations 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 empowered by 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 thereon. 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 the 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 buildings into sections and common property; the acquisition of separate ownership in sections coupled with joint ownership in common property; the control of certain incidents attached to separate ownership in sections and joint ownership in common property; the transfer of ownership of sections and the registration of sectional mortgage bonds 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 directly 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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of hectares acquired per year	Land Reform	Outcome 7: Comprehensive rural development and land reform	392 850ha	157 556ha	153 586ha	390 000ha	370 000ha ¹	380 000ha	400 000ha
Number of new farms recapitalised per year	Land Reform		257	200	442	303	331	351	369
Number of land claims finalised per year	Restitution		— ²	— ²	— ²	239	373	371	389
Number of enterprise opportunities facilitated in rural development initiatives (agriculture and other sectors) by government stakeholders per year	Rural Development		— ²	— ²	— ²	180	300	318	337
Number of new participants in the national rural youth services corps per year			5 300	5 881	4 600	5 000	2 500	3 000	3 500
Number of socioeconomic infrastructure projects coordinated and facilitated per year			— ²	— ²	— ²	200	115	125	130
Number of state domestic facilities ³ surveyed per year	National Geomatics Management Services		— ²	— ²	— ²	1 500	1 500	1 500	1 500

1. The decline in the number of hectares acquired from 2014/15 to 2015/16 is due to the reprioritisation of funds from the rural development programme.

2. Historical data is not available, as the indicator was only measured from 2014/15.

3. State domestic facilities refer to hospitals, clinics and schools.

Expenditure analysis

The Department of Rural Development and Land Reform's ongoing commitment to building sustainable rural livelihoods aligns the department's work with chapter 6 of the national development plan (an inclusive rural economy), and outcome 7 of government's 2014-2019 medium term strategic framework (comprehensive rural development and land reform). The plan and the framework set out that sustainable rural livelihoods will depend on integrated spatial planning and land administration, land reform, and sustainable rural enterprises and industries, among others. In line with this, over the medium term the department will focus on implementing its recapitalisation and development programme, establishing the Office of the Valuer-General, reopening the lodgement of land claims, increasing participation in the rural youth service corps, and implementing spatial planning legislation.

Recapitalisation and development

The department's recapitalisation and development programme is responsible for making redistributed land productive and profitable through mechanised irrigation, farmer mentorship and other interventions to improve farms. Since the programme's inception in 2008/09, just over 4.3 million hectares of land have been acquired for redistribution and 1 459 farms have been created from it through the department's recapitalisation and development interventions. It is envisaged that over the medium term, about 1.2 million hectares of strategically located land will be acquired and 1 051 productive and profitable farms created. The estimated cost is R4.7 billion, reflected in the *Agricultural Land Holding Account* subprogramme in the *Land Reform* programme. Expenditure on consultants and professional services and travel and subsistence in the programme is expected to rise moderately to fund these reform activities.

In 2014/15, the *Land Reform* programme was restructured to employ more people to improve service delivery and speed up the land reform process. Two deputy director general positions were introduced, one responsible for land reform and development, and one for land tenure and administration. Two chief directorship posts under each deputy director general were created. The Office of the Valuer-General is also part of this restructuring. The number of personnel in the department is projected to increase from 713 to 799 over the MTEF period, reflected in the increase in expenditure on compensation of employees.

Office of the Valuer-General

The Office of the Valuer-General will make it more efficient for the department to acquire land. The office will establish and ensure the just and equitable value of land. The office will also keep records of the value of land. Through reprioritisation in 2014/15, in line with its new structure, the department provides R36 million over the medium term for establishing the Office of the Valuer-General.

Reopening the lodgement of land claims

To reopen the lodgement of land claims, the department had to increase its capacity, reflected in the increase in expenditure on compensation of employees and goods and services in the *Restitution* programme in 2014/15. The Restitution of Land Rights Amendment Act (2014) extends (reopens) the lodgement of land claims for 5 years, from 1 July 2014 to 30 June 2019. New claims are lodged through an electronic system in 14 lodgement sites and in mobile lodgement offices. As consultants have been used extensively for these activities, consultants and professional services, business and advisory services, and travel and subsistence were major cost drivers in 2014/15. Going forward, however, the department is planning to hire permanent personnel to limit spending on consultants. The department's 2014/15 budget reprioritisation, in line with its new structure, provides R571.2 million over the medium term for reopening the lodgement of land claims.

National rural youth service corps

The national rural youth service corps expects to increase the number of new participants by 9 000 over the medium term. The corps will work on several projects to promote sustainable rural livelihoods, including profiling rural households, implementing the animal and veld management programme and the fencing scheme, and registering cooperatives and rural enterprises to encourage the commercialisation of farms. The projected increase in expenditure on goods and services in the *Rural Development* programme over the medium term is due to the projected increase in the number of participants.

Policy implementation to facilitate spatial planning

The Spatial Planning Land Use Management Act (2013) addresses spatial planning and makes it easier to approve and implement community development plans. Over the medium term, the department will speed up the implementation of the act. This will require technicians, professional surveyors, and professional town and regional planners. Expenditure on compensation of employees in the *Administration* and *National Geomatics Management Services* programmes is set to increase in line with the occupation specific dispensation for these specialised personnel.

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	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
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	606.1	911.8	934.4	1 096.7	1 091.3	1 103.4	940.7	1 189.8	1 267.5	1 169.7	1 348.8	1 314.9	121.2%	101.7%
Programme 2	388.1	555.5	583.0	561.9	595.9	548.4	508.5	794.7	785.9	774.9	745.8	779.7	120.8%	100.2%
Programme 3	441.3	901.9	786.3	934.8	1 041.2	1 075.6	1 227.4	1 792.4	1 700.8	2 011.6	2 011.6	1 911.6	118.6%	95.3%
Programme 4	2 497.3	2 497.3	2 376.3	3 000.0	2 961.5	2 865.7	3 388.0	2 916.8	2 836.7	2 680.7	2 680.7	2 680.7	93.0%	97.3%
Programme 5	4 191.5	3 270.2	3 317.8	3 284.2	3 284.2	3 326.5	3 395.1	2 766.0	2 863.2	2 818.4	2 668.4	2 668.4	88.9%	101.6%
Total	8 124.2	8 136.7	7 997.7	8 877.6	8 974.1	8 919.6	9 459.7	9 459.7	9 454.1	9 455.3	9 455.3	9 355.3	99.5%	99.2%

Table 39.2 Vote expenditure trends by programme and economic classification

Economic classification	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Current payments	2 524.1	3 137.6	2 714.8	3 213.0	3 516.5	3 180.1	3 052.1	4 599.2	3 722.2	3 549.6	3 675.5	3 675.5	107.7%	89.0%
Compensation of employees	1 395.7	1 307.2	1 373.3	1 556.0	1 880.6	1 727.8	1 676.9	1 965.4	1 541.3	2 195.8	1 999.8	1 999.8	97.3%	92.9%
Goods and services	1 128.5	1 830.3	1 334.8	1 657.0	1 635.9	1 416.6	1 375.2	2 633.8	2 175.2	1 353.8	1 675.7	1 675.7	119.7%	84.9%
of which:														
Computer services	94.1	135.4	103.5	60.7	66.6	98.9	46.0	217.2	96.6	112.9	144.2	144.2	141.2%	78.7%
Consultants and professional services:	294.9	283.0	152.0	345.8	438.6	233.5	309.7	953.3	236.9	252.3	206.9	206.9	69.0%	44.1%
Business and advisory services														
Operating leases	68.7	144.7	132.3	100.9	90.2	142.4	150.4	97.6	180.5	67.6	63.8	63.8	133.9%	130.9%
Property payments	24.6	82.1	109.2	160.5	280.8	84.5	38.2	129.1	93.7	83.2	206.4	206.4	161.1%	70.7%
Travel and subsistence	80.8	113.5	229.2	127.3	228.2	321.2	76.3	491.4	791.0	282.8	420.2	420.2	310.6%	140.6%
Training and development	10.5	21.2	25.4	14.2	33.7	21.0	12.4	232.1	108.7	131.2	37.6	37.6	114.5%	59.4%
Interest and rent on land	—	—	6.7	—	—	35.7	—	—	5.8	—	—	—	—	—
Transfers and subsidies	5 564.7	4 955.8	5 104.4	5 649.8	5 420.5	5 604.9	6 391.4	4 819.8	5 470.9	5 881.7	5 721.9	5 621.9	92.8%	104.2%
Provinces and municipalities	—	0.1	23.4	—	0.1	0.6	0.1	0.2	10.5	0.2	64.5	64.5	25039.2%	152.5%
Departmental agencies and accounts	2 767.8	2 158.8	2 629.8	2 189.2	2 067.3	2 328.3	2 481.3	1 934.3	2 184.4	2 068.5	1 852.6	1 852.6	94.6%	112.3%
Foreign governments and international organisations	1.3	1.3	1.2	1.3	1.5	1.5	1.4	1.8	1.8	1.5	1.5	1.5	106.6%	97.2%
Public corporations and private enterprises	—	—	51.4	130.9	10.9	193.4	118.5	58.5	120.7	—	—	—	146.5%	526.0%
Non-profit institutions	2.6	2.6	15.5	2.7	2.7	5.1	2.8	2.8	6.4	3.0	3.0	3.0	269.5%	269.5%
Households	2 793.0	2 793.0	2 383.1	3 325.6	3 337.9	3 076.2	3 787.2	2 822.2	3 147.2	3 808.5	3 800.3	3 700.3	89.7%	96.5%
Payments for capital assets	35.4	43.4	175.3	14.7	37.1	124.2	16.3	40.8	254.5	24.0	58.0	58.0	676.6%	341.6%
Buildings and other fixed structures	—	6.1	—	—	—	61.1	—	1.0	154.8	—	6.2	6.2	—	1678.0%
Machinery and equipment	34.6	36.3	43.3	13.1	36.2	41.5	14.8	38.1	41.2	22.6	50.2	50.2	207.1%	109.7%
Biological assets	—	—	—	—	—	—	—	—	0.3	—	—	—	—	—
Land and sub-soil assets	—	—	132.0	—	—	21.6	—	—	58.2	—	—	—	—	—
Software and other intangible assets	0.7	1.0	—	1.7	0.9	—	1.4	1.7	—	1.5	1.6	1.6	29.3%	30.0%
Payments for financial assets	—	—	3.2	—	—	10.4	—	—	6.5	—	—	—	—	—
Total	8 124.2	8 136.7	7 997.7	8 877.6	8 974.1	8 919.6	9 459.7	9 459.7	9 454.1	9 455.3	9 455.3	9 355.3	99.5%	99.2%

Expenditure estimates

Table 39.3 Vote expenditure estimates by programme and economic classification

Programmes							
1. Administration							
2. National Geomatics Management Services							
3. Rural Development							
4. Restitution							
5. Land Reform							
Programme	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Expenditure/total: Average (%)
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18
Programme 1	1 314.9	13.0%	12.9%	1 264.3	1 318.4	1 389.1	1.8%
Programme 2	779.7	12.0%	7.5%	799.9	830.4	875.2	3.9%
Programme 3	1 911.6	28.5%	15.3%	1 975.7	2 187.5	2 263.9	5.8%
Programme 4	2 680.7	2.4%	30.1%	2 602.7	3 181.4	3 341.0	7.6%
Programme 5	2 668.4	-6.6%	34.1%	2 737.1	2 874.4	3 019.5	4.2%
Total	9 355.3	4.8%	100.0%	9 379.7	10 392.0	10 888.7	5.2%
Change to 2014 Budget estimate				(194.8)	(281.3)	(311.2)	

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	2014/15	2011/12 - 2014/15					2014/15 - 2017/18	
Current payments	3 675.5	5.4%	37.2%	3 617.7	3 797.1	4 047.0	3.3%	37.8%
Compensation of employees	1 999.8	15.2%	18.6%	2 115.9	2 241.3	2 391.8	6.1%	21.9%
Goods and services	1 675.7	-2.9%	18.5%	1 501.8	1 555.8	1 655.2	-0.4%	16.0%
of which:								
Computer services	144.2	2.1%	1.2%	114.7	120.0	126.4	-4.3%	1.3%
Consultants and professional services: Business and advisory services	206.9	-9.9%	2.3%	232.5	232.4	246.5	6.0%	2.3%
Operating leases	63.8	-23.9%	1.5%	72.0	76.0	79.8	7.7%	0.7%
Property payments	206.4	36.0%	1.4%	177.2	188.1	198.5	-1.3%	1.9%
Travel and subsistence	420.2	54.7%	4.9%	335.8	348.9	368.1	-4.3%	3.7%
Training and development	37.6	21.0%	0.5%	131.0	137.1	144.4	56.6%	1.1%
Transfers and subsidies	5 621.9	4.3%	61.0%	5 736.8	6 570.5	6 816.3	6.6%	61.8%
Provinces and municipalities	64.5	708.4%	0.3%	3.7	4.2	4.5	-58.7%	0.2%
Departmental agencies and accounts	1 852.6	-5.0%	25.2%	1 679.6	1 746.9	1 740.0	-2.1%	17.5%
Foreign governments and international organisations	1.5	4.2%	–	1.5	1.6	1.7	4.5%	–
Non-profit institutions	3.0	5.5%	0.1%	3.2	3.3	3.5	5.0%	–
Households	3 700.3	9.8%	34.4%	4 048.8	4 814.5	5 066.6	11.0%	44.1%
Payments for capital assets	58.0	10.2%	1.7%	25.1	24.4	25.4	-24.0%	0.3%
Buildings and other fixed structures	6.2	0.5%	0.6%	–	–	–	-100.0%	–
Machinery and equipment	50.2	11.5%	0.5%	23.3	23.2	24.2	-21.6%	0.3%
Software and other intangible assets	1.6	15.2%	–	1.8	1.2	1.2	-7.8%	–
Payments for financial assets	–	–	0.1%	–	–	–	–	–
Total	9 355.3	4.8%	100.0%	9 379.7	10 392.0	10 888.7	5.2%	100.0%

Personnel information

Table 39.4 Vote personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. National Geomatics Management Services																			
3. Rural Development																			
4. Restitution																			
5. Land Reform																			
Number of posts estimated for 31 March 2015			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 (%)			
			2013/14			2014/15			2015/16		2016/17		2017/18						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			2014/15 - 2017/18		
Rural Development and Land Reform			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Salary level	5 376	398	3 958	1 541.3	0.4	5 045	1 999.8	0.4	5 152	2 115.9	0.4	5 168	2 241.3	0.4	5 168	2 391.8	0.5	0.8%	100.0%
1 – 6	1 337	184	1 179	237.3	0.2	1 266	282.2	0.2	1 281	299.9	0.2	1 288	320.6	0.2	1 288	339.5	0.3	0.6%	25.0%
7 – 10	2 742	143	1 964	681.6	0.3	2 661	953.9	0.4	2 730	1 023.0	0.4	2 734	1 087.2	0.4	2 734	1 149.0	0.4	0.9%	52.9%
11 – 12	977	70	606	354.8	0.6	842	460.6	0.5	856	449.2	0.5	859	460.1	0.5	859	490.6	0.6	0.7%	16.6%
13 – 16	320	1	209	183.7	0.9	276	250.4	0.9	285	270.9	1.0	287	290.3	1.0	287	307.6	1.1	1.3%	5.5%
Other	–	–	–	83.8	–	–	52.6	–	–	72.9	–	–	83.0	–	–	105.1	–	–	–
Programme	5 376	398	3 958	1 541.3	0.4	5 045	1 999.8	0.4	5 152	2 115.9	0.4	5 168	2 241.3	0.4	5 168	2 391.8	0.5	0.8%	100.0%
Programme 1	1 575	16	1 365	531.2	0.4	1 591	682.4	0.4	1 591	709.9	0.4	1 591	740.4	0.5	1 591	784.0	0.5	–	31.0%
Programme 2	1 257	259	1 068	357.4	0.3	1 371	436.7	0.3	1 371	478.2	0.3	1 371	494.2	0.4	1 371	522.9	0.4	–	26.7%
Programme 3	519	9	395	200.4	0.5	528	267.3	0.5	528	253.4	0.5	528	265.0	0.5	528	281.2	0.5	–	10.3%
Programme 4	1 244	–	546	216.9	0.4	842	313.3	0.4	863	312.3	0.4	879	344.8	0.4	879	364.2	0.4	1.4%	16.9%
Programme 5	781	114	584	235.3	0.4	713	300.0	0.4	799	362.0	0.5	799	396.9	0.5	799	439.5	0.6	3.9%	15.1%

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

2. Rand million.

Departmental receipts

Table 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 (%)
	2011/12	2012/13	2013/14					2015/16	2016/17	2017/18		
	2011/12	2012/13	2013/14	2014/15	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
Departmental receipts	46 150	79 624	104 622	85 077	85 077	22.6%	100.0%	88 737	93 173	97 830	4.8%	100.0%
Sales of goods and services produced by department	19 058	20 140	21 213	21 256	21 256	3.7%	25.9%	22 375	23 494	24 667	5.1%	25.2%
Sales by market establishments	953	881	1 019	985	985	1.1%	1.2%	1 094	1 148	1 206	7.0%	1.2%
of which:												
Market establishment: Non-residential building	904	877	1 018	985	985	2.9%	1.2%	1 034	1 085	1 140	5.0%	1.2%
Market establishment: Parking: Covered and open	49	4	1	—	—	-100.0%	—	60	63	66	—	0.1%
Administrative fees	15 168	16 325	16 658	17 080	17 080	4.0%	20.7%	17 933	18 830	19 771	5.0%	20.2%
of which:												
Servitude rights	703	976	969	425	425	-15.4%	1.0%	446	468	491	4.9%	0.5%
Surveyor inspection fees	14 464	15 348	15 687	16 654	16 654	4.8%	19.7%	17 486	18 361	19 279	5.0%	19.7%
Request information:	1	1	2	1	1	—	—	1	1	1	—	—
Promotion of Access to Information Act (2000)												
Other sales	2 937	2 934	3 536	3 191	3 191	2.8%	4.0%	3 348	3 516	3 690	5.0%	3.8%
of which:												
Services rendered: Commission on insurance and garnishees	496	569	697	493	493	-0.2%	0.7%	517	543	570	5.0%	0.6%
Services rendered: Management fees	22	1	1	36	36	17.8%	—	37	39	41	4.4%	—
Sales: Tender documents	151	229	355	442	442	43.0%	0.4%	464	487	511	5.0%	0.5%
Sales: Maps	1 883	1 949	2 168	1 884	1 884	—	2.5%	1 978	2 077	2 180	5.0%	2.2%
Plan sales: Charts/posters	385	186	315	336	336	-4.4%	0.4%	352	370	388	4.9%	0.4%
Sales of scrap, waste, arms and other used current goods	12	2	5	13	13	2.7%	—	15	16	17	9.4%	—
of which:												
Sales: Scrap	8	2	4	13	13	17.6%	—	14	15	16	7.2%	—
Sales: Waste paper	4	—	1	—	—	-100.0%	—	1	1	1	—	—
Interest, dividends and rent on land	15 165	31 507	21 469	15 287	15 287	0.3%	26.4%	16 051	16 853	17 695	5.0%	18.1%
Interest	10 867	22 558	18 862	11 507	11 507	1.9%	20.2%	12 082	12 686	13 320	5.0%	13.6%
Rent on land	4 298	8 949	2 607	3 780	3 780	-4.2%	6.2%	3 969	4 167	4 375	5.0%	4.5%
Sales of capital assets	1 606	205	147	620	620	-27.2%	0.8%	—	—	—	-100.0%	0.2%
Transactions in financial assets and liabilities	10 309	27 770	61 788	47 901	47 901	66.9%	46.8%	50 296	52 810	55 451	5.0%	56.6%
Total	46 150	79 624	104 622	85 077	85 077	22.6%	100.0%	88 737	93 173	97 830	4.8%	100.0%

Programme 1: Administration

Programme purpose

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

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 (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18		
R million											
Ministry	20.1	24.3	34.9	36.3	21.7%	2.5%	41.0	43.1	45.5	7.9%	3.1%
Management	62.7	80.1	114.2	143.5	31.8%	8.8%	140.1	145.2	152.1	2.0%	11.0%
Internal Audit	33.0	48.3	32.8	48.2	13.4%	3.6%	58.1	58.5	61.5	8.4%	4.3%
Corporate Services	317.0	340.8	433.1	412.9	9.2%	33.1%	364.3	378.3	398.8	-1.2%	29.4%
Financial Services	163.1	127.6	144.1	189.4	5.1%	13.7%	186.0	194.6	205.1	2.7%	14.7%
Provincial Coordination	164.1	273.1	277.9	292.5	21.2%	22.2%	308.1	323.5	342.3	5.4%	24.0%
Office Accommodation	154.1	182.5	201.7	192.1	7.6%	16.1%	166.7	175.2	183.8	-1.5%	13.6%
Total	914.1	1 076.7	1 238.8	1 314.9	12.9%	100.0%	1 264.3	1 318.4	1 389.1	1.8%	100.0%
Change to 2014				145.2			23.1	0.7	21.8		
Budget estimate											
Economic classification											
Current payments	890.1	1 014.7	1 161.8	1 288.7	13.1%	95.8%	1 253.8	1 308.6	1 378.9	2.3%	98.9%
Compensation of employees	362.0	430.6	531.2	682.4	23.5%	44.1%	709.9	740.4	784.0	4.7%	55.2%
Goods and services	528.1	584.1	630.5	606.3	4.7%	51.7%	543.9	568.2	594.9	-0.6%	43.8%
of which:											
Advertising	34.1	33.9	38.6	28.4	-6.0%	3.0%	28.4	28.4	29.6	1.4%	2.2%
Computer services	78.9	77.3	84.4	105.6	10.2%	7.6%	98.1	102.6	107.8	0.7%	7.8%
Consultants and professional services:	23.1	34.8	44.6	61.7	38.7%	3.6%	31.8	34.5	35.7	-16.6%	3.1%
Business and advisory services											
Operating leases	126.3	141.4	172.1	53.9	-24.7%	10.9%	57.2	59.8	62.6	5.1%	4.4%
Property payments	91.8	68.5	73.5	184.4	26.2%	9.2%	161.5	169.5	177.9	-1.2%	13.1%
Travel and subsistence	48.5	67.6	85.5	54.7	4.1%	5.6%	49.1	52.1	54.8	0.1%	4.0%
Transfers and subsidies	11.7	37.6	58.0	4.0	-29.9%	2.5%	0.1	0.1	0.2	-66.6%	0.1%
Provinces and municipalities	-	-	-	0.1	149.3%	-	0.1	0.1	0.2	6.8%	-
Departmental agencies and accounts	-	5.0	5.4	3.4	-	0.3%	-	-	-	-100.0%	0.1%
Public corporations and private enterprises	11.2	32.3	51.9	-	-100.0%	2.1%	-	-	-	-	-
Households	0.5	0.4	0.7	0.5	0.2%	-	-	-	-	-100.0%	-
Payments for capital assets	11.8	22.4	17.8	22.1	23.3%	1.6%	10.3	9.6	10.1	-23.1%	1.0%
Buildings and other fixed structures	-	7.8	2.5	3.5	-	0.3%	-	-	-	-100.0%	0.1%
Machinery and equipment	11.8	14.6	15.3	18.6	16.5%	1.3%	10.3	9.6	10.1	-18.5%	0.9%
Payments for financial assets	0.4	1.9	1.2	-	-100.0%	0.1%	-	-	-	-	-
Total	914.1	1 076.7	1 238.8	1 314.9	12.9%	100.0%	1 264.3	1 318.4	1 389.1	1.8%	100.0%
Proportion of total programme expenditure to vote expenditure	11.4%	12.1%	13.1%	13.9%	-	-	13.5%	12.7%	12.8%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	5.0	5.4	3.4	-	0.3%	-	-	-	-100.0%	0.1%
Public Sector Education and Training Authority	-	-	2.4	3.4	-	0.1%	-	-	-	-100.0%	0.1%
Human Sciences Resource Council	-	5.0	-	-	-	0.1%	-	-	-	-	-
Council for Scientific and Industrial Research	-	-	3.0	-	-	0.1%	-	-	-	-	-
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	11.2	-	51.9	-	-100.0%	1.4%	-	-	-	-	-
Coega	11.2	-	51.9	-	-100.0%	1.4%	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	-	32.3	-	-	-	0.7%	-	-	-	-	-
Coega	-	32.3	-	-	-	0.7%	-	-	-	-	-

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 integrated spatial planning and land use management in all provinces by:
 - developing targeted policies and legislation to support efficient national spatial planning and land use management on an ongoing basis
 - developing and implementing the national spatial development framework to direct government investment to yield results with maximum impact by 2020
 - supporting all municipalities to implement the Spatial Planning and Land Use Management Act (2013) by 2020
 - stimulating development in areas of poverty and reducing spatial inequalities by 2020
 - supporting comprehensive rural development programme wards with spatial planning on an ongoing basis.
- Implement the South African spatial data infrastructure by:
 - developing and maintaining the technical infrastructure, standards and institutional frameworks by 2020
 - developing and monitoring the policy framework by 2020.
- Improve the efficiency of cadastral surveys management by:
 - reducing the turnaround time for the approval of cadastral documents from 20 days in 2012/13 to 14 days by 2020
 - reducing the time taken to process cadastral documents from 15 days in 2013/14 to 8 days in 2020 by implementing an electronic cadastral system by 2020
 - training 120 learners on geomatics by 2020.
- Ensure an integrated and comprehensive land administration system by:
 - automating the surveyor general and deeds registration processes by 2022
 - surveying 4 500 state domestic facilities by 2020
 - updating the land register annually
 - producing and reviewing 2 283 maps of South Africa in the national map series 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 government facilities such as hospitals, clinics and schools, and rural development plans, guidelines, and norms and standards; and ensuring compliance with the Spatial Planning and 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 high quality deeds registration system in which secure titles are registered, and speedy 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.

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	
	2011/12	2012/13	2013/14	2014/15		2011/12 - 2014/15	Average (%)	2015/16	2016/17	2017/18	2014/15 - 2017/18	Average (%)
R million												
National Geomatics Management Services	381.8	472.2	446.1	494.4		9.0%	64.7%	490.3	514.2	544.1	3.2%	62.2%
Spatial Planning and Land Use Management	75.6	89.0	123.9	169.1		30.8%	16.5%	186.9	186.9	195.4	4.9%	22.5%
Registration of Deeds Trading Account	143.3	11.1	241.7	113.2		-7.6%	18.4%	119.5	126.0	132.2	5.3%	14.9%
South African Council for Planners	2.6	2.7	2.8	3.0		5.5%	0.4%	3.2	3.3	3.5	5.0%	0.4%
Total	603.3	575.1	814.6	779.7		8.9%	100.0%	799.9	830.4	875.2	3.9%	100.0%
Change to 2014				4.8				(26.6)	(47.5)	(78.9)		
Budget estimate												
Economic classification												
Current payments	419.3	517.0	528.0	618.4		13.8%	75.1%	644.4	666.8	703.6	4.4%	80.2%
Compensation of employees	292.4	321.2	357.4	436.7		14.3%	50.8%	478.2	494.2	522.9	6.2%	58.8%
Goods and services	126.8	195.9	170.6	181.6		12.7%	24.3%	166.2	172.5	180.7	-0.2%	21.3%
of which:												
Communication	4.9	6.5	6.5	5.4		3.2%	0.8%	5.2	5.5	5.7	2.2%	0.7%
Computer services	20.1	17.1	9.2	16.9		-5.7%	2.3%	11.9	12.6	13.3	-7.8%	1.7%
Consultants and professional services:	14.6	31.6	52.3	63.8		63.4%	5.9%	68.1	69.3	72.6	4.4%	8.3%
Business and advisory services												
Contractors	15.2	16.8	22.2	16.6		3.0%	2.6%	19.5	20.5	21.5	9.0%	2.4%
Consumables: Stationery, printing and office supplies	6.2	5.1	4.8	6.8		3.3%	0.8%	6.5	6.5	6.8	-	0.8%
Travel and subsistence	37.5	70.7	29.8	21.1		-17.4%	5.7%	23.5	25.3	26.6	8.0%	2.9%
Transfers and subsidies	167.7	43.6	277.6	151.6		-3.3%	23.1%	147.2	155.1	162.8	2.4%	18.8%
Departmental agencies and accounts	143.3	11.1	242.2	113.2		-7.6%	18.4%	119.5	126.0	132.2	5.3%	14.9%
Foreign governments and international organisations	1.2	1.5	1.8	1.5		6.7%	0.2%	1.5	1.6	1.7	4.5%	0.2%
Non-profit institutions	2.6	2.7	2.8	3.0		5.5%	0.4%	3.2	3.3	3.5	5.0%	0.4%
Households	20.6	28.3	30.7	34.0		18.2%	4.1%	23.0	24.2	25.4	-9.2%	3.2%
Payments for capital assets	15.6	13.6	7.0	9.7		-14.7%	1.7%	8.4	8.5	8.8	-3.1%	1.1%
Machinery and equipment	15.6	13.6	7.0	8.1		-19.6%	1.6%	6.6	7.3	7.6	-2.2%	0.9%
Software and other intangible assets	-	-	-	1.6		-	0.1%	1.8	1.2	1.2	-7.8%	0.2%
Payments for financial assets	0.8	0.9	2.0	-		-100.0%	0.1%	-	-	-	-	-
Total	603.3	575.1	814.6	779.7		8.9%	100.0%	799.9	830.4	875.2	3.9%	100.0%
Proportion of total programme expenditure to vote expenditure	7.5%	6.4%	8.6%	8.2%		-	-	8.5%	8.0%	8.0%	-	-
Details of selected transfers and subsidies												
Households												
Other transfers to households												
Current	20.5	26.8	28.7	33.9		18.2%	4.0%	22.9	24.1	25.4	-9.2%	3.2%
Bursaries for non-employees	20.3	26.7	28.7	33.9		18.6%	4.0%	22.9	24.1	25.4	-9.2%	3.2%
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	143.3	11.1	242.2	113.2		-7.6%	18.4%	119.5	126.0	132.2	5.3%	14.9%
Council for Scientific and Industrial Research	-	-	0.5	-		-	-	-	-	-	-	-
Registration of deeds trading account	143.3	11.1	241.7	113.2		-7.6%	18.4%	119.5	126.0	132.2	5.3%	14.9%
Non-profit institutions												
Current	2.6	2.7	2.8	3.0		5.5%	0.4%	3.2	3.3	3.5	5.0%	0.4%
South African Council for Planners	2.6	2.7	2.8	3.0		5.5%	0.4%	3.2	3.3	3.5	5.0%	0.4%
Foreign governments and international organisations												
Current	1.2	1.5	1.8	1.5		6.7%	0.2%	1.5	1.6	1.7	4.5%	0.2%
Regional centre for mapping of resources for development	1.2	1.5	1.8	1.5		6.7%	0.2%	1.5	1.6	1.7	4.5%	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

- Provide support to rural communities by facilitating the development of 12 000 rural livelihoods by 2020, through infrastructure provision.
- Facilitate the development of 1 300 sustainable rural enterprises and industries in areas with potential for economic development and opportunities through the coordination of socioeconomic infrastructure projects by 2020.
- Improve access to basic services, such as water and sanitation, by coordinating, facilitating and monitoring the implementation of 1 345 infrastructure projects to support rural economic transformation by 2020.
- Increase job opportunities by creating 17 157 jobs through comprehensive rural development programme and land reform initiatives by 2020.
- Facilitate skills development by providing 23 700 training opportunities to rural youth through the comprehensive rural development programme, land reform initiatives and the national rural youth services corps programme 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. This subprogramme also contributes to the transformation of rural community economies by promoting social cohesion, rural industrialisation and participatory and asset based community development.
- *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 the 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				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome							2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Rural Infrastructure Development	270.1	252.5	369.6	783.1	42.6%	30.1%	917.9	964.8	991.8	8.2%	43.3%
Rural Enterprise and Industrial Development	227.6	287.3	517.1	550.3	34.2%	28.4%	725.9	764.4	789.9	12.8%	33.5%
National Rural Youth Services Corps	288.5	535.8	814.0	678.2	33.0%	41.6%	331.9	458.2	482.2	-10.7%	23.1%
Total	786.3	1 075.6	1 700.8	2 011.6	36.8%	100.0%	1 975.7	2 187.5	2 263.9	4.0%	100.0%
Change to 2014							(30.3)	(38.8)	(42.4)		
Budget estimate											
Economic classification											
Current payments	688.8	918.2	1 064.3	673.3	-0.8%	60.0%	626.8	653.9	693.4	1.0%	31.4%
Compensation of employees	360.7	610.1	200.4	267.3	-9.5%	25.8%	253.4	265.0	281.2	1.7%	12.6%
Goods and services	328.1	308.1	863.9	405.9	7.4%	34.2%	373.4	388.9	412.2	0.5%	18.7%
of which:											
Administrative fees	4.2	10.2	36.6	14.9	53.2%	1.2%	9.2	9.2	14.2	-1.6%	0.6%
Consultants and professional services:	44.9	144.0	76.6	41.9	-2.3%	5.5%	27.2	28.3	29.5	-11.0%	1.5%
Business and advisory services											
Consumables: Stationery, printing and office supplies	0.9	1.8	3.4	6.7	93.5%	0.2%	6.2	6.3	6.6	-0.6%	0.3%
Travel and subsistence	41.0	79.9	556.4	259.3	84.9%	16.8%	186.5	195.8	205.5	-7.5%	10.0%
Training and development	11.4	2.8	89.9	24.1	28.4%	2.3%	114.0	119.4	125.2	73.3%	4.5%
Venues and facilities	5.8	16.9	38.5	17.1	43.6%	1.4%	6.8	6.9	7.2	-25.2%	0.4%

Table 39.8 Rural Development expenditure trends and estimates by subprogramme and economic classification

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome							2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		
Transfers and subsidies	90.8	100.8	479.8	1 328.9	144.6%	35.9%	1 345.7	1 530.1	1 566.9	5.6%	68.4%
Provinces and municipalities	–	–	7.1	–	–	0.1%	–	–	–	–	–
Departmental agencies and accounts	37.7	90.8	225.1	–	-100.0%	6.3%	–	–	–	–	–
Public corporations and private enterprises	40.2	7.5	68.8	–	-100.0%	2.1%	–	–	–	–	–
Non-profit institutions	12.9	2.4	3.6	–	-100.0%	0.3%	–	–	–	–	–
Households	–	0.1	175.2	1 328.9	–	27.0%	1 345.7	1 530.1	1 566.9	5.6%	68.4%
Payments for capital assets	6.4	56.3	156.2	9.5	14.0%	4.1%	3.3	3.4	3.6	-27.8%	0.2%
Buildings and other fixed structures	–	52.8	150.3	2.6	–	3.7%	–	–	–	-100.0%	–
Machinery and equipment	6.4	3.5	5.6	6.9	2.3%	0.4%	3.3	3.4	3.6	-19.5%	0.2%
Biological assets	–	–	0.3	–	–	–	–	–	–	–	–
Payments for financial assets	0.3	0.2	0.6	–	-100.0%	–	–	–	–	–	–
Total	786.3	1 075.6	1 700.8	2 011.6	36.8%	100.0%	1 975.7	2 187.5	2 263.9	4.0%	100.0%
Proportion of total programme expenditure to vote expenditure	9.8%	12.1%	18.0%	21.3%	–	–	21.1%	21.0%	20.8%	–	–
Details of selected transfers and subsidies											
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	–	–	7.1	–	–	0.1%	–	–	–	–	–
Municipal rates and taxes	–	–	7.1	–	–	0.1%	–	–	–	–	–
Households											
Other transfers to households											
Current	–	–	175.0	1 328.9	–	27.0%	1 345.7	1 530.1	1 566.9	5.6%	68.4%
Rural Infrastructure Development	–	–	–	650.0	–	11.7%	801.7	844.2	864.4	10.0%	37.4%
Rural Enterprise and Industrial Development	–	–	–	313.9	–	5.6%	517.4	547.3	560.5	21.3%	23.0%
National Rural Youth Services Corps	–	–	175.0	365.0	–	9.7%	26.6	138.6	142.0	-27.0%	8.0%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	37.7	90.8	225.1	–	-100.0%	6.3%	–	–	–	–	–
Agricultural Research Council	15.2	72.2	174.3	–	-100.0%	4.7%	–	–	–	–	–
KwaZulu-Natal Agricultural Development Trust trading as Agribusiness Development Agency	22.5	–	–	–	-100.0%	0.4%	–	–	–	–	–
Agricultural Business Development Agency	–	17.4	7.6	–	–	0.4%	–	–	–	–	–
Provincial Agricultural and Rural Development Corporation	–	1.2	–	–	–	–	–	–	–	–	–
Development Bank of Southern Africa	–	–	20.7	–	–	0.4%	–	–	–	–	–
National Agricultural Marketing Council	–	–	9.5	–	–	0.2%	–	–	–	–	–
National Wool Growers Association of South Africa	–	–	11.9	–	–	0.2%	–	–	–	–	–
Mpumalanga regional training trust	–	–	1.2	–	–	–	–	–	–	–	–
Non-profit institutions											
Current	12.9	2.4	3.6	–	-100.0%	0.3%	–	–	–	–	–
Free State Department of Agriculture and Rural Development	12.9	–	–	–	-100.0%	0.2%	–	–	–	–	–
Goedgedacht Trust	–	2.4	1.6	–	–	0.1%	–	–	–	–	–
Ikageng self-help association for the blind	–	–	1.0	–	–	–	–	–	–	–	–
Ikemiseng association for the blind	–	–	1.0	–	–	–	–	–	–	–	–
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	40.2	7.5	68.8	–	-100.0%	2.1%	–	–	–	–	–
Independent Development Trust	40.2	7.5	31.5	–	-100.0%	1.4%	–	–	–	–	–
Council for Scientific and Industrial Research	–	–	37.3	–	–	0.7%	–	–	–	–	–

Programme 4: Restitution

Programme purpose

Settle land restitution claims under the Restitution of Land Rights Act (1994) and provide settlement support to beneficiaries.

Objectives

- Facilitate the restoration of land rights and alternative forms of equitable redress by 2020 through:

- finalising 1 133 land claims
- settling 1 748 new land claims
- approving 229 phased projects
- researching 7 288 new land claims
- reopening, soliciting and receiving new land claims from people who did not meet the 1998 deadline.

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				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome											
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Restitution National Office	35.5	38.8	160.0	175.6	70.5%	3.8%	59.3	62.7	69.2	-26.7%	3.1%
Restitution Regional Offices	452.0	356.4	388.1	453.9	0.1%	15.3%	427.4	455.7	499.2	3.2%	15.6%
Restitution Grants	1 888.9	2 470.5	2 288.6	2 051.2	2.8%	80.9%	2 116.0	2 662.9	2 772.6	10.6%	81.3%
Total	2 376.3	2 865.7	2 836.7	2 680.7	4.1%	100.0%	2 602.7	3 181.4	3 341.0	7.6%	100.0%
Change to 2014 Budget estimate							(58.7)	(77.1)	(83.9)		
Economic classification											
Current payments	349.5	361.0	493.1	601.6	19.8%	16.8%	480.7	511.6	561.1	-2.3%	18.3%
Compensation of employees	179.4	177.8	216.9	313.3	20.4%	8.2%	312.3	344.8	364.2	5.2%	11.3%
Goods and services	163.7	147.6	270.8	288.4	20.8%	8.1%	168.4	166.8	196.9	-11.9%	7.0%
of which:											
Administrative fees	4.4	5.6	10.9	9.0	27.4%	0.3%	8.2	7.8	9.2	0.7%	0.3%
Assets less than the capitalisation threshold	0.9	1.4	1.0	68.4	319.3%	0.7%	12.4	9.1	11.0	-45.5%	0.9%
Communication	11.5	12.8	12.2	11.2	-1.0%	0.4%	12.4	10.8	14.3	8.7%	0.4%
Consultants and professional services:	29.3	12.2	57.7	28.0	-1.5%	1.2%	27.6	27.7	32.5	5.1%	1.0%
Business and advisory services											
Consultants and professional services:	42.5	29.1	20.3	16.6	-26.9%	1.0%	13.5	15.7	18.7	4.0%	0.5%
Legal costs											
Travel and subsistence	41.4	44.6	69.8	36.4	-4.2%	1.8%	33.9	36.8	40.4	3.5%	1.2%
Interest and rent on land	6.5	35.7	5.4	-	-100.0%	0.4%	-	-	-	-	-
Transfers and subsidies	1 889.2	2 470.6	2 278.6	2 068.3	3.1%	80.9%	2 119.9	2 667.3	2 777.2	10.3%	81.6%
Provinces and municipalities	0.2	-	0.5	16.8	362.8%	0.2%	3.6	4.0	4.4	-36.3%	0.2%
Households	1 889.0	2 470.6	2 278.1	2 051.4	2.8%	80.8%	2 116.3	2 663.2	2 772.9	10.6%	81.3%
Payments for capital assets	136.2	27.2	63.0	10.8	-57.0%	2.2%	2.1	2.5	2.6	-38.0%	0.2%
Machinery and equipment	4.2	5.6	4.8	10.8	37.4%	0.2%	2.1	2.5	2.6	-38.0%	0.2%
Land and sub-soil assets	132.0	21.6	58.2	-	-100.0%	2.0%	-	-	-	-	-
Payments for financial assets	1.4	6.9	2.1	-	-100.0%	0.1%	-	-	-	-	-
Total	2 376.3	2 865.7	2 836.7	2 680.7	4.1%	100.0%	2 602.7	3 181.4	3 341.0	7.6%	100.0%
Proportion of total programme expenditure to vote expenditure	29.7%	32.1%	30.0%	28.4%	-	-	27.7%	30.6%	30.7%	-	-
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	0.2	-	0.5	16.8	362.8%	0.2%	3.6	4.0	4.4	-36.3%	0.2%
Vehicle licences	0.2	-	-	16.8	362.8%	0.2%	3.6	4.0	4.4	-36.3%	0.2%
Municipal rates and taxes	-	-	0.5	-	-	-	-	-	-	-	-
Households											
Other transfers to households											
Capital	1 888.9	2 470.5	2 278.0	2 051.2	2.8%	80.8%	2 116.0	2 662.9	2 772.6	10.6%	81.3%
Restitution grants	1 888.9	2 470.5	2 278.0	2 051.2	2.8%	80.8%	2 116.0	2 662.9	2 772.6	10.6%	81.3%

Programme 5: Land Reform

Programme purpose

Provide sustainable land reform programmes in South Africa.

Objectives

- Facilitate the expedition 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 by developing 1 740 farms, training 5 226 farmers and creating 6 000 jobs through the recapitalisation and development programme by 2020.
- Enable agrarian reform in all provinces by 2020 through implementing functional systems and institutional arrangements for tenure and land administration by:
 - confirming the vesting of state land parcels in communal areas
 - ensuring 1 360 communal property associations are compliant with legislation to support 700 000 farm dwellers with secure tenure rights
 - ensuring that the immovable asset register is 100% complete.

Subprogrammes

- *Land Reform National Office* develops and coordinates land reform products; 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 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	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million											
Land Reform National Office	131.7	129.0	204.5	139.7	2.0%	5.0%	159.0	183.7	211.9	14.9%	6.1%
Land Reform Provincial Offices	264.6	246.0	285.3	407.1	15.4%	9.9%	445.8	463.8	488.7	6.3%	16.0%
Land Reform Grants	472.7	634.3	661.7	385.5	-6.6%	17.7%	560.9	593.9	698.3	21.9%	19.8%
KwaZulu-Natal Ingonyama Trust Board	13.0	18.8	14.5	17.3	9.9%	0.5%	18.1	18.8	19.7	4.5%	0.7%
Agricultural Land Holding Account	2 435.8	2 298.3	1 697.1	1 718.8	-11.0%	66.9%	1 542.0	1 602.1	1 588.0	-2.6%	57.1%
Office of Valuer-General	—	—	—	—	—	—	11.3	12.1	12.8	—	0.3%
Total	3 317.8	3 326.5	2 863.2	2 668.4	-7.0%	100.0%	2 737.1	2 874.4	3 019.5	4.2%	100.0%
Change to 2014				(150.0)			(102.2)	(118.7)	(127.8)		
Budget estimate											
Current payments	367.2	369.0	475.1	493.6	10.4%	14.0%	612.0	656.2	710.0	12.9%	21.9%
Compensation of employees	178.7	188.1	235.3	300.0	18.8%	7.4%	362.0	396.9	439.5	13.6%	13.3%
Goods and services	188.2	181.0	239.5	193.6	0.9%	6.6%	250.0	259.4	270.5	11.8%	8.6%
of which:											
Administrative fees	4.6	3.4	2.6	6.7	13.4%	0.1%	16.2	15.8	15.7	33.0%	0.5%
Assets less than the capitalisation threshold	2.4	1.7	1.6	12.1	72.1%	0.1%	14.9	15.9	16.6	11.0%	0.5%
Consultants and professional services:	40.0	11.0	5.7	11.5	-34.0%	0.6%	77.9	72.6	76.1	87.7%	2.1%
Business and advisory services											
Consultants and professional services:	4.3	42.7	79.2	23.3	76.1%	1.2%	23.8	25.3	26.6	4.6%	0.9%
Legal costs											
Travel and subsistence	60.9	58.5	49.4	48.7	-7.2%	1.8%	42.9	39.0	40.9	-5.6%	1.5%
Operating payments	3.7	2.0	1.6	5.7	15.5%	0.1%	4.7	19.0	20.0	51.5%	0.4%
Interest and rent on land	0.3	—	0.3	—	-100.0%	—	—	—	—	—	—
Transfers and subsidies	2 945.0	2 952.3	2 377.0	2 169.0	-9.7%	85.8%	2 124.0	2 217.9	2 309.2	2.1%	78.1%
Provinces and municipalities	23.2	0.5	2.9	47.5	26.9%	0.6%	—	—	—	-94.0%	0.4%
Departmental agencies and accounts	2 448.8	2 221.3	1 711.6	1 736.1	-10.8%	66.7%	1 560.1	1 620.9	1 607.7	-2.5%	57.7%
Public corporations and private enterprises	—	153.6	—	—	—	1.3%	—	—	—	—	—
Households	472.9	576.9	662.5	385.5	-6.6%	17.2%	563.9	596.9	701.4	22.1%	19.9%
Payments for capital assets	5.3	4.6	10.5	5.8	3.3%	0.2%	1.1	0.3	0.4	-60.3%	0.1%
Buildings and other fixed structures	—	0.4	2.0	—	—	—	—	—	—	-100.0%	—
Machinery and equipment	5.3	4.2	8.6	5.8	3.1%	0.2%	1.1	0.3	0.4	-60.3%	0.1%
Payments for financial assets	0.4	0.5	0.6	—	-100.0%	—	—	—	—	—	—
Total	3 317.8	3 326.5	2 863.2	2 668.4	-7.0%	100.0%	2 737.1	2 874.4	3 019.5	4.2%	100.0%
Proportion of total programme expenditure to vote expenditure	41.5%	37.3%	30.3%	28.2%	—	—	29.2%	27.7%	27.7%	—	—
Details of selected transfers and subsidies											
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	23.2	0.5	2.9	47.5	26.9%	0.6%	—	—	—	-94.0%	0.4%
Vehicle licences	0.1	—	—	47.5	743.8%	0.4%	—	—	—	-94.0%	0.4%
Rates and taxes	23.2	0.5	2.8	—	-100.0%	0.2%	—	—	—	—	—
Capital	472.7	576.6	661.7	385.5	-6.6%	17.2%	560.9	593.9	698.3	21.9%	19.8%
Land reform grants	472.7	576.6	661.7	385.5	-6.6%	17.2%	560.9	593.9	698.3	21.9%	19.8%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	2 448.8	2 221.3	1 711.6	1 736.1	-10.8%	66.7%	1 560.1	1 620.9	1 607.7	-2.5%	57.7%
KwaZulu-Natal Ingonyama Trust Board	13.0	18.8	14.5	17.3	9.9%	0.5%	18.1	18.8	19.7	4.5%	0.7%
Agricultural land holding account	2 435.8	2 202.5	1 697.1	1 718.8	-11.0%	66.1%	1 542.0	1 602.1	1 588.0	-2.6%	57.1%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	—	95.8	—	—	—	0.8%	—	—	—	—	—
Agricultural land holding account	—	95.8	—	—	—	0.8%	—	—	—	—	—
Capital	—	57.7	—	—	—	0.5%	—	—	—	—	—
Independent Development Trust	—	57.7	—	—	—	0.5%	—	—	—	—	—

Public entities and other agencies

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 section 10(1)(a) of the Provision of Land and Assistance Act (1993) to give legal effect to the proactive land acquisition strategy, which involves acquiring land and other property (movable and immovable) held by the state that can be used by beneficiaries. The account's total budget for 2015/16 is R1.7 billion.
- The **KwaZulu-Natal Ingonyama Trust Board** is a land management agency that provides support to communities on communal land, and estate management services to the Minister of Rural Development and Land Reform. The board ensures that any commercial activity on communal land is developmental and benefits local communities. The board's total budget for 2015/16 is R83 million.
- The **Registration of Deeds Trading Account** makes provision for the administration of the land registration system and the registration of real rights in land. It requires that deeds and documents are prepared and lodged in a 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 2015/16 is R839 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			
				2011/12	2012/13		2013/14	2015/16	2016/17	2017/18
Departmental infrastructure										
Van Der Sterr building (Cape Town): Upgrading and installation of backup generator	Upgrading	Handed over	17.0	12.1	0.6	-	-	-		
Surveyor general, Plain Street (Cape Town): Upgrading of kitchen and toilet	Upgrading	Handed over	2.9	0.4	2.7	-	-	-		
Deeds office and surveyor general office (Pietermaritzburg): Upgrading, repairs and renovations	Upgrading, repairs and renovations	Identification	70.1	3.9	-	2.2	-	-		
Cooperation building (Pretoria): Refurbishment of national office boardrooms	Refurbishment	Identification	3.7	-	-	-	-	-		
Old Cooperation building (Pretoria): Upgrading of power supply and reticulation	Upgrading	Tender	9.5	4.4	1.4	-	-	-		
Old Cooperation building (Pretoria): Upgrading of network centre	Upgrading	Construction	0.3	-	-	-	-	-		
Deeds office (Cape Town): Clearance of construction site	Upgrading	Identification	0.4	-	-	-	-	-		
Office accommodation: Maintenance and repairs	Maintenance and repairs	Handed over	3.9	-	-	-	-	-		
Office accommodation: Maintenance and repairs	Maintenance and repairs	Handed over	2.4	-	-	-	-	-		
Deeds office (Bloemfontein): Upgrading of sewerage system	Upgrading	Tender	1.8	-	-	-	0.3	-		
Deeds office (Bloemfontein): Maintenance of fire protection system	Maintenance	Tender	2.1	-	-	-	-	0.4		
Surveyor General building, 90 Plain Street (Cape Town): Upgrading of kitchen and toilet facilities	Upgrading	Construction	1.6	-	-	-	1.6	-		
Land claims office, Van Der Sterr building (Cape Town): Refurbishment	Refurbishment	Finalisation	0.5	-	-	-	0.3	-		
Deeds office (Cape Town): Renovation and alteration	Renovation and Alteration	Identification	24.1	-	-	-	4.4	4.1		
49 Beacon Street, Ladysmith (KwaZulu-Natal): Upgrading of accommodation	Upgrading	Identification	6.5	-	-	-	3.0	-		
Old Cooperation Building (Pretoria): Replacement of lifts	Replacement	Finalisation	3.6	-	-	-	1.2	-		
Old Cooperation Building (Pretoria): Heritage and south block upgrading	Upgrading	Identification	26.3	-	-	-	1.7	-		
Total			176.6	20.8	4.7	2.2	12.6	4.5		

Vote 40

Sport and Recreation South Africa

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	124.8	122.6	0.1	2.2	131.1	138.1
Active Nation	628.6	54.7	573.9	–	659.4	699.5
Winning Nation	92.2	63.5	28.6	–	95.1	99.8
Sport Support	133.2	15.2	118.1	–	138.6	145.5
Sport Infrastructure Support	9.7	9.7	–	–	10.3	10.9
Total expenditure estimates	988.5	265.7	720.7	2.2	1 034.4	1 093.6

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, public entities, donor funding, public private partnerships, conditional allocations 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 also 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 contributes to social cohesion by legislating on sports participation and on sports infrastructure.

Selected performance indicators

Table 40.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of participants in mass participation events per year	Active Nation	Outcome 14: Nation building and social cohesion	28 008 ¹	42 000 ¹	24 300 ¹	9 150	11 700	14 700	15 000
Number of national school sport championships supported per year	Active Nation		1	1	1	1	1	1	2
Number of participants in national school sport championships per year	Active Nation		– ²	– ²	8 690	10 000	12 000	15 000	16 000
Number of sport and recreation promotional campaigns implemented per year	Active Nation		– ²	– ²	– ²	6	6	6	6
Number of schools, hubs and clubs provided with equipment and attire as per established norms and standards per year	Active Nation		– ²	– ²	6 520	6 520	6 520	6 520	6 520
Number of major international events receiving intra-governmental support per year	Winning Nation		9	10	5	4	4	4	4

Table 40.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of world class athletes younger than 18 supported per year	Winning Nation	Outcome 14: Nation building and social cohesion	– ²	– ²	14	80	80	80	80
Number of sport and recreation bodies that meet their transformation targets and thus make themselves eligible to receive financial and non-financial support per year	Sport Support		54	68	68	60	60	60	60

1. These numbers include spectators. Information on participants only is not available for these years.

2. Historical data is not available, as this indicator was not being measured yet.

Expenditure analysis

The Department of Sport and Recreation South Africa's national sport and recreation plan, finalised in 2012, is fully aligned with the national development plan and government's 2014-2019 medium term strategic framework, and includes a transformation plan. Sport and recreation play an important role in nation building and social cohesion, and the department's focus over the medium term is to increase interaction between South Africans from different social and racial groups, in line with sub-outcome 3 of outcome 14 of government's 2014-2019 medium term strategic framework (promote social cohesion across society through increased interaction across race and class). The department will also encourage a mobilised, active and responsible citizenry. In addition to its own activities, the department provides financial and non-financial support, such as administrative and governance support, to sport and recreation bodies that meet the department's criteria for social cohesion, nation building and redress.

The bulk of the department's expenditure over the MTEF period will be in its *Active Nation* and *Sport Support* programmes, which are allocated R2 billion and R417.3 million. The *Active Nation* programme encourages participation in mass campaigns and events. Participation is expected to steadily increase from 9 150 participants in 2014/15 to 15 000 in 2017/18. To encourage transformation in sport, R107.6 million is earmarked in 2015/16 in the *Sport Support* programme for sport and recreation bodies that meet their transformation targets. This allocation increases to R118.9 million in 2017/18. Over the medium term, 60 sport and recreation bodies are expected to meet their transformation targets each year and thus be eligible to receive financial and non-financial support from the department.

School sport

School sport is the foundation of mass participation in sport and recreation initiatives, which are mainly intended to mobilise communities into sports but also provide opportunities to find sports talent. The department plans to roll out school sport to 10 000 schools over the medium term. R677.5 million over the medium term is allocated for school sport, or 40 per cent of the mass participation and sport development conditional allocation in the *Active Nation* programme. The conditional allocation funds school sport activities and competitions at the provincial level, and provides equipment and attire to schools. R110 million over the medium term is projected to be spent in the *School Sport* subprogramme, which provides oversight and planning for the rollout of school sport in provinces and also provides for the national school sport championships.

R78.9 million over the medium term is allocated for the championships, which will be hosted once a year in 2015/16 and 2016/17, and twice in 2017/18. The number of participants is expected to increase from 12 000 to 16 000, linked to the increasing number of types of sport included in each championship. The championships explain the significant expenditure on travel and subsistence, contractors, and venues and facilities in goods and services in the *Active Nation* programme over the medium term. Cabinet approved budget reductions of R35.5 million over the medium term will be effected on non-core goods and services items, excluding items such as travel and subsistence and venues and facilities, as these are critical items for overseeing and hosting the championships.

Grooming the nation's talent

Talented young sports people who have been identified through the school sport and other mass participation initiatives are initially supported through the ministerial bursary programme and provincial district academies.

Selected athletes then progress to the high performance programmes run by the South African Sports Confederation and Olympic Committee. Providing talented athletes with opportunities to excel and supporting high performing athletes to be successful internationally remains a key departmental policy that ultimately seeks to foster greater social cohesion and nation building when South Africa's talented athletes perform well internationally.

Community sport programmes provide young people with opportunities to display their skills and allow national federations and talent scouts to identify talented athletes in all parts of the country. The department's community sport programmes are funded through the mass participation and sport development conditional allocation. R161.1 million is earmarked for this purpose in 2015/16. Community sport programmes also receive R169.7 million over the MTEF period in the *Community Sport* subprogramme in the *Active Nation* programme.

Over the medium term, the department will support 80 world class athletes under the age of 18 annually through the ministerial bursary scheme. The scheme provides opportunities for these athletes to attend sports oriented schools, and is funded in the *Scientific Support* subprogramme in the *Winning Nation* programme. The department provides an advisory and monitoring service for identifying and developing talent, also funded in the *Scientific Support* subprogramme.

Elite athletes are supported through the South African Sports Confederation and Olympic Committee's high performance programmes. The department is set to transfer R28 million over the medium term to the committee for supporting 60 elite athletes per year. The transfers are made from the *Winning Nation* programme. The national academy programme, currently jointly coordinated by the department and the South African Sports Confederation and Olympic Committee, caters primarily for athletes who are managed by national federations and are being groomed to participate at the four major games (the All Africa Games, the World Games, the Commonwealth Games, and the Olympic and Paralympic Games). The department is projected to spend R26.9 million on the national academy programme in 2015/16, in the *Winning Nation* programme.

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	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Programme 1	110.7	108.8	101.8	113.2	108.1	100.3	124.4	124.9	114.6	131.3	116.7	110.2	89.0%	93.1%
Programme 2	502.1	500.8	513.4	525.4	534.8	539.5	593.3	592.3	606.7	615.2	620.1	622.7	102.1%	101.5%
Programme 3	23.0	40.5	103.1	13.9	271.2	292.5	226.8	228.8	231.4	91.3	78.1	80.7	199.3%	114.4%
Programme 4	158.6	162.0	88.3	187.3	143.8	117.5	119.7	118.2	115.8	122.2	145.1	140.5	78.6%	81.2%
Programme 5	8.2	8.7	4.0	8.6	5.3	4.3	9.3	9.3	4.6	10.4	10.4	7.3	55.1%	59.7%
Total	802.7	820.9	810.6	848.4	1 063.1	1 054.1	1 073.5	1 073.5	1 073.0	970.4	970.4	961.4	105.5%	99.3%
Economic classification														
Current payments	222.5	222.7	193.6	240.5	247.5	219.7	258.4	258.4	257.6	269.5	269.5	260.4	94.0%	93.3%
Compensation of employees	79.9	77.8	73.1	91.9	88.6	73.7	97.9	85.9	76.6	103.0	88.2	80.4	81.5%	89.2%
Goods and services	142.6	144.9	120.5	148.6	158.9	146.0	160.5	172.5	181.0	166.4	181.2	180.0	101.5%	95.4%
of which:														
Advertising	9.9	9.9	7.8	5.7	4.8	25.4	5.6	4.6	4.0	5.7	5.7	5.7	159.3%	171.4%
Audit costs: External	3.5	5.4	4.3	5.1	4.0	5.2	5.1	4.5	4.5	5.1	5.1	5.1	102.0%	100.6%
Contractors	41.5	42.5	28.7	58.0	56.3	40.8	59.1	82.8	47.0	61.5	52.2	51.0	76.1%	71.7%
Operating leases	14.7	9.7	6.6	6.2	9.0	0.7	17.2	17.2	14.7	19.0	9.0	9.0	54.3%	69.1%
Travel and subsistence	33.0	35.1	36.4	36.9	44.2	33.6	36.2	31.0	30.8	36.5	37.5	37.5	96.9%	93.5%
Venues and facilities	11.9	12.9	12.2	9.5	12.1	15.4	9.5	6.3	56.3	10.1	34.4	34.4	288.5%	180.4%

Table 40.2 Vote expenditure trends by programme and economic classification

Economic classification	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
	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	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Transfers and subsidies	574.1	592.1	615.8	605.5	812.7	833.2	812.9	812.9	814.3	698.8	698.8	698.8	110.1%	101.6%
Provinces and municipalities	452.0	452.0	452.0	469.6	592.8	592.8	617.6	617.6	617.6	525.6	525.6	525.6	106.0%	100.0%
Departmental agencies and accounts	18.5	21.8	21.8	18.3	18.4	19.0	20.6	20.6	21.8	26.5	26.5	26.5	106.2%	102.1%
Foreign governments and international organisations	–	16.7	16.7	–	–	–	–	–	–	–	–	–	–	100.0%
Non-profit institutions	103.7	101.7	125.3	117.5	201.5	221.3	174.7	174.7	174.7	146.6	146.6	146.6	123.1%	106.9%
Households	–	–	0.1	–	–	0.1	–	–	0.3	–	–	–	–	–
Payments for capital assets	6.0	6.0	1.2	2.5	3.0	1.2	2.2	2.2	1.2	2.2	2.2	2.2	44.4%	42.7%
Buildings and other fixed structures	–	–	–	–	–	–	–	–	0.2	–	–	–	–	–
Machinery and equipment	6.0	6.0	1.0	2.5	2.5	1.2	2.2	2.2	0.8	2.2	2.2	2.2	40.2%	40.2%
Heritage assets	–	–	–	–	0.5	–	–	–	0.1	–	–	–	–	24.4%
Software and other intangible assets	–	–	0.2	–	–	–	–	–	–	–	–	–	–	–
Total	802.7	820.9	810.6	848.4	1 063.1	1 054.1	1 073.5	1 073.5	1 073.0	970.4	970.4	961.4	105.5%	99.3%

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 2014/15	Average growth rate (%) 2011/12 - 2014/15	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2014/15 - 2017/18	Expenditure/total: Average (%)
				2015/16	2016/17	2017/18		
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme 1	110.2	0.4%	10.9%	124.8	131.1	138.1	7.8%	12.4%
Programme 2	622.7	7.5%	58.5%	628.6	659.4	699.5	4.0%	64.0%
Programme 3	80.7	25.8%	18.1%	92.2	95.1	99.8	7.3%	9.0%
Programme 4	140.5	-4.6%	11.9%	133.2	138.6	145.5	1.2%	13.7%
Programme 5	7.3	-6.0%	0.5%	9.7	10.3	10.9	14.4%	0.9%
Total	961.4	5.4%	100.0%	988.5	1 034.4	1 093.6	4.4%	100.0%
Change to 2014				(27.3)	(37.8)	(33.6)		
Budget estimate								
Economic classification								
Current payments	260.4	5.3%	23.9%	265.7	277.4	291.7	3.9%	26.9%
Compensation of employees	80.4	1.1%	7.8%	100.7	107.4	113.5	12.2%	9.9%
Goods and services	180.0	7.5%	16.1%	165.0	170.0	178.2	-0.3%	17.0%
of which:								
Advertising	5.7	-16.9%	1.1%	5.2	5.3	5.4	-1.7%	0.5%
Audit costs: External	5.1	-1.8%	0.5%	4.5	5.5	5.7	3.6%	0.5%
Contractors	51.0	6.3%	4.3%	59.6	58.7	61.6	6.5%	5.7%
Operating leases	9.0	-2.3%	0.8%	17.3	17.6	18.5	27.1%	1.5%
Travel and subsistence	37.5	2.2%	3.5%	37.8	39.9	44.0	5.4%	3.9%
Venues and facilities	34.4	38.7%	3.0%	12.7	14.2	13.0	-27.7%	1.8%
Transfers and subsidies	698.8	5.7%	76.0%	720.7	754.8	799.7	4.6%	72.9%
Provinces and municipalities	525.6	5.2%	56.1%	537.3	560.7	595.8	4.3%	54.4%
Departmental agencies and accounts	26.5	6.8%	2.3%	30.4	33.0	34.7	9.3%	3.1%
Non-profit institutions	146.6	13.0%	17.1%	153.0	161.1	169.2	4.9%	15.4%
Payments for capital assets	2.2	-29.0%	0.1%	2.2	2.2	2.3	1.5%	0.2%
Machinery and equipment	2.2	-29.0%	0.1%	2.2	2.2	2.3	1.5%	0.2%
Total	961.4	5.4%	100.0%	988.5	1 034.4	1 093.6	4.4%	100.0%

Personnel information

Table 40.4 Vote personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. Active Nation																			
3. Winning Nation																			
4. Sport Support																			
5. Sport Infrastructure Support																			
Number of posts estimated for 31 March 2015			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 (%)	
		2013/14			2014/15			2015/16			2016/17			2017/18					2014/15 - 2017/18
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Sport and Recreation South Africa			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	208	36	164	76.6	0.5	204	80.4	0.4	204	100.7	0.5	204	107.4	0.5	204	113.5	0.6	– 100.0%	
1 – 6	52	16	46	5.9	0.1	52	7.4	0.1	52	8.2	0.2	52	8.6	0.2	52	9.3	0.2	– 25.5%	
7 – 10	90	11	60	15.3	0.3	88	23.9	0.3	88	25.5	0.3	88	27.0	0.3	88	28.1	0.3	– 43.1%	
11 – 12	38	2	30	15.6	0.5	35	18.7	0.5	35	23.5	0.7	35	24.8	0.7	35	26.3	0.8	– 17.2%	
13 – 16	26	5	24	21.9	0.9	25	23.6	0.9	25	26.3	1.1	25	29.3	1.2	25	30.8	1.2	– 12.3%	
Other	2	2	4	17.8	4.5	4	6.8	1.7	4	17.2	4.3	4	17.7	4.4	4	18.9	4.7	– 2.0%	
Programme	208	36	164	76.6	0.5	204	80.4	0.4	204	100.7	0.5	204	107.4	0.5	204	113.5	0.6	– 100.0%	
Programme 1	152	21	118	56.2	0.5	148	57.9	0.4	148	66.0	0.4	148	70.4	0.5	148	74.6	0.5	– 72.5%	
Programme 2	25	2	18	6.6	0.4	25	9.0	0.4	25	16.4	0.7	25	17.3	0.7	25	18.0	0.7	– 12.3%	
Programme 3	11	9	11	3.9	0.4	11	5.2	0.5	11	7.3	0.7	11	8.1	0.7	11	8.7	0.8	– 5.4%	
Programme 4	16	2	11	7.8	0.7	16	6.6	0.4	16	8.1	0.5	16	8.6	0.5	16	9.0	0.6	– 7.8%	
Programme 5	4	2	6	2.1	0.3	4	1.7	0.4	4	2.9	0.7	4	3.0	0.8	4	3.3	0.8	– 2.0%	

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

2. Rand million.

Departmental receipts

Table 40.5 Departmental receipts by economic classification

						Average growth rate (%)	Receipt item/ total: Average (%)				Average growth rate (%)	Receipt item/ total: Average (%)
Audited outcome				Adjusted estimate	Revised estimate			Medium-term receipts estimate				
R thousand	2011/12	2012/13	2013/14	2014/15		2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Departmental receipts	318	8 712	210	331	99	-32.2%	100.0%	103	106	109	3.3%	100.0%
Sales of goods and services produced by department	54	54	52	64	64	5.8%	2.4%	66	66	67	1.5%	63.1%
Other sales	54	54	52	64	64	5.8%	2.4%	66	66	67	1.5%	63.1%
of which:												
Rental parking covered and open	54	54	52	64	64	5.8%	2.4%	66	66	67	1.5%	63.1%
Interest, dividends and rent on land	2	3	2	6	6	44.2%	0.1%	7	7	8	10.1%	6.7%
Interest	2	3	2	6	6	44.2%	0.1%	7	7	8	10.1%	6.7%
Sales of capital assets	-	-	-	61	-	-	-	-	-	-	-	-
Transactions in financial assets and liabilities	262	8 655	156	200	29	-52.0%	97.5%	30	33	34	5.4%	30.2%
Total	318	8 712	210	331	99	-32.2%	100.0%	103	106	109	3.3%	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	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R million				2014/15	2011/12 - 2014/15					2014/15 - 2017/18	
Ministry	28.4	30.6	27.9	21.4	-9.1%	25.0%	20.8	22.0	23.3	2.9%	17.1%
Management	13.7	14.2	13.0	18.6	10.7%	13.7%	18.9	20.0	21.1	4.3%	15.4%
Strategic Support	5.0	4.9	5.2	6.3	8.3%	4.9%	6.6	7.0	7.3	5.2%	5.3%
Corporate Services	34.4	34.6	37.8	44.6	9.0%	34.9%	40.0	41.9	44.1	-0.3%	33.4%
Office of the Chief Financial Officer	14.9	13.7	13.4	14.2	-1.6%	13.0%	18.5	19.6	20.7	13.4%	14.3%
Office Accommodation	5.4	2.2	17.1	11.7	29.7%	8.4%	20.1	20.5	21.5	22.6%	14.4%
Total	101.8	100.3	114.6	116.7	4.7%	100.0%	124.8	131.1	138.1	5.8%	100.0%
Change to 2014				(14.6)			(12.3)	(14.2)	(15.5)		
Budget estimate											
Economic classification											
Current payments	100.5	98.9	113.3	114.5	4.5%	98.6%	122.6	128.8	135.7	5.8%	98.2%
Compensation of employees	53.9	53.3	56.2	64.4	6.1%	52.6%	66.0	70.4	74.6	5.0%	53.9%
Goods and services	46.6	45.5	57.0	50.1	2.5%	46.0%	56.6	58.4	61.2	6.9%	44.3%
of which:											
Audit costs: External	4.3	5.2	4.5	5.1	5.6%	4.4%	4.5	5.5	5.7	3.6%	4.1%
Communication	2.4	3.9	2.4	2.7	4.4%	2.6%	2.8	2.9	3.1	4.7%	2.3%
Contractors	2.5	2.0	2.4	4.2	19.2%	2.6%	4.4	4.5	4.7	3.6%	3.5%
Operating leases	6.6	0.7	14.7	9.0	11.1%	7.2%	17.3	17.6	18.5	27.1%	12.2%
Property payments	–	3.2	2.8	3.1	–	2.1%	3.2	3.4	3.6	4.4%	2.6%
Travel and subsistence	17.9	17.0	15.9	12.9	-10.2%	14.7%	11.3	11.3	11.8	-3.0%	9.3%
Transfers and subsidies	0.2	0.2	0.3	0.1	-23.5%	0.2%	0.1	0.1	0.1	4.6%	0.1%
Departmental agencies and accounts	0.1	0.1	0.1	0.1	1.4%	0.1%	0.1	0.1	0.1	4.6%	0.1%
Households	0.1	0.1	0.3	–	-100.0%	0.1%	–	–	–	–	–
Machinery and equipment	1.0	1.2	0.8	2.2	31.5%	1.2%	2.2	2.2	2.3	1.5%	1.7%
Heritage assets	–	–	0.1	–	–	–	–	–	–	–	–
Software and other intangible assets	0.2	–	–	–	-100.0%	0.1%	–	–	–	–	–
Total	101.8	100.3	114.6	116.7	4.7%	100.0%	124.8	131.1	138.1	5.8%	100.0%
Proportion of total programme expenditure to vote expenditure	12.6%	9.5%	10.7%	12.0%	–	–	12.6%	12.7%	12.6%	–	–

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 4 active recreation programmes in 2015/16.
- Inspire lifelong physical activity by providing mass sport participation opportunities to 11 700 community members in 2015/16.
- Increase learners' access to sport at schools by supporting the national school sport championship for 12 000 learners in 2015/16.
- 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 (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	Expenditure/ Total: Average (%)	2015/16	2016/17	2017/18	2014/15 - 2017/18	Expenditure/ Total: Average (%)
R million											
Programme Management: Active Nation	0.4	0.2	1.7	1.7	59.1%	0.2%	3.4	3.6	3.8	31.0%	0.5%
Active Recreation	0.9	0.9	1.0	1.0	5.0%	0.2%	1.0	1.1	1.1	4.7%	0.2%
Community Sport	48.0	43.2	97.6	63.1	9.6%	11.1%	54.3	56.3	59.1	-2.2%	8.9%
School Sport	12.2	25.6	8.9	28.7	33.1%	3.3%	32.6	37.7	39.6	11.4%	5.3%
Provincial Sport Support and Coordination	452.0	469.6	497.6	525.6	5.2%	85.3%	537.3	560.7	595.8	4.3%	85.1%
Total	513.4	539.5	606.7	620.1	6.5%	100.0%	628.6	659.4	699.5	4.1%	100.0%
Change to 2014				4.9			(13.9)	(21.0)	(15.1)		
Budget estimate											
Economic classification											
Current payments	28.1	37.4	75.5	59.1	28.1%	8.8%	54.7	60.1	63.2	2.3%	9.1%
Compensation of employees	7.2	6.1	6.6	6.4	-3.8%	1.1%	16.4	17.3	18.0	41.4%	2.2%
Goods and services	21.0	31.4	68.9	52.8	36.0%	7.6%	38.3	42.9	45.2	-5.0%	6.9%
of which:											
Advertising	2.2	20.6	1.1	1.2	-19.1%	1.1%	1.2	1.2	1.2	1.7%	0.2%
Communication	0.3	0.3	0.5	1.0	46.8%	0.1%	1.0	1.1	1.1	4.4%	0.2%
Contractors	1.3	1.1	7.1	13.0	116.1%	1.0%	13.7	14.5	15.2	5.2%	2.2%
Transport provided: Departmental activity	2.4	1.0	0.5	2.3	-1.0%	0.3%	1.4	1.4	1.5	-14.0%	0.3%
Travel and subsistence	8.1	5.5	8.4	13.8	19.5%	1.6%	14.0	17.4	18.6	10.7%	2.4%
Venues and facilities	4.6	2.2	49.3	18.4	59.0%	3.3%	3.9	4.1	4.4	-38.1%	1.2%
Transfers and subsidies	485.3	502.1	531.3	561.0	5.0%	91.2%	573.9	599.2	636.3	4.3%	90.9%
Provinces and municipalities	452.0	469.6	497.6	525.6	5.2%	85.3%	537.3	560.7	595.8	4.3%	85.1%
Non-profit institutions	33.3	32.4	33.7	35.3	2.0%	5.9%	36.6	38.5	40.4	4.6%	5.8%
Total	513.4	539.5	606.7	620.1	6.5%	100.0%	628.6	659.4	699.5	4.1%	100.0%
Proportion of total programme expenditure to vote expenditure	63.3%	51.2%	56.5%	63.9%	-	-	63.6%	63.7%	64.0%	-	-
Details of selected transfers and subsidies											
Non-profit institutions											
Current	33.3	32.4	33.7	35.3	2.0%	5.9%	36.6	38.5	40.4	4.6%	5.8%
Sport federations	2.9	0.2	-	-	-100.0%	0.1%	-	-	-	-	-
loveLife	30.4	32.2	33.7	35.3	5.1%	5.8%	36.6	38.5	40.4	4.6%	5.8%
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Current	452.0	469.6	497.6	525.6	5.2%	85.3%	537.3	560.7	595.8	4.3%	85.1%
Mass participation and sport development allocation	452.0	469.6	497.6	525.6	5.2%	85.3%	537.3	560.7	595.8	4.3%	85.1%

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 talented and 60 elite athletes 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 12 approved major events by 2017/18.
- Promote sport tourism to South Africa by showcasing sport tourist opportunities in South Africa at selected major sporting events, such as the 2015 Rugby World Cup and 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 2015/16 (the South African Sports Awards, the Ministerial Outstanding Sports Performance Accolades, the Andrew Mlangeni Green Jacket Awards, and Honouring Women in Sport).

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 (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	Expenditure/ Total: Average (%)	2015/16	2016/17	2017/18	2014/15 - 2017/18	Expenditure/ Total: Average (%)
R million											
Programme Management: Winning Nation	1.7	1.8	–	2.0	5.0%	0.8%	2.1	2.2	2.3	4.7%	2.3%
Scientific Support	38.3	48.6	51.7	44.0	4.7%	25.9%	61.4	64.3	67.6	15.4%	65.0%
Major Events Support	43.1	224.9	157.8	12.3	-34.1%	62.1%	9.8	9.7	10.0	-6.7%	11.5%
Recognition Systems	20.0	17.1	21.9	19.8	-0.3%	11.2%	18.9	18.9	19.8	0.1%	21.2%
Total	103.1	292.5	231.4	78.1	-8.8%	100.0%	92.2	95.1	99.8	8.5%	100.0%
Change to 2014				(13.2)			(4.0)	(6.0)	(4.2)		
Budget estimate											
Economic classification											
Current payments	47.8	61.1	53.4	51.2	2.3%	30.3%	63.5	63.8	67.0	9.4%	67.2%
Compensation of employees	2.5	1.9	3.9	2.6	1.7%	1.5%	7.3	8.1	8.7	50.0%	7.3%
Goods and services	45.3	59.2	49.5	48.6	2.4%	28.7%	56.2	55.7	58.2	6.2%	59.9%
of which:											
Administrative fees	1.4	–	–	0.7	-20.0%	0.3%	0.7	0.7	0.7	1.1%	0.8%
Advertising	3.3	0.6	0.3	1.8	-18.4%	0.9%	1.4	1.4	1.3	-9.9%	1.6%
Consultants and professional services:	0.8	–	1.9	2.5	45.5%	0.7%	3.2	3.9	4.1	17.7%	3.7%
Laboratory services											
Contractors	23.8	36.7	37.7	27.7	5.3%	17.9%	35.3	33.2	34.9	8.0%	35.9%
Travel and subsistence	5.9	5.9	4.1	6.6	3.8%	3.2%	7.6	7.6	9.8	13.8%	8.6%
Venues and facilities	6.5	9.1	4.6	4.4	-12.5%	3.5%	6.2	6.9	5.4	7.3%	6.3%

Table 40.8 Winning Nation expenditure trends and estimates by subprogramme and economic classification

Table 1: Voting Nation expenditure trends and estimates by category programme and economic classification												
Economic classification					Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome								2015/16	2016/17	2017/18		
R million	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15					2014/15 - 2017/18		
Transfers and subsidies	55.3	231.3	178.0	26.9	-21.3%	69.7%	28.6	31.2	32.8	6.8%	32.8%	
Provinces and municipalities	–	123.1	120.0	–	–	34.5%	–	–	–	–	–	
Departmental agencies and accounts	11.6	13.9	14.0	18.5	16.8%	8.2%	19.8	21.9	23.0	7.5%	22.8%	
Foreign governments and international organisations	16.7	–	–	–	-100.0%	2.4%	–	–	–	–	–	
Non-profit institutions	27.1	94.4	44.0	8.4	-32.2%	24.7%	8.8	9.3	9.8	5.2%	10.0%	
Total	103.1	292.5	231.4	78.1	-8.8%	100.0%	92.2	95.1	99.8	8.5%	100.0%	
Proportion of total programme expenditure to vote expenditure	12.7%	27.7%	21.6%	8.1%	–	–	9.3%	9.2%	9.1%	–	–	
Details of selected transfers and subsidies												
Provinces and municipalities												
Municipalities												
Municipal bank accounts												
Current	–	123.1	120.0	–	–	34.5%	–	–	–	–	–	
2013 Africa Cup of Nations host city operating allocation	–	123.1	–	–	–	17.5%	–	–	–	–	–	
2014 African Nations Championship host city operating allocation	–	–	120.0	–	–	17.0%	–	–	–	–	–	
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	11.6	13.9	14.0	18.5	16.8%	8.2%	19.8	21.9	23.0	7.5%	22.8%	
South African Institute for Drug-Free Sport	11.6	13.9	14.0	18.5	16.8%	8.2%	19.8	21.9	23.0	7.5%	22.8%	
Non-profit institutions												
Current	27.1	94.4	44.0	8.4	-32.2%	24.7%	8.8	9.3	9.8	5.2%	10.0%	
Sport federations	7.1	–	–	–	-100.0%	1.0%	–	–	–	–	–	
South African Sports Confederation and Olympic Committee	20.0	10.4	8.0	8.4	-25.0%	6.6%	8.8	9.3	9.8	5.2%	10.0%	
2013 Africa Cup of Nations: Local organising committee	–	84.0	–	–	–	11.9%	–	–	–	–	–	
2014 African Nations Championship: Local organising committee	–	–	36.0	–	–	5.1%	–	–	–	–	–	
Foreign governments and international organisations												
Current	16.7	–	–	–	-100.0%	2.4%	–	–	–	–	–	
FIFA	16.7	–	–	–	-100.0%	2.4%	–	–	–	–	–	

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 sports 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 on a continual basis 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, among others, in 2015/16.

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	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	Expenditure/ Total: Average (%)	2015/16	2016/17	2017/18	2014/15 - 2017/18	Expenditure/ Total: Average (%)
R million											
Programme Management: Sport Support	2.9	2.9	3.4	4.1	12.4%	2.8%	4.6	4.5	4.7	4.8%	3.2%
International Relations	4.6	4.7	3.4	8.8	24.4%	4.6%	2.5	2.0	2.1	-37.9%	2.8%
Sport and Recreation Service Providers	80.8	109.9	109.0	132.2	17.8%	92.6%	126.1	132.1	138.7	1.6%	94.1%
Total	88.3	117.5	115.8	145.1	18.0%	100.0%	133.2	138.6	145.5	0.1%	100.0%
Change to 2014				22.9			4.2	4.8	1.4		
Budget estimate											
Economic classification											
Current payments	13.3	18.0	11.1	34.3	37.2%	16.4%	15.2	14.3	14.9	-24.2%	14.0%
Compensation of employees	7.3	9.9	7.8	11.2	15.0%	7.7%	8.1	8.6	9.0	-7.1%	6.5%
Goods and services	5.9	8.1	3.3	23.1	57.4%	8.7%	7.1	5.7	6.0	-36.3%	7.4%
of which:											
Communication	0.4	0.2	1.1	0.4	-4.4%	0.4%	0.4	0.4	0.4	4.5%	0.3%
Contractors	0.7	-	(0.4)	2.1	41.8%	0.5%	0.7	0.8	0.9	-25.5%	0.8%
Consumables: Stationery, printing and office supplies	0.2	-	0.2	0.3	5.4%	0.2%	0.3	0.2	0.2	-8.1%	0.2%
Travel and subsistence	3.4	4.9	0.5	3.1	-3.5%	2.5%	4.1	2.4	2.5	-6.4%	2.2%
Operating payments	0.5	0.6	0.3	5.4	114.3%	1.5%	0.2	0.2	0.2	-64.4%	1.1%
Venues and facilities	0.5	2.0	1.4	10.5	178.9%	3.1%	1.3	1.5	1.6	-46.8%	2.6%
Transfers and subsidies	75.0	99.6	104.7	110.8	13.9%	83.6%	118.1	124.3	130.5	5.6%	86.0%
Departmental agencies and accounts	10.1	5.1	7.7	7.9	-7.7%	6.6%	10.5	11.0	11.6	13.4%	7.3%
Non-profit institutions	64.9	94.5	97.0	102.9	16.6%	77.0%	107.6	113.3	118.9	5.0%	78.7%
Total	88.3	117.5	115.8	145.1	18.0%	100.0%	133.2	138.6	145.5	0.1%	100.0%
Proportion of total programme expenditure to vote expenditure	10.9%	11.2%	10.8%	14.9%	-	-	13.5%	13.4%	13.3%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	10.1	5.1	7.7	7.9	-7.7%	6.6%	10.5	11.0	11.6	13.4%	7.3%
Boxing South Africa	10.1	5.1	7.7	7.9	-7.7%	6.6%	10.5	11.0	11.6	13.4%	7.3%
Non-profit institutions											
Current	64.9	94.5	97.0	102.9	16.6%	77.0%	107.6	113.3	118.9	5.0%	78.7%
Sport federations	64.9	94.5	97.0	102.9	16.6%	77.0%	107.6	113.3	118.9	5.0%	78.7%

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 (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	Average	2015/16	2016/17	2017/18	2014/15 - 2017/18	Average
R million											
Programme Management: Infrastructure Support	0.1	1.0	–	2.0	140.9%	13.5%	2.1	2.2	2.3	4.7%	20.8%
Sport and Recreation Facility Management	1.4	0.1	1.9	5.2	55.3%	36.8%	5.1	5.5	5.8	4.0%	52.5%
Sport and Recreation Facility Planning	2.5	3.2	2.7	3.2	9.4%	49.6%	2.4	2.6	2.8	-5.2%	26.7%
Total	4.0	4.3	4.6	10.4	37.5%	100.0%	9.7	10.3	10.9	1.5%	100.0%
Change to 2014 Budget estimate							(1.3)	(1.3)	(0.2)		
Economic classification											
Current payments	4.0	4.3	4.4	10.4	37.5%	99.2%	9.7	10.3	10.9	1.5%	100.0%
Compensation of employees	2.3	2.5	2.1	3.7	17.7%	45.5%	2.9	3.0	3.3	-3.8%	31.3%
Goods and services	1.7	1.7	2.3	6.7	57.0%	53.7%	6.8	7.2	7.6	4.1%	68.7%
of which:											
Advertising	–	–	–	–	19.7%	0.4%	–	–	–	2.7%	0.4%
Communication	0.1	–	–	0.2	24.6%	1.7%	0.2	0.2	0.2	2.4%	2.0%
Contractors	0.5	1.0	0.2	5.2	120.3%	29.7%	5.5	5.7	6.0	4.9%	54.2%
Travel and subsistence	1.1	0.3	2.0	1.1	2.2%	19.4%	1.0	1.1	1.2	2.0%	10.8%
Operating payments	–	–	–	0.1	46.5%	0.8%	0.1	0.1	0.1	-5.6%	0.9%
Payments for capital assets	–	–	0.2	–	–	0.8%	–	–	–	–	–
Buildings and other fixed structures	–	–	0.2	–	–	0.8%	–	–	–	–	–
Total	4.0	4.3	4.6	10.4	37.5%	100.0%	9.7	10.3	10.9	1.5%	100.0%
Proportion of total programme expenditure to vote expenditure	0.5%	0.4%	0.4%	1.1%	–	–	1.0%	1.0%	1.0%	–	–

Public entities and other agencies

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 2015/16 is R10.5 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 2015/16 is R19.8 million.

