



<b>TO</b>	<b>:</b>	<b>CHAIRPERSON – COUNCIL FOR MEDICAL SCHEMES (COUNCIL) CHAIRPERSON - AUDIT AND RISK COMMITTEE (ARC)</b>
<b>FROM</b>	<b>:</b>	<b>DR MUSA GUMEDE – CHIEF EXECUTIVE AND REGISTRAR MS VICTORIA LETSWALO – ACTING CHIEF FINANCIAL OFFICER</b>
<b>DATE</b>	<b>:</b>	<b>30 OCTOBER 2025</b>
<b>SUBJECT</b>	<b>:</b>	<b>RECOMMENDATION FOR APPROVAL OF DRAFT BUDGET AND PROPOSED LEVY INCREASE FOR THE 2026/27 FINANCIAL YEAR</b>

## **1. INTRODUCTION**

- 1.1. The purpose of this memorandum is to request the Council, through the ARC, to approve the draft budget and proposed levy increase for the 2026/27 financial year as prepared by management.

## **2. BACKGROUND**

- 2.1. In July National Treasury issued the Medium-Term Expenditure Framework (MTEF) Preliminary Guidelines, in accordance with section 27(3) of the Public Finance Management Act (PFMA), that provides guidance to Public Entities on how to prepare their medium-term budget estimates for the 2026/27 budget.
- 2.2. In terms of the Guidelines, Entities were required to submit their first draft budget by the 30<sup>th</sup> of July 2025 to the National Treasury via the Executive Authority. This first submission does not require pre - approval from the Accounting Authority.
- 2.3. In preparation for the 2<sup>nd</sup> draft submission and issuing a gazette for public participation (proposed levy increase), management is hereby tabling the updated draft second budget for deliberation and support by the Council through the ARC.

- 2.4. The Final Budget is only due by the end of January 2026. Therefore, the final draft budget will again serve in the January 2026 ARC and Council for final approval.

### 3. DISCUSSIONS

- 3.1. The budget has been prepared in terms of the CMS organisational structure thus linking to both the organogram and the draft Annual Performance Plan for 2026/27.
- 3.2. The budget is based on National Treasury Guidelines for costing and budgeting for 2026/27.
- 3.3. The National Treasury Preliminary Guideline of Julu 2025 provides the following:
- 3.3.1. The total spending envelope will be maintained within the parameters set out in the 2025 MTEF. Inflationary projections - *CPI as 4.14% for 2026/76, 4.36% for 2027/28 and 4.49% for 2028/29*. National Treasury Guidelines further state that Public Entities may apply their discretion when using these assumptions, taking into consideration circumstances that may be unique to them. If the outcomes are different from the forecasted estimates, institutions will need to absorb any resultant differences within their budget baselines.
- 3.4. Costing of personnel expenditure is per CMS policy but limited to affordability as allowed by the policy. The costing includes:
- 3.4.1. Salary increases are costed at CPI plus 1% translating to 4.14% for Executives and 5.14% for other employees in the bargaining unit. According to the Reserve Bank, CPI is anticipated to be 3.60% in 2026/27.
- 3.4.2. The 1,5% COLA-related notch adjustment per policy.
- 3.4.3. Provision for performance bonus of R5.26 million (once-off payment) and R1.45 million performance linked pay progression. Thus, limiting total performance incentive to R6,71 million. The once off payment shows an increase of 5.14% (2025: R5.00 million) from the previous financial year. This amount is however still not the full allowance per policy, as it is capped based on affordability. The full bonus amount per policy of R12.2 million is unaffordable. There is therefore a planned shortfall of R6,94 million.

- 3.5. A phased approach has been employed in the previous periods in the implementation of the organogram with the filling of vacancies in accordance with the prioritization determined by operational requirements. In the 2026/27 financial year, no new positions are budgeted for.
- 3.6. The above COE budget assumptions result in an increase of 6.59% from 2025/26 to 2026/27 CoE salary bill.
- 3.7. Costing for non-personnel expenditure is based on the inflationary projections as published by the National Treasury (3.3.1 above), past usage, and future requirements for delivery on the 2026/27 APP targets and affordability. Other contract-related costs such as building rental have been costed based on agreements.
- 3.8. Additionally, funding for ICT investment is accommodated at R2.68 million instead of the required R61 million.

<b>B) Digital Transformation Projects</b>		
1.	BMU (CMS)	18,00
2	FSU	10,00
3	MCO's & Accreditation	6,00
4	ERP System Replacement (Sage,Accountmate,Evolution,Performance management)	10,00
5	Research & Monitoring System Replacement (DDDR System Replacement)	6,00
6	Complaints Mgmt System Replacement	6,00
7	Learning Mgmt System (LMS)	5,00
<b>TOTAL NEEDED:</b>		<b>61,00</b>

- 3.9. Should CMS not be in a position to raise the required ICT funding, ICT plans to slowly implement its digitisation plans in longer term phases and based on what CMS can afford.
- 3.10. Currently, CMS is waiting for response from National Treasury regarding additional funding requested to specifically fund ICT reinvestment, amongst other things. Should the response be positive, it will allow CMS to fully move with the ICT digitisation plans. A response is anticipated in January 2026.

## **REVENUE**

3.11. The proposed levy increase is capped at CPI + 2% over the MTEF, thus 6.14% for the 2026 year. This is to bring CMS closer to industry increases even though it does not cover fully the CMS operational costs. Further, the proposed levy increase is slightly above the projected CPI issued by the National Treasury of 4.14% for 2026/27. Based on history, National Treasury caps the levy increase to CPI. In the current year however, CMS aims to make a case that shows that the entity has been granted increases that do not cover operational requirements and are even below the average annual contribution increase charged by schemes. Note that the figures for 2026 are not yet available.

	<b>2023</b>	<b>2024</b>	<b>2025</b>
Annual contribution increase rate	6,8%	7,9%	10,1%
CMS Levy Increase	5,3%	4,7%	6,0%

3.12. The tariff rates used for budgeting (accreditation fees) are the approved rates in line with the amended Regulations and taking into account the planned accreditation numbers.

3.13. The total projected revenue increase is by 5.07% with budgeted CoE increasing by 6.59%.

3.14. It is important to highlight that the proposed budget is not sufficient to cater to all of CMS's business requirements, as articulated above. CMS will have to continue to manage costs and spend wisely in achieving its mandate moving into the next financial year.

## 4. FINANCIAL IMPLICATIONS

- 4.1. National Treasury has indicated that the total spending envelope will be maintained within the parameters set out in the 2025 MTEF and no additions will be made to the overall envelope. Therefore, CMS will need to work within its available budget should CMS request for ICT grant funding be unsuccessful.
- 4.2. Further, the National Treasury has capped the levy increase to their projected CPI in the past. However, CMS operational requirements require an increase more than CPI hence the alignment with industry.
- 4.3. The financial implications are as follows **(Also refer to Annexure A)**:
  - 4.3.1. The proposed levy will increase by 6.14% thus increasing the rate by R3.16 from R51.49 to R54.66 per principal member per annum. The proposal will yield a levy income of R227 719 429 and a remaining goods and services budget of R65 954 483 and capex of R2 684 151 after considering COE of R182 153 108.
  - 4.3.2. Should NT cap levy increase at CPI of 4.14%, the projected levy revenue would reduce by R4 290 926. The goods and services budget would have to be reduced in order for the budget to balance.
  - 4.3.3. COE amounts to 71% (2025/26 71%) of the total budget with the rest representing goods and services and capital expenditure. There is no increase in proportion of COE as the budget increase is due cost of living adjustment inclusive of pay progression and performance-based increase.

## 5. RECOMMENDATION

Management therefore requests the Council to consider for approval the draft budget and proposed levy increase as prepared by management and recommended by the ARC, considering the following:

- 5.1. A levy increase of 6.14% per principal member for 2026/27 financial year.

- 5.2. Following approval, the draft budget and proposed levy increase will be published for 30 days for public participation and then submitted to the National Department of Health for approval of the proposed levy increase.
- 5.3. The final draft budget will be tabled in the January Council sitting following public comments for final consideration by Council, through the ARC.

**REQUESTED BY**

\_\_\_\_\_  
**NAME: MS V LETSWALO**  
**DESIGNATION: ACTINGCHIEF FINANCIAL OFFICER**  
**DATE:**

**SUPPORTED/NOT SUPPORTED/FURTHER COMMENTS**

\_\_\_\_\_  
**NAME: DR M GUMEDE**  
**DESIGNATION: CHIEF EXECUTIVE & REGISTRAR**  
**DATE:**

**RECOMMENDED/NOT RECOMMENDED/FURTHER COMMENTS**

\_\_\_\_\_  
**NAME: DR MASIBULELE PHESA on behalf of ARC**  
**DESIGNATION: CHAIRPERSON OF AUDIT RISK COMMITTEE**  
**DATE:**

**APPROVED/NOT APPROVED/FURTHER COMMENTS**

\_\_\_\_\_  
**NAME: DR TS MABEBA on behalf of COUNCIL**  
**DESIGNATION: CHAIRPERSON OF COUNCIL FOR MEDICAL SCHEMES**  
**DATE:**

**Proposed levy increase for 2026/27 financial year**

Table 1: CMS Budget

Description	2025/26	2026/27	2027/28	2028/29
Goods and services	64 189 994	65 954 483	68 227 132	71 985 556
Compensation of employees	170 489 265	182 153 108	191 820 567	202 128 606
<b>Operating cash expenditure</b>	<b>234 679 259</b>	<b>248 107 591</b>	<b>260 047 698</b>	<b>274 114 162</b>
Capital expenditure	4 000 000	2 684 151	6 301 180	9 080 230
<b>Total cash requirement</b>	<b>238 679 259</b>	<b>250 791 742</b>	<b>266 348 879</b>	<b>283 194 392</b>
Surplus funds				
Accreditation fees	(9 048 718,00)	(9 048 718)	(9 443 242)	(9 854 967)
Registration Fees	(335 616,00)	(466 944)	(487 303)	(508 549)
Training income		(270 000)	(350 000)	(430 000)
Interest Received	(8 671 956,00)	(6 325 276)	(6 601 058)	(6 897 445)
Government grant	(6 320 000,00)	(6 615 000)	(6 903 414)	(7 204 403)
Other income	(331 776,09)	(346 376)	(361 477)	(377 708)
<b>Total income excluding levies</b>	<b>(24 708 066,09)</b>	<b>(23 072 313)</b>	<b>(24 146 494)</b>	<b>(25 273 073)</b>
Income from levies	213 971 192,96	227 719 429	242 202 385	257 921 319
Total membership	4 155 200	4 166 368	4 166 368	4 166 368
Levy amount proposed	R 51,49	R 54,66	R 58,13	R 61,91
Levy amount approved	R 51,49			
Levy increase (in Rand) based on approved levy	R2,91	R3,16	R3,48	R3,77
Levy increase (in %) based on approved levy	6,00%	6,14%	6,36%	6,49%

## PROGRAMME BUDGETS FOR 2026/27

Consolidated expenditure - Per Programme				BUDGET				Explanatory Notes
	2024/25 AUDITED MARCH 2025	Approved Budget 2025/26	2025/26 ACTUAL YTD SEPTEMBER 2025	2026/27	%Change 2025/26 vs 2026/27	2027/28	2028/29	
<b>ADMINISTRATION</b>	<b>151 837 368</b>	<b>134 056 863</b>	<b>66 754 623</b>	<b>139 425 155</b>	<b>4%</b>	<b>145 638 393</b>	<b>153 578 170</b>	
Office of the CEO and Registrar	10 191 239	11 300 809	4 447 923	12 191 901	8%	12 554 099	13 151 404	Increase due to COLA adjustments.
Office of the CFO	15 429 242	14 207 018	6 124 675	15 095 532	6%	15 813 874	16 777 615	Increase due to COLA adjustments.
Office of the ICT & KM	32 235 641	32 867 173	16 255 413	34 005 176	3%	34 851 815	36 742 885	Increase due to COLA adjustments. Reduction in Goods and Services due to shifting of Security Services to Corporate Services.
Corporate Services	83 091 466	65 972 897	34 902 822	68 193 494	3%	72 282 254	76 276 162	No significant change. Reduction in Goods and Services driven by lower building rental as tender process was finalised in 2025/26.
Council Secretariat	10 889 779	9 708 966	5 023 790	9 939 053	2%	10 136 352	10 630 104	No significant change.
Regulation	48 597 178	52 006 361	24 663 368	54 981 785	6%	58 137 207	61 173 177	Increase due to COLA adjustments.
Member Protection	15 692 263	32 883 244	7 827 832	36 644 484	11%	38 415 027	40 487 430	Increase due to COLA adjustments and long service award.
Policy, Research and Monitoring	32 100 756	15 732 791	15 398 634	17 056 166	8%	17 857 071	18 875 384	Increase due to COLA adjustments and seed funds for Industry Symposium.
<b>OPERATING CASH EXPENDITURE</b>	<b>248 227 565</b>	<b>234 679 259</b>	<b>114 644 458</b>	<b>248 107 591</b>	<b>6%</b>	<b>260 047 698</b>	<b>274 114 162</b>	
Capital expenditure	5 041 483	4 000 000	1 948 835	2 684 151	-33%	6 301 180	9 080 230	ICT projects funded from Core budget (instead of surplus)
<b>TOTAL CASH REQUIREMENT</b>	<b>253 269 048</b>	<b>238 679 259</b>	<b>116 593 293</b>	<b>250 791 742</b>	<b>5%</b>	<b>266 348 879</b>	<b>283 194 392</b>	
ACCREDITATION FEES	-7 772 169	-9 048 718	-4 307 008	-9 048 718	0%	-9 443 242	-9 854 967	Based on projected number of accreditation applications
REGISTRATION FEES	-498 009	-335 616	-49 818	-466 944	39%	-487 303	-508 549	Based on previous registration/collected income
TRAINING INCOME		-	-682 216	-270 000	100%	-350 000	-430 000	New revenue stream
INTEREST RECEIVED	-8 186 683	-8 671 956	-2 672 985	-6 325 276	-27%	-6 601 058	-6 897 445	Reduction due to low cash balance from 2024/25 and decrease in interest rates.
GOVERNMENT GRANT	-6 151 000	-6 320 000	-3 160 000	-6 615 000	5%	-6 903 414	-7 204 403	Per NDoH allocation
OTHER INCOME	-5 820 632	-331 776	-83 965	-346 376	4%	-361 477	-377 708	Based on previous collected income.
LEVIES ON MEDICAL SCHEMES	-201 641 006	-213 971 193	-214 526 288	-227 719 429	6%	-242 202 385	-257 921 319	Based on July 2025 principal members
<b>TOTAL INCOME</b>	<b>-259 494 908</b>	<b>-238 679 259</b>	<b>-225 623 982</b>	<b>-250 791 742</b>	<b>5%</b>	<b>-266 348 879</b>	<b>-283 194 392</b>	Projected revenue increase of 5% (without surplus)
(SURPLUS) / DEFICIT	-6 225 861	0	-109 030 688	-0		-	0	

## BUDGET PER ECONOMIC CLASSIFICATION FOR 2026/27

Per Economic classification	Budget							Explanatory Notes
	2024/25 AUDITED MARCH 2025	2025/2026	2025/26 ACTUAL YTD SEPTEMBER 2025	2026/27	%Change 2025/26 vs 2026/27	2027/28	2027/28	
<b>Compensation of employees</b>	<b>157 531 346</b>	<b>170 889 265</b>	<b>80 009 899</b>	<b>182 153 108</b>	<b>6,59%</b>	<b>191 820 567</b>	<b>202 128 606</b>	
Salaries and wages	152 676 211	165 553 206	77 733 309	176 890 350	7%	186 275 723	196 280 763	Salaries
Social contributions	4 855 135	5 336 059	2 276 590	5 262 759	-1%	5 544 843	5 847 844	Momentum, Compensation Commissioner
<b>Goods and services</b>	<b>90 696 219</b>	<b>63 789 994</b>	<b>34 634 559</b>	<b>65 954 483</b>	<b>3%</b>	<b>68 227 132</b>	<b>71 985 556</b>	
Agency and support / outsourced services	4 726 300	2 025 414	2 213 554	2 556 091	26%	3 517 742	3 710 866	Temporary staff
Communication	1 078 620	1 665 109	550 213	1 741 704	5%	1 741 704	1 819 907	ICT Telephone including courier services
Computer services	10 269 519	8 153 382	4 729 753	9 328 437	14%	9 328 437	9 747 284	ICT software subscriptions including internet services and general computer expenses
Consultants	4 570 520	3 914 075	2 724 405	4 074 933	4%	4 074 933	4 257 897	Internal audit, Appeal Board, Commissioned inspections, PMB reviews, HR policy review
Lease payments	15 456 008	16 269 701	8 318 220	10 344 896	-36%	11 004 914	11 716 399	Rental
Advertising and marketing	1 779 263	1 562 206	687 976	1 822 345	17%	1 822 345	1 904 169	Media Promotions and communications
Audit costs	943 111	1 048 000	484 469	1 096 208	5%	1 096 208	1 145 428	External audit fees
Bank charges	80 221	95 924	44 271	100 336	5%	100 336	104 842	Standard charges
Board costs	6 435 670	5 030 400	2 831 181	5 030 400	0%	5 030 400	5 256 265	Council and council committee fees
Legal fees	17 994 692	5 599 700	3 964 643	9 857 286	76%	9 857 286	10 299 878	Legal matters
Labour settlement	10 592 336							
Non life insurance	710 319	738 400	285 581	772 366	5%	772 366	807 046	Insurance assets
Other unclassified expenditure	3 414 422	4 582 550	1 186 663	4 029 969	-12%	4 029 969	4 210 914	Stationery, subscriptions, knowledge management subscriptions, bereavements, external storage, copy costs and general expenses
Printing and publication	395 678	484 920	198 126	508 226	5%	508 226	531 046	General printing including printing of APP, Annual Reports etc
Property payments	6 489 149	6 538 355	3 331 886	6 671 750	2%	7 072 730	7 582 779	Water and lights, security, cleaning costs, building operating costs
Staff cost note	407 227	357 451	189 682	373 893	5%	373 893	390 681	Employee Wellness
Venue and facilities	852 134	681 727	214 325	1 469 996	116%	1 469 996	1 535 999	Venue and catering related costs
Repairs and maintenance	664 437	872 370	177 416	912 500	5%	912 500	953 471	Vehicle, Office and ICT related repairs and maintenance
Training and staff development	2 499 304	2 661 045	1 528 091	3 283 453	23%	3 533 453	3 942 105	Staff training needs
Travel and subsistence	1 337 287	1 509 265	974 103	1 979 692	31%	1 979 692	2 068 581	Normal travel related costs
<b>OPERATING CASH EXPENDITURE</b>	<b>248 227 565</b>	<b>234 679 259</b>	<b>114 644 458</b>	<b>248 107 591</b>	<b>6%</b>	<b>260 047 698</b>	<b>274 114 162</b>	
Capital expenditure	5 041 483	4 000 000	1 948 835	2 684 151	-33%	6 301 180	9 080 230	
<b>TOTAL CASH REQUIREMENT</b>	<b>253 269 048</b>	<b>238 679 259</b>	<b>116 593 293</b>	<b>250 791 742</b>	<b>5%</b>	<b>266 348 879</b>	<b>283 194 392</b>	
Head count	136	143	138	143		143	143	

## Annexures showing budget per programme

Expenditure (1.1)	Budget						Explanatory Notes
	2025/2026	2025/26 ACTUAL YTD SEPTEMBER 2025	2026/27	%Change 2025/26 vs 2026/27	2027/28	2027/28	
<b>Office of the CEO and Registrar</b>							
<b>Compensation of employees</b>	<b>8 850 848</b>	<b>2 552 120</b>	<b>9 399 719</b>	<b>6%</b>	<b>9 761 917</b>	<b>10 233 854</b>	
Salaries and wages	8 850 848	2 552 120	9 399 719	6%	9 761 917	10 233 854	Strategy programme merged with Office of the CE and Registrar in 2025/26. The increase in budget is net impact of COLA adjustment.
<b>Goods and services</b>	<b>2 449 961</b>	<b>1 895 802</b>	<b>2 792 182</b>	<b>14%</b>	<b>2 792 182</b>	<b>2 917 551</b>	
Consultants	1 086 185	961 911	1 162 587	7%	1 162 587	1 214 787	Available budget is for internal audit services.
Audit costs	1 048 000	484 469	1 096 208	5%	1 096 208	1 145 428	
Legal fees	-	354 818	-	0%	-	-	
Other unclassified expenditure	72 439	3 898	83 386	15%	83 386	87 131	
Venue and facilities	103 337	23 750	150 000	45%	150 000	156 736	Increase driven by the appointment of the Executive in the Office of the CEO and Senior Manager Audit, Risk & Performance
Travel and subsistence	140 000	66 957	300 000	114%	300 000	313 470	Increase driven by the appointment of the Executive in the Office of the CEO and Senior Manager Audit, Risk & Performance
<b>TOTAL</b>	<b>11 300 809</b>	<b>4 447 923</b>	<b>12 191 901</b>	<b>8%</b>	<b>12 554 099</b>	<b>13 151 404</b>	
Head count	4	3	4		4	4	

Expenditure (1.2)	Budget						Explanatory Notes
	2025/2026	2025/26 ACTUAL YTD SEPTEMBER 2025	2026/27	%Change 2025/26 vs 2026/27	2027/28	2027/28	
<b>Office of the CFO</b>							
<b>Compensation of employees</b>	<b>12 952 316</b>	<b>5 481 660</b>	<b>13 733 114</b>	<b>6%</b>	<b>14 451 456</b>	<b>15 354 024</b>	
Salaries and wages	12 644 722	5 475 931	13 397 719	6%	14 092 583	14 970 030	COLA and performance bonus provision.
Social contributions	307 594	5 730	335 395	9%	358 872	383 993	Workman's compensation.
<b>Goods and services</b>	<b>1 254 702</b>	<b>643 015</b>	<b>1 362 418</b>	<b>9%</b>	<b>1 362 418</b>	<b>1 423 591</b>	
Consultants	200 000	254 438	209 200	5%	209 200	218 593	
Bank charges	95 924	44 271	100 336	5%	100 336	104 842	
Non life insurance	738 400	285 581	772 366	5%	772 366	807 046	
Other unclassified expenditure	78 753	9 179	82 375	5%	82 375	86 074	
Printing and publication	60 480	11 853	63 262	5%	63 262	66 103	
Venue and facilities	61 145	18 219	63 958	5%	63 958	66 830	
Travel and subsistence	20 000	19 474	70 920	255%	70 920	74 104	Additional travel for officials who are studying.
<b>TOTAL</b>	<b>14 207 018</b>	<b>6 124 675</b>	<b>15 095 532</b>	<b>6%</b>	<b>15 813 874</b>	<b>16 777 615</b>	
Head count	10	9	10		10	10	

Expenditure (1.3)	Budget						Explanatory Notes
Office of the ICT & KM	2025/2026	2025/26 ACTUAL YTD SEPTEMBER 2025	2026/27	%Change 2025/26 vs 2026/27	2027/28	2027/28	
<b>Compensation of employees</b>	<b>17 769 137</b>	<b>8 576 738</b>	<b>18 868 824</b>	<b>6%</b>	<b>19 715 463</b>	<b>20 926 910</b>	
Salaries and wages	17 769 137	8 576 738	18 868 824	6%	19 715 463	20 926 910	COLA and performance bonus provision.
<b>Goods and services</b>	<b>15 098 036</b>	<b>7 678 675</b>	<b>15 136 352</b>	<b>0%</b>	<b>15 136 352</b>	<b>15 815 974</b>	
Communication	1 665 109	550 213	1 741 704	5%	1 741 704	1 819 907	
Computer services	8 153 382	4 729 753	9 328 437	14%	9 328 437	9 747 284	Additional software licenses required.
Consultants	500 000	834 421	523 000	5%	523 000	546 483	
Finance costs	158 769	37 347	166 073	5%	166 073	173 530	
Other unclassified expenditure	3 299 043	872 811	2 650 799	-20%	2 650 799	2 769 820	Reduction of Knowledge Management to fund software licensed.
Property payments	627 336	469 398	-	-100%	-	-	Security moved to Corporate Services
Venue and facilities	23 234	1 455	24 303	5%	24 303	25 394	
Repairs and maintenance	629 243	130 911	658 188	5%	658 188	687 740	
Travel and subsistence	41 920	52 366	43 848	5%	43 848	45 817	
<b>TOTAL</b>	<b>32 867 173</b>	<b>16 255 413</b>	<b>34 005 176</b>	<b>3%</b>	<b>34 851 815</b>	<b>36 742 885</b>	
Head count	15	14	15		15	15	

Expenditure (1.4)	Budget							Explanatory Notes
Corporate Services	2024/25 AUDITED MARCH 2025	Approved Budget 2025/26	2025/26 ACTUAL YTD SEPTEMBER 2025	2026/27	%Change 2025/26 vs 2026/27	2027/28	2027/28	
<b>Compensation of employees</b>	<b>26 418 604</b>	<b>29 693 985</b>	<b>14 640 572</b>	<b>31 302 233</b>	<b>5%</b>	<b>33 118 344</b>	<b>34 658 767</b>	
Salaries and wages	21 729 395	24 665 520	12 369 712	26 374 869	7%	27 932 373	29 194 917	Increase due to COLA and performance bonus provision.
Social contributions	4 689 210	5 028 465	2 270 860	4 927 364	-2%	5 185 971	5 463 850	
<b>Goods and services</b>	<b>56 672 862</b>	<b>36 278 912</b>	<b>20 262 250</b>	<b>36 891 261</b>	<b>2%</b>	<b>39 163 910</b>	<b>41 617 395</b>	
Agency and support / outsourced service	4 726 300	2 025 414	2 213 554	2 556 091	26%	3 517 742	3 710 866	Increase in temporary personnel for additional staff required.
Consultants	143 370	414 740	94 394	433 818	5%	433 818	453 297	To cover Employee benefits related policy reviews
Lease payments	15 336 639	16 110 931	8 280 873	10 178 823	-37%	10 838 841	11 542 870	Decrease for building rental to align with new building lease agreement.
Advertising and marketing	1 779 263	1 562 206	687 976	1 822 345	17%	1 822 345	1 904 169	Increased recruitment budget.
Legal fees	14 491 832	5 599 700	3 609 825	9 857 286	76%	9 857 286	10 299 878	This increase is aimed at supporting the overall CMS strategic regulatory compliance.
Other unclassified expenditure	276 050	681 490	264 469	714 959	5%	714 959	747 061	
Printing and publication	377 520	419 200	180 220	438 483	5%	438 483	458 171	
Property payments	5 559 828	5 911 019	2 862 487	6 671 750	13%	7 072 730	7 582 779	Security services moved from ICT.
Staff cost note	407 227	357 451	189 682	373 893	5%	373 893	390 681	
Venue and facilities	160 880	156 553	106 380	163 755	5%	163 755	171 107	
Repairs and maintenance	135 762	243 128	46 505	254 312	5%	254 312	265 730	
Training and staff development	2 374 332	2 538 141	1 475 260	3 154 895	24%	3 404 895	3 807 775	Additional training for Leadership Development for all Senior Managers.
Travel and subsistence	311 521	258 938	250 624	270 850	5%	270 850	283 011	
<b>TOTAL</b>	<b>83 091 466</b>	<b>65 972 897</b>	<b>34 902 822</b>	<b>68 193 494</b>	<b>3%</b>	<b>72 282 254</b>	<b>76 276 162</b>	
Head count	25	27	26	27		27	27	

Expenditure (1.5)	Budget						Explanatory Notes
Council Secretariat	2025/2026	2025/26 ACTUAL YTD SEPTEMBER 2025	2026/27	%Change 2025/26 vs 2026/27	2027/28	2027/28	
<b>Compensation of employees</b>	<b>3 440 682</b>	<b>1 741 329</b>	<b>3 650 626</b>	<b>6%</b>	<b>3 847 924</b>	<b>4 059 327</b>	
Salaries and wages	3 440 682	1 741 329	3 650 626	6%	3 847 924	4 059 327	COLA and performance bonus provision.
<b>Goods and services</b>	<b>6 268 284</b>	<b>3 282 461</b>	<b>6 288 427</b>	<b>0%</b>	<b>6 288 427</b>	<b>6 570 777</b>	
Consultants	574 663	294 655	564 298	-2%	564 298	589 635	Appeal Board fees
Board costs	5 030 400	2 831 181	5 030 400	0%	5 030 400	5 256 265	
Other unclassified expenditure	119 991	-	125 511	5%	125 511	131 146	
Venue and facilities	144 306	2 044	150 945	5%	150 945	157 722	
Training and staff development	122 904	52 831	128 558	5%	128 558	134 330	
Travel and subsistence	276 019	101 749	288 716	5%	288 716	301 679	
<b>TOTAL</b>	<b>9 708 966</b>	<b>5 023 790</b>	<b>9 939 053</b>	<b>2%</b>	<b>10 136 352</b>	<b>10 630 104</b>	
Head count	4	4	4		4	4	
Expenditure (2)	Budget						Explanatory Notes
Regulation	2025/2026	2025/26 ACTUAL YTD SEPTEMBER 2025	2026/27	%Change 2025/26 vs 2026/27	2027/28	2027/28	
<b>Compensation of employees</b>	<b>50 733 540</b>	<b>24 373 707</b>	<b>53 649 414</b>	<b>6%</b>	<b>56 804 836</b>	<b>59 780 982</b>	
Salaries and wages	50 733 540	24 373 707	53 649 414	6%	56 804 836	59 780 982	COLA, anniversary bonus and performance bonus provision.
<b>Goods and services</b>	<b>1 272 821</b>	<b>289 661</b>	<b>1 332 371</b>	<b>5%</b>	<b>1 332 371</b>	<b>1 392 195</b>	
Consultants	528 526	-	552 839	5%	552 839	577 661	For commissioned inspections.
Other unclassified expenditure	196 507	19 043	205 547	5%	205 547	214 776	
Printing and publication	5 240	6 053	6 481	24%	6 481	6 772	Publishing of the GG on the annual adjustment of broker fees.
Venue and facilities	69 299	13 626	72 487	5%	72 487	75 741	
Travel and subsistence	473 249	250 939	495 018	5%	495 018	517 244	
<b>TOTAL</b>	<b>52 006 361</b>	<b>24 663 368</b>	<b>54 981 785</b>	<b>6%</b>	<b>58 137 207</b>	<b>61 173 177</b>	
Head count	41	41	41		41	41	

Expenditure (3)	Budget						Explanatory Notes
Member Protection	2025/2026	2025/26 ACTUAL YTD SEPTEMBER 2025	2026/27	%Change 2025/26 vs 2026/27	2027/28	2027/28	
<b>Compensation of employees</b>	<b>32 346 235</b>	<b>15 206 246</b>	<b>35 752 273</b>	<b>11%</b>	<b>37 522 816</b>	<b>39 555 159</b>	
Salaries and wages	32 346 235	15 206 246	35 752 273	11%	37 522 816	39 555 159	Increases due to COLA, long service award and performance bonus provision.
<b>Goods and services</b>	<b>537 009</b>	<b>192 388</b>	<b>892 211</b>	<b>66%</b>	<b>892 211</b>	<b>932 271</b>	
Consultants	56 240	1 994	50 000	-11%	50 000	52 245	
Other unclassified expenditure	113 890	13 775	146 015	28%	146 015	152 571	Budget increase to accommodate CPD Accreditation renewal fees and CPD application fees for new programmes.
Venue and facilities	119 660	12 971	240 164	101%	240 164	250 948	Additional travel for visibility and support to scheme specific training and other conferences.
Travel and subsistence	247 219	163 649	456 032	84%	456 032	476 508	Additional travel for visibility and support to scheme specific training and other conferences.
<b>TOTAL</b>	<b>32 883 244</b>	<b>15 398 634</b>	<b>36 644 484</b>	<b>11%</b>	<b>38 415 027</b>	<b>40 487 430</b>	
Head count	31	30	31		31	31	

Expenditure (4)	Budget						Explanatory Notes
Policy, Research and Monitoring	2025/2026	2025/26 ACTUAL YTD SEPTEMBER 2025	2026/27	%Change 2025/26 vs 2026/27	2027/28	2027/28	
<b>Compensation of employees</b>	<b>15 102 523</b>	<b>7 437 526</b>	<b>15 796 906</b>	<b>5%</b>	<b>16 597 810</b>	<b>17 559 583</b>	
Salaries and wages	15 102 523	7 437 526	15 796 906	5%	16 597 810	17 559 583	COLA and performance bonus provision.
<b>Goods and services</b>	<b>630 268</b>	<b>390 307</b>	<b>1 259 260</b>	<b>100%</b>	<b>1 259 260</b>	<b>1 315 801</b>	
Consultants	553 720	282 592	579 191	5%	579 191	605 197	For PMB reviews
Other unclassified expenditure	20 436	3 489	21 376	5%	21 376	22 336	
Venue and facilities	4 192	35 880	604 385	14318%	604 385	631 522	Seed capital for the industry Indaba for 2026/27
Travel and subsistence	51 920	68 345	54 308	5%	54 308	56 747	
<b>TOTAL</b>	<b>15 732 791</b>	<b>7 827 832</b>	<b>17 056 166</b>	<b>8%</b>	<b>17 857 071</b>	<b>18 875 384</b>	
Head count	11	11	11		11	11	