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VOTE 36
Trade and Industry

ESTIMATES OF NATIONAL EXPENDITURE **2011**



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2011

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The *Estimates of National Expenditure 2011* e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision. More comprehensive coverage of goods and services, donor funding, transfers and subsidies, public entities and lower level institutional information, is provided in this publication where applicable.

The *Estimates of National Expenditure 2011* e-publications are available on www.treasury.gov.za

Foreword

When this publication was introduced in 2001, we stated that “The Estimates of National Expenditure represents a significant step forward in national budget transparency.” Since then, the national budget process has undergone continued reform. The Budget preparation for 2011 saw a shift from budgeting by department to budgeting by function of government, thus enabling a more strategic focus on a smaller number of key outcomes. Using the functional approach, there is better transparency and coordination in budgeting due to participation by stakeholders responsible for delivery across all spheres of government, including the various agencies. Ongoing efforts to reform non-financial performance information have led to a systematic improvement in the veracity of this information. These reforms will lead to greater accountability and control.

Budgets are the link between the outcomes targeted by government and the services that are ultimately delivered. Government’s adoption of the outcomes approach in 2009 started the process of closer cooperation and improved coordination across government departments and agencies towards the attainment of 12 clearly stated outcomes that are of considerable importance to the country’s development. This approach started with the re-organisation of national government departments and was further re-enforced by signed agreements concluded between the president and ministers of national departments.

Budgets proposed for each of the votes in this publication give consideration to the initiatives focused on the 12 outcomes. One of the outcomes warranting a special mention is that of job creation. 2011 has been declared the year of job creation. A key aim of the new growth path is to achieve job creation on a significant scale through economic transformation and inclusive growth.

There is a focus on the reprioritisation of existing budgets, in addition to the allocation of new money made available by the main Budget framework. This publication indicates details per vote of savings amounting to R30.6 billion over the period ahead. This year, specific detail has been included on: the outcomes which institutions contribute towards and the output and other performance measures supporting them; personnel budgets, employee numbers and spending trends; and the purpose and key activities of each sub-programme within a vote. Compared to the 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, public entities, lower level expenditure information and information on donor funding.

The independent Open Budget Index assessment of budget transparency began in 2006. It is conducted every two years to measure the availability and comprehensiveness of key budget documents. In 2010, South Africa achieved first place among all the 94 countries surveyed across the world, scoring 92 per cent. South Africa’s score on the index rose from 86 per cent in 2006 (when 59 countries were surveyed), and 87 per cent in 2008 (when 85 countries surveyed).

The detailed expenditure estimates of departments set out in this publication are the result of an arduous executive and administrative process. Executive approval of additional spending allocations and savings takes place under the political guidance of the ministers’ committee on the Budget and follows a wide ranging intergovernmental consultative process led by a committee of senior officials in central government departments.

A special word of thanks is due to all our colleagues from other departments for their contributions. I also wish to express my appreciation to the National Treasury team, which worked tirelessly to produce a document of which we are rightly proud.



Lesetja Kganyago
Director-General: National Treasury

Introduction

South Africa has once again achieved international recognition for meeting budget transparency and accountability standards. The International Budget Partnership ranks South Africa first among 94 countries in the 2010 Open Budget Survey. The quality and usability of budget documents such as the Estimates of National Expenditure have made a significant contribution to this achievement. Moreover, the Money Bills Amendment Procedure and Related Matters Act (2009) has increased Parliament's oversight over the Budget proposal as it sets out the procedure in terms of which the proposal must be considered for possible amendment. The parliamentary procedure involves canvassing the opinion of civil society groups and lends itself to more participatory budgeting. The increased transparency of budgets and the increased scrutiny make it possible for South African public servants to be held more accountable for their management of resources and performance over the period ahead.

The 2011 Estimates of National Expenditure is a comprehensive publication that provides details of the spending plans of all national departments and agencies for the next three financial years (2011/12 to 2013/14), expenditure outcomes for the past three years (2007/08 to 2009/10), and revised estimates for the current year (2010/11). Information is also provided on legislation, policies, outcomes and performance targets over the seven-year period. Any changes in these areas are explained in relation to trends in planned expenditure. The Estimates of National Expenditure e-publications per vote give more extensive coverage of transfers and subsidies, public entities, goods and services, donor funding and lower level institutional information than does the abridged version of the Estimates of National Expenditure. This more detailed information for each vote is available at www.treasury.gov.za.

In keeping with the ongoing budget reform improvements to the way that public finances are managed and reported, changes have also been made in the 2011 Estimates of National Expenditure. Information on the outcomes that departments and government agencies contribute to and the related outputs included in delivery agreements is briefly discussed in the strategic overview section. Departments will also provide more information on the key functions of each subprogramme on a vote, particularly regarding its transfers and subsidies, personnel complement, volume of work carried out and the composition of spending. A new section on personnel information has been introduced under the expenditure trends section, including a table that provides information on posts funded on budget, vacancies and the number of posts in the department by salary level, as well as by programme and unit cost.

Budgeting for outcomes

Over the past decade, strong growth in public spending has not always been matched with a concomitant improvement in service delivery. If government's development and economic objectives stipulated in the new growth path are to be met, it is stated in the new growth path framework that public service delivery must improve significantly. Better public services require a culture of efficiency, effectiveness and stewardship of public resources, obliging government to become more responsive to the needs of citizens.

This objective is supported by various reform initiatives which have been and continue to be undertaken. At the outset, in 2009 the national macro organisation of the state project effected the reorganisation of national government departments to enhance their efficiency and improve on service delivery. Following on from this, the outcomes approach was adopted and 12 outcome targets were agreed upon for government, and signed ministerial performance agreements and interdepartmental and interagency delivery agreements followed. The outcomes approach provides a platform for achieving greater efficiency in the public service as it is aimed at addressing the weaknesses identified in coordination and cooperation across government. The five major budget priorities over the medium term expenditure framework period are expressed in terms of the 12 government outcomes. Budget decisions are informed by an agreed set of outputs and activities to the extent that they are organised around the 12 government outcomes and elaborated upon in delivery agreements.

Government has taken a different approach in reviewing its spending baseline to realign expenditure with the government outcomes and to make existing resources work with greater efficiency. Government's consumption expenditure (including wages as well as goods and services) has to be managed more efficiently to obtain greater value for money. Over recent years, there have been significant increases in overall personnel costs,

although expenditure on frontline personnel has not increased markedly. Government is targeting the reduction of large administrative budgets in favour of increasing frontline personnel and infrastructure investment, to channel more resources towards the actual delivery of key services.

In developing the 2011 medium term expenditure framework there was a shift towards budgeting by function rather than by department. The functional approach focuses on the purpose (the function) for which funds are to be used, and groups together national, provincial and local government, and government agencies, in terms of the function of government they perform. In this way a consolidated functional expenditure amount can be calculated, and monies transferred from one sphere of government to another can be more easily offset against each other. In support of the reprioritisation of funds in line with outcomes, more effective comparison of allocations with service delivery trends, and assessment of spending proposals, including the trade-offs between different options, are carried out in a given function. This approach provides more transparency and better coordination in the budgeting process. The table below shows the functional classification and, for each function, the national department(s) involved and the outcomes each function supports.

Functional classification of national departments and related outcomes

Functional Classification	Department(s)	Outcome(s)
Economic affairs	Government Communication and Information System [9], Public Enterprises [11], Agriculture, Forestry and Fisheries [26], Economic Development [28], Energy [29], Environmental Affairs [30], Mineral Resources [32], Rural Development and Land Reform [33], Science and Technology [34], Tourism [35], Trade and Industry [36], Transport [37]	<p>Outcome 4: Decent employment through inclusive economic growth</p> <p>Outcome 5: A skilled and capable workforce to support an inclusive growth path</p> <p>Outcome 6: An efficient, competitive and responsive economic infrastructure network</p> <p>Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all</p> <p>Outcome 10: Environmental assets and natural resources that are well protected and continually enhanced</p>
Housing and community amenities	Human Settlements [31], Water Affairs [38]	<p>Outcome 4: Decent employment through inclusive economic growth</p> <p>Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all</p> <p>Outcome 8: Sustainable human settlements and improved quality of household life</p> <p>Outcome 9: A responsive, accountable, effective and efficient local government system</p>
Education	Basic Education [15], Higher Education and Training [17]	<p>Outcome 1: Improved quality of basic education</p> <p>Outcome 5: A skilled and capable workforce to support an inclusive growth path</p>
Health	Health [16]	Outcome 2: A long and healthy life for all South Africans
Social protection	Women, Children and People with Disabilities [8], Labour [18], Social Development [19]	
Recreation, culture and sport	Arts and Culture [14], Sport and Recreation South Africa [20]	Outcome 12: An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship
Public order and safety	Correctional Services [21], Independent Complaints Directorate [23], Justice and Constitutional Development [24], Police [25]	<p>Outcome 3: All people in South Africa are and feel safe</p> <p>Outcome 11: Create a better South Africa and contribute to a better and safer Africa and World</p> <p>Outcome 12: An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship</p>
Defence	Defence and Military Veterans [22]	<p>Outcome 3: All people in South Africa are and feel safe</p> <p>Outcome 11: Create a better South Africa and contribute to a better and safer Africa and World</p>
General public service	Presidency [1], Parliament [2], Cooperative Governance and Traditional Affairs [3], Home Affairs [4], International Relations and Cooperation [5], Performance Monitoring and Evaluation [6], Public Works [7], National Treasury [10], Public Service and Administration [12], Statistics South Africa [13], Communications [27]	<p>Outcome 9: A responsive, accountable, effective and efficient local government system</p> <p>Outcome 11: Create a better South Africa and contribute to a better and safer Africa and World</p> <p>Outcome 12: An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship</p>

The functional groups that have been used are derived from the Classification of the Functions of Government published by the United Nations, but are modified for the South African budgeting context. All decisions on savings and spending in relation to each function were reached as part of a broad consultative process between different stakeholders in the sector, including the medium term expenditure committee of senior officials in central government departments which leads this process, the provincial technical and executive forums, the ministers' committee on the budget, Cabinet and Parliament. These decisions comprise the Budget proposal tabled on Budget day for Parliament's consideration.

Savings and reprioritisation of budgets

While the global economy has been showing signs of recovery, international opinion on the economy is still cautious, on the grounds of perceived uncertainties. In addition to the macroeconomic situation, in line with achieving government's outcomes targets the composition of government expenditure needs to change to ensure that there is value for money. To sustain public expenditure in South African in the long run, a moderation in spending growth over the period ahead is necessary. This necessitates a rigorous review of budget baseline expenditure and an assessment of the:

- capacity of departments and public entities to spend and manage resources appropriately
- strength of the link between expenditure and the outcomes approach as well as with government departmental mandates
- expenditure trade-offs between the different budget options proposed
- non-performing/ underperforming projects/ programmes and entities
- sourcing of funds through savings and reprioritisation initiatives
- alternative revenue raising capacity, cost recovery efforts and donor funding availability.

This year's budget preparation focused extensively on finding savings within the departmental and agency budget baselines linked to a given functional grouping. Departments were able to decrease spending on non-core goods and services, restrict expenditure on low priority programmes, reschedule expenditure, effect savings on foreign exchange rate projections, reduce transfers to certain public entities, improve financial management and reduce expenditure on administration. Savings identified per function over the medium term in this exercise are presented in the table below.

Savings realised per function over the medium term

R thousand	2011/12	2012/13	2013/14	Total
Economic affairs	1 387 674	1 645 222	1 232 355	4 265 251
Housing and community amenities	1 970 233	2 618 510	2 314 474	6 903 217
Education	24 157	24 418	25 590	74 165
Health	44 000	44 000	544 000	632 000
Social protection	1 273 468	1 021 306	519 124	2 813 898
Recreation, culture and sport	28 222	25 571	56 858	110 652
Public order and safety	293 940	1 768 802	1 860 911	3 923 653
Defence	404 824	458 919	434 034	1 297 777
General public service	933 163	1 187 437	875 382	2 995 982
Total	6 359 682	8 794 185	7 862 728	23 016 595

Savings realised over the three years on national votes amounted to R23 billion, of which R6.4 billion is in 2011/12, R8.8 billion in 2012/13 and R7.9 billion in 2013/14. Of these savings, R21.6 billion is reprioritised within functional budget baselines towards meeting existing outcomes commitments. The remainder of R1.4 billion is added to the policy reserve for reallocation. The major savings and reprioritisation areas identified over the medium term are presented in the table below.

Major areas of savings and reprioritisation

Function	Savings identified	Savings redirected
Economic affairs	Non-core goods and services (R2 billion) Underperforming programmes (R1.3 billion)	Road maintenance (R950 million) Expansion of public transport infrastructure and system grant (R580 million) Rural development and land reform (R1.3 billion)
Housing and community amenities	Underperforming programmes (R600 million) Non-core goods and services (R478 million) Rescheduling of expenditure (R759 million) Expanded public works programme: Infrastructure (R688 million)	Completion of De Hoop Dam and a portion of bulk distribution system (R1 billion) Regional bulk infrastructure (R600 million) Expanded public works programme Social sector (R825 million)
Social protection	Non-essential items such as catering and consultation fees (R927 million)	Old age grants - means threshold increased (R280 million) Efficient and effective grant payment model (R535 million)
Public order and safety	Non-essential items (R555 million)	Anti-retroviral drugs for prisoners and additional police personnel (R465 million)
Defence	Non-core goods and services (R1.3 billion)	New remuneration dispensation (R1.3 billion)

In addition to the initial exercise, a further reduction of 0.3 per cent on the budgets of provincial and national departments was also effected; this yielded an additional R6 billion in savings.

Policy reserve

In line with the change to functional budgeting, the additional allocation made available through the national Budget framework was divided per function and a policy reserve was also retained. In the 2011 Budget process the policy reserve was created to fund key government priorities over the next three years. Including the initial identified savings of R1.4 billion that was not reprioritised and the R6 billion identified later, a policy reserve amounting to R33 billion was created. The table below shows how the policy reserve was allocated.

Allocation of the policy reserve

R thousand	2011/12	2012/13	2013/14	Total
For various functions				
Job creation and youth employment	2 000 000	3 000 000	4 000 000	9 000 000
Economic affairs				
Economic regulatory capacity	50 000	50 000	50 000	150 000
Green economy: allocated	200 000	–	–	200 000
: unallocated	–	300 000	500 000	800 000
Broadband information and communication technology: universal access	100 000	150 000	200 000	450 000
Rural development and farmer support	150 000	350 000	600 000	1 100 000
Public transport	200 000	400 000	600 000	1 200 000
Agro-Processing Competitiveness Fund	34 000	108 000	108 000	250 000
Khula Direct	55 000	–	–	55 000
Housing and community amenities				
Human settlement upgrading	200 000	400 000	600 000	1 200 000
Water infrastructure and quality	50 000	150 000	200 000	400 000
Education				
School infrastructure	700 000	1 500 000	2 300 000	4 500 000
Further education and training colleges expansion and National Students Financial Aid Scheme	1 949 990	2 714 188	3 075 595	7 739 773
Health				
Public health services	600 000	1 400 000	2 000 000	4 000 000
Public order and safety				
Police capacity and border control	100 000	400 000	900 000	1 400 000
Defence				
Border control	100 000	200 000	300 000	600 000
Total	6 488 990	11 122 188	15 433 595	33 044 773

The largest allocation from the policy reserve amounts to R9 billion and targets job creation and youth employment, which is allocated on the National Treasury vote. It will be allocated to line departments that provide proposals for projects that meet the objectives of the fund. Of the R1 billion allocation for the green economy, R800 million is currently unallocated to any specific vote but will be announced in the 2011 Budget

as available for appropriation over the medium term. Other major allocations in the policy reserve include R7.7 billion for further education and training colleges and the National Student Financial Aid Scheme, R4.5 billion for school infrastructure and R4 billion for public health services.

Additional allocations

Including policy reserve funding, a total addition of R94.1 billion is allocated to government institutions in terms of the revised national Budget framework to fund government's key priorities over the next three years. Of the R94.1 billion, national departments receive R48.8 billion (51.9 per cent): R9.9 billion in 2011/12, R14.7 billion in 2012/13 and R24.2 billion in 2012/13. Provinces and municipalities receive the remainder: R40.2 billion (42.7 per cent) to provinces and R5.1 billion (5.4 per cent) to municipalities over the medium term. Conditional grants to provinces and municipalities are reflected on both national budgets and the budgets of provinces or municipalities, and are included in the discussion below.

A summary of additional allocations in line with government's policy priorities is provided below by national vote. It is important to note that the discussion on increases in the budget excludes all direct charges against the National Revenue Fund and the amounts of the local and provincial equitable share. Details are only provided for national votes receiving relatively large additional allocations for implementing new programmes or extending existing programmes. The amounts per vote in the discussion below correspond with those in table 2. They represent the gross additional allocations, before the baseline savings and reprioritisation have been effected. The total amounts may therefore be bigger than the overall net change in the budget of a specific vote. In the discussion below, these gross amounts will be referred to as the allocations received for the coming three year medium term expenditure framework period. In certain instances, the savings on a particular vote exceed the gross total allocation to that vote and the overall net change in the budget of that vote is actually negative.

Economic affairs

Taking into account the policy and practical budgeting considerations within this government function in the South African context, this function has been disaggregated broadly into four areas that are each discussed in turn.

Transport

For the **Department of Transport** for the medium term expenditure framework period, R2.7 billion is provided for the public transport infrastructure and systems conditional grant to municipalities to develop integrated public transport networks. The South African National Roads Agency is allocated R2.7 billion for the maintenance of roads and R1.4 billion is allocated to the Passenger Rail Agency South Africa to upgrade and replace Metrorail's signalling infrastructure.

Energy and environmental protection

Over the medium term, the **Department of Environmental Affairs** receives an additional R191 million to implement measures that will address wildlife trafficking, air quality, waste and coastline management, and oil spill disasters. For climate change mitigation and the establishment of a green fund for South Africa, R1 billion is provided. This will be announced in the 2011 Budget as an amount largely not appropriated to any specific vote, except for the R200 million in funding that is allocated to host the 2011 United Nations Conference on Climate Change in 2011/12.

Industrial development

An allocation to the **Economic Development Department** of R250 million is for the Competition Commission to group its work on anti-competitive practices in four priority sectors and to form a specialised cartel investigation unit.

Agriculture, forestry, fisheries and land affairs

An amount of R1.1 billion is the gross allocation to the **Department of Rural Development and Land Reform** for the comprehensive rural development programme.

The **Department of Agriculture, Forestry and Fisheries** receives R500 million for the comprehensive agriculture support programme grant and the land care programme grant.

Also, a gross allocation of R450 million is made available to the **Department of Communications** for broadband services information and communication technologies infrastructure, and universal access in underdeveloped or rural areas in the country.

Housing and community amenities

This function's budget is dominated by transfer payments. Over the MTEF period, an additional R2.1 billion is allocated to the **Department of Human Settlements** for informal settlements upgrading through the new urban settlements development grant. The Social Housing Regulatory Authority receives R972 million to increase the delivery of affordable rental housing.

The **Department of Water Affairs** is allocated a gross addition of R3.7 billion, of which R1 billion is for the completion of the De Hoop Dam and the provision of some bulk infrastructure pipelines, R952 million is for regional bulk infrastructure, R520 million for the completion of the Nandoni pipeline and R450 million for emergency drought relief in the Nelson Mandela Bay municipality.

Education

This function receives the biggest gross total allocation of R33.9 billion. The **Department of Basic Education** receives R8.2 billion, most of which is for transfers to provinces. The funds are mostly for school buildings for the eradication of inappropriate infrastructure structures and to ensure that more schools have water, sanitation and electricity. For bursaries for mathematics and science teachers, R596 million is allocated.

The **Department of Higher Education and Training** receives R3.6 billion for the National Student Financial Aid Scheme for funding higher education students, R300 million for establishing universities in Mpumalanga and Northern Cape, R3.9 billion for a state bursary scheme that will increase poor learners' access to further education and training colleges, and R1.4 billion to further education and training colleges to increase the number of students they enrol.

Health

The gross total allocation to the health function over the medium term is R18.5 billion. Most of this funding is allocated by means of the provincial equitable share. An amount of R1.4 billion is allocated to the national **Department of Health** towards increasing HIV counselling and circumcisions. To improve health facilities and medical equipment in preparation for national health insurance, the department receives a further R1.6 billion.

Social protection

The **Department of Social Development** is allocated R870 million for the South African Social Security Agency to implement a new grants application process that will reduce beneficiary waiting times and fraud.

Recreation, culture and sport

The **Department of Sport and Recreation South Africa** receives a gross allocation of R136 million to provide increased support to national sporting federations to enhance sports development and transformation, particularly in the participation of previously disadvantaged communities.

For the development of the local film industry R135 million is allocated to the National Film and Video Foundation under the **Department of Arts and Culture's** vote and R37 million is also allocated to capacitate the National Library of South Africa.

Public order and safety

Additional funding of R2.1 billion is made available to this function for the **Department of Police's** vote for the recruitment of additional policing personnel in the areas of visible policing, detective services and crime intelligence services. The number of police personnel will increase to 202 260 in 2013/14.

The **Department of Justice and Constitutional Development** receives additional funding of R490 million for the construction of two new high courts in Nelspruit and Polokwane, which will bring the total number of high courts to 16.

The **Department of Correctional Services** is allocated R460 million over the medium term for the upgrading of information technology that will enhance the functioning of the criminal justice system.

Defence

In this function, an amount of R600 million is allocated to the **Department of Defence** to deploy soldiers to the country's borders and upgrade and improve border facilities and equipment.

General public service

An amount of R500 million is added to the budget of **Statistics South Africa** for the 2011 Census, towards the costs of 120 000 field workers and to ensure greater coverage of the population than in the 2001 Census.

The **Department of Public Works** receives an additional R2.2 billion for municipal and accommodation charges payable.

To deal with the post recovery and reconstruction effects of the flooding disaster, R600 million has been allocated under the **National Treasury** vote. The National Treasury also receives R1.5 billion to fund increases in amounts payable to the Political Office Bearers' Pension Fund, as well as increases in costs related to post-retirement benefits and injury-on-duty benefits.

For the new conditional grants to deal with immediate disaster effects, R1.8 billion is allocated over the medium term under the **Cooperative Governance and Traditional Affairs**' vote. Of this, R675 million is for the provinces and R1.2 billion is allocated to municipalities.

Overview of expenditure

The main Budget, including state debt costs, provides for total expenditure of R888.9 billion in 2011/12, R968.1 billion in 2012/13 and R1.1 trillion in 2013/14, reflecting a nominal growth rate of approximately 9.1 per cent on average over the medium term expenditure framework period. Non-interest expenditure comprises on average 89.3 per cent of total main Budget expenditure, growing at an average annual rate of 7.6 per cent over the period. These budgeted estimates provide for a contingency reserve set aside to deal with unanticipated events, amounting to R4.1 billion in 2011/12, R11.4 billion in 2012/13 and R23.4 billion in 2013/14.

The allocations in the main Budget are detailed in the pages of this publication, with a high level overview provided in the summary tables below.

Summary tables

Table 1: Main budget framework 2007/08 to 2013/14

Table 2: Additional allocation to national votes 2011/12 to 2013/14

Table 3: Expenditure by national vote 2007/08 to 2013/14

Table 4: Expenditure by economic classification 2007/08 to 2013/14

Table 5: Amounts to be appropriated from the National Revenue Fund for 2011/12

Table 6a: Conditional grants to provinces 2007/08 to 2013/14

Table 6b: Conditional grants to municipalities 2007/08 to 2013/14

Table 7: Training expenditure per vote 2007/08 to 2013/14

Table 8: Infrastructure expenditure per vote 2007/08 to 2013/14

Table 9: Personnel expenditure per vote 2007/08 to 2013/14

Table 10: Departmental receipts per vote 2007/08 to 2013/14

Table 1 Main budget framework 2007/08 to 2013/14

R million	Audited outcome			Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Revenue (National Revenue Fund)							
Tax revenue (gross)	572 814.6	625 100.2	598 705.4	672 200.0	741 620.0	827 310.0	927 960.0
Departmental and other receipts, and repayments	12 693.0	12 616.0	8 889.0	12 254.0	10 000.9	11 540.0	12 351.1
Less: Southern Africa Customs Union payments	-24 712.6	-28 920.6	-27 915.4	-14 991.3	-21 763.2	-32 431.8	-35 997.4
Other adjustment ¹	-	-	-	-2 900.0	-	-	-
Total revenue	560 795.1	608 795.5	579 679.0	666 562.7	729 857.6	806 418.2	904 313.7
<i>Percentage of GDP</i>	<i>27.0%</i>	<i>26.3%</i>	<i>23.7%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.2%</i>	<i>25.6%</i>
Expenditure							
State debt cost	52 877.1	54 393.7	57 129.2	66 570.4	76 578.7	90 807.7	104 036.2
<i>Percentage of GDP</i>	<i>2.5%</i>	<i>2.4%</i>	<i>2.3%</i>	<i>2.5%</i>	<i>2.6%</i>	<i>2.8%</i>	<i>2.9%</i>
Current payments ²	88 512.0	103 376.4	117 130.0	135 313.3	147 760.3	156 210.6	166 884.0
Transfers and subsidies	391 929.9	458 702.2	532 182.3	578 332.9	648 496.9	695 554.1	740 738.6
Payments for capital assets ²	7 018.5	8 508.4	9 202.2	8 817.0	11 206.9	13 823.7	17 464.5
Payments for financial assets	1 105.9	10 972.6	31 553.0	20 889.7	750.1	0.1	0.1
Unallocated	-	-	-	-	40.0	330.0	530.0
Contingency reserve	-	-	-	-	4 090.4	11 405.4	23 375.2
Total expenditure	541 443.4	635 953.3	747 196.8	809 923.3	888 923.3	968 131.7	1 053 028.6
<i>Percentage of GDP</i>	<i>26.0%</i>	<i>27.5%</i>	<i>30.6%</i>	<i>30.4%</i>	<i>30.5%</i>	<i>30.2%</i>	<i>29.8%</i>
Budget deficit³	19 351.6	-27 157.8	-167 517.7	-143 360.6	-159 065.7	-161 713.5	-148 714.9
<i>Percentage of GDP</i>	<i>0.9%</i>	<i>-1.2%</i>	<i>-6.9%</i>	<i>-5.4%</i>	<i>-5.5%</i>	<i>-5.1%</i>	<i>-4.2%</i>
GDP	2 078 822.0	2 312 965.0	2 442 593.0	2 666 893.9	2 914 861.7	3 201 299.3	3 536 001.5

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

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

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

Table 2 Additional allocation to national votes 2011/12 to 2013/14¹

R million	Medium-term expenditure estimates			Total
	2011/12	2012/13	2013/14	
Central Government Administration	1 948.2	2 277.4	2 923.5	7 149.1
1 The Presidency	90.5	131.3	126.4	348.3
2 Parliament	30.4	31.3	32.4	94.1
3 Cooperative Governance and Traditional Affairs	964.1	873.0	1 250.8	3 087.9
4 Home Affairs	176.9	444.8	600.2	1 221.9
5 International Relations and Cooperation	145.2	162.2	170.1	477.4
6 Performance Monitoring and Evaluation	37.4	97.5	114.5	249.3
7 Public Works	493.7	522.3	609.1	1 625.1
8 Women, Children and People with Disabilities	10.0	15.0	20.0	45.0
Financial and Administrative Services	4 067.9	4 190.0	5 261.1	13 519.0
9 Government Communication and Information System	10.1	10.6	9.9	30.6
10 National Treasury	3 442.3	4 048.0	5 097.8	12 588.1
11 Public Enterprises	44.8	4.6	4.6	53.9
12 Public Service and Administration	34.9	44.2	55.0	134.0
13 Statistics South Africa	535.8	82.7	93.8	712.3
Social Services	4 043.4	7 691.7	14 993.2	26 728.2
14 Arts and Culture	66.9	83.1	105.7	255.8
15 Basic Education	826.4	2 574.4	5 649.7	9 050.4
16 Health	442.0	692.0	2 236.0	3 370.0
17 Higher Education and Training	2 215.3	3 560.3	4 403.6	10 179.2
18 Labour	131.7	170.3	187.3	489.3
19 Social Development	312.1	543.3	2 322.5	3 177.9
20 Sport and Recreation South Africa	49.0	68.3	88.4	205.7
Justice, Crime Prevention and Security	3 740.6	5 760.1	7 583.9	17 084.7
21 Correctional Services	579.9	1 046.7	1 147.8	2 774.3
22 Defence and Military Veterans	1 180.2	1 552.8	1 863.6	4 596.6
23 Independent Complaints Directorate	7.9	9.1	10.1	27.1
24 Justice and Constitutional Development	477.0	1 098.6	1 196.9	2 772.4
25 Police	1 495.7	2 052.9	3 365.5	6 914.2
Economic Services and Infrastructure	6 550.4	8 755.2	10 874.5	26 180.1
26 Agriculture, Forestry and Fisheries	194.1	405.7	512.4	1 112.2
27 Communications	105.7	155.9	206.1	467.7
28 Economic Development	101.6	156.0	166.1	423.7
29 Energy	307.9	29.2	32.6	369.7
30 Environmental Affairs	297.9	146.0	186.4	630.3
31 Human Settlements	657.5	1 215.8	1 757.2	3 630.6
32 Mineral Resources	43.2	53.6	34.1	130.9
33 Rural Development and Land Reform	610.4	838.5	1 113.9	2 562.8
34 Science and Technology	14.6	139.9	404.1	558.6
35 Tourism	52.5	42.4	44.9	139.8
36 Trade and Industry	527.6	621.7	646.3	1 795.6
37 Transport	2 180.8	3 689.9	4 786.2	10 656.9
38 Water Affairs	1 456.6	1 260.4	984.2	3 701.2
Total	20 350.6	28 674.3	41 636.1	90 661.1

1. Excludes additional allocations on provincial equitable share and other direct charges against the National Revenue Fund.

Table 3 Expenditure by national vote 2007/08 to 2013/14

R million	Audited outcome			Adjusted appropriation	
	2007/08	2008/09	2009/10	2010/11	
Central Government Administration					
1	The Presidency	649.4	308.8	659.1	766.9
2	Parliament	849.8	1 071.5	1 009.0	1 201.6
3	Cooperative Governance and Traditional Affairs	28 359.9	33 386.0	33 661.6	41 748.5
4	Home Affairs	3 241.7	4 666.6	5 195.4	5 834.4
5	International Relations and Cooperation	4 069.7	5 472.3	5 417.4	4 715.8
6	Performance Monitoring and Evaluation	2.0	3.6	10.4	40.5
7	Public Works	3 402.3	4 197.0	5 533.6	7 364.8
8	Women, Children and People with Disabilities	52.5	61.9	77.5	106.2
Financial and Administrative Services					
9	Government Communication and Information System	380.9	427.5	495.4	550.2
10	National Treasury	12 569.3	23 762.8	53 240.6	38 704.9
11	Public Enterprises	4 604.0	3 265.1	3 983.3	555.5
12	Public Service and Administration	609.6	630.6	670.8	658.7
13	Statistics South Africa	1 054.3	1 323.1	1 555.8	2 101.4
Social Services					
14	Arts and Culture	1 585.8	2 114.5	2 224.9	2 441.2
15	Basic Education	4 799.5	6 384.0	7 854.3	10 924.3
16	Health	13 578.6	16 424.5	19 168.6	23 132.5
17	Higher Education and Training	15 999.1	18 767.8	20 684.4	23 776.2
18	Labour	1 431.5	1 507.2	1 698.7	1 835.8
19	Social Development	67 191.4	76 096.7	85 318.2	95 941.1
20	Sport and Recreation South Africa	5 048.0	4 871.4	2 866.4	1 255.5
Justice, Crime Prevention and Security					
21	Correctional Services	11 122.4	12 822.6	13 687.3	15 427.5
22	Defence and Military Veterans	25 180.1	27 801.3	31 324.2	30 442.6
23	Independent Complaints Directorate	80.9	99.3	106.2	131.4
24	Justice and Constitutional Development	7 194.0	8 244.4	9 653.5	10 787.3
25	Police	36 525.9	41 635.2	47 662.5	53 529.7
Economic Services and Infrastructure					
26	Agriculture, Forestry and Fisheries	3 957.2	3 564.9	3 961.8	4 003.9
27	Communications	1 911.8	2 328.6	2 301.9	2 138.0
28	Economic Development	245.1	220.4	314.6	449.8
29	Energy	2 229.8	2 961.7	3 690.9	5 648.7
30	Environmental Affairs	1 564.5	1 789.9	2 124.3	2 438.5
31	Human Settlements	10 503.0	13 269.5	16 407.4	19 305.9
32	Mineral Resources	717.5	768.3	853.8	995.8
33	Rural Development and Land Reform	5 896.6	6 669.8	5 863.8	7 293.4
34	Science and Technology	3 127.3	3 703.5	4 183.9	4 128.0
35	Tourism	1 056.0	1 202.2	1 145.6	1 183.8
36	Trade and Industry	5 050.2	4 836.7	5 923.3	6 194.2
37	Transport	19 155.9	28 161.7	28 664.0	30 380.8
38	Water Affairs	4 802.9	5 797.8	7 188.6	8 203.2
Total appropriation by vote		309 800.8	370 620.6	436 383.5	466 338.6
Plus:					
Direct charges against the National Revenue Fund					
	President and Deputy President salary (The Presidency)	2.3	4.0	3.8	4.6
	Members remuneration (Parliament)	240.7	304.2	398.8	392.7
	State debt costs (National Treasury)	52 877.1	54 393.7	57 129.2	67 606.9
	Provincial equitable share (National Treasury)	171 053.7	201 795.6	236 890.8	265 139.4
	General fuel levy sharing with metros (National Treasury)	-	-	6 800.1	7 542.4
	Skills levy and Setas (Higher Education and Training)	6 284.3	7 234.1	7 815.6	8 424.2
	Judges and magistrates salaries (Justice and Constitutional Development)	1 184.5	1 601.1	1 774.9	1 929.9
Total direct charges against the National Revenue Fund		231 642.6	265 332.8	310 813.2	351 040.0
	Unallocated	-	-	-	-
	Contingency reserve	-	-	-	-
	Projected underspending	-	-	-	-1 700.0
Total		541 443.4	635 953.3	747 196.8	815 678.6

Table 3 Expenditure by national vote 2007/08 to 2013/14

Revised estimate	Medium-term expenditure estimates			R million
	2010/11	2011/12	2012/13	
				Central Government Administration
766.9	815.0	887.5	924.2	The Presidency
1 201.6	1 265.3	1 315.9	1 387.6	Parliament
41 748.5	47 933.6	53 842.8	57 120.8	Cooperative Governance and Traditional Affairs
5 834.4	5 464.1	5 249.7	5 864.3	Home Affairs
4 715.8	4 796.8	5 154.9	5 569.3	International Relations and Cooperation
40.5	75.8	141.0	160.4	Performance Monitoring and Evaluation
7 138.7	7 819.3	8 061.2	8 900.1	Public Works
106.2	117.9	129.5	140.8	Women, Children and People with Disabilities
				Financial and Administrative Services
550.2	496.4	524.4	552.0	Government Communication and Information System
38 375.4	22 598.2	23 469.1	25 578.9	National Treasury
555.5	230.2	199.7	210.4	Public Enterprises
656.7	690.1	726.2	774.5	Public Service and Administration
1 741.7	3 240.9	1 698.3	1 717.7	Statistics South Africa
				Social Services
2 339.7	2 468.6	2 625.1	2 784.7	Arts and Culture
9 093.0	13 868.1	16 557.9	20 409.6	Basic Education
22 218.7	25 731.6	27 610.8	30 136.7	Health
23 757.2	28 228.6	31 318.5	33 688.2	Higher Education and Training
1 793.2	1 981.5	2 098.5	2 221.7	Labour
94 841.0	104 732.7	113 524.0	122 075.5	Social Development
1 249.6	802.7	852.3	915.5	Sport and Recreation South Africa
				Justice, Crime Prevention and Security
15 232.5	16 559.2	17 805.0	18 827.8	Correctional Services
30 442.6	34 605.0	37 371.2	39 702.2	Defence and Military Veterans
131.4	151.6	161.0	170.4	Independent Complaints Directorate
10 742.3	11 413.5	12 674.3	13 409.3	Justice and Constitutional Development
53 529.7	58 061.5	62 077.6	66 696.7	Police
				Economic Services and Infrastructure
4 003.9	4 719.7	5 312.0	5 503.2	Agriculture, Forestry and Fisheries
2 138.0	1 889.1	1 721.7	1 851.7	Communications
384.5	594.5	674.7	713.3	Economic Development
5 648.7	6 089.9	5 575.3	4 304.8	Energy
2 359.8	2 846.1	2 399.3	2 643.0	Environmental Affairs
19 305.9	22 578.5	24 875.1	26 674.7	Human Settlements
995.8	1 036.2	1 107.5	1 178.7	Mineral Resources
7 293.4	8 124.2	8 674.1	9 381.1	Rural Development and Land Reform
4 128.0	4 404.6	4 887.4	5 510.1	Science and Technology
1 183.8	1 242.9	1 273.9	1 345.3	Tourism
6 075.5	6 786.9	7 366.9	7 572.4	Trade and Industry
29 989.4	35 084.0	38 204.4	41 198.9	Transport
7 609.7	9 936.2	10 231.5	10 883.5	Water Affairs
459 919.7	499 480.9	538 380.2	578 700.1	Total appropriation by vote
				Plus:
				Direct charges against the National Revenue Fund
4.6	4.8	5.1	5.3	President and Deputy President salary (The Presidency)
392.7	409.6	430.1	453.8	Members remuneration (Parliament)
66 570.4	76 578.7	90 807.7	104 036.2	State debt costs (National Treasury)
265 139.4	288 492.8	305 725.4	323 604.4	Provincial equitable share (National Treasury)
7 542.4	8 573.1	9 039.7	9 613.4	General fuel levy sharing with metros (National Treasury)
8 424.2	9 148.7	9 606.1	10 134.5	Skills levy and Setas (Higher Education and Training)
1 929.9	2 104.2	2 401.9	2 575.7	Judges and magistrates salaries (Justice and Constitutional Development)
350 003.5	385 312.0	418 016.1	450 423.3	Total direct charges against the National Revenue Fund
-	40.0	330.0	530.0	Unallocated
-	4 090.4	11 405.4	23 375.2	Contingency reserve
-	-	-	-	Projected underspending
809 923.3	888 923.3	968 131.7	1 053 028.6	Total

Table 4 Expenditure by economic classification 2007/08 to 2013/14

R million	Audited outcome			Adjusted appropriation
	2007/08	2008/09	2009/10	2010/11
Current payments				
Compensation of employees	56 221.9	64 819.2	75 276.3	88 740.8
Salaries and wages	46 758.3	53 869.3	62 806.6	74 671.9
Social contributions	9 463.6	10 949.9	12 469.7	14 068.9
Goods and services	32 272.1	38 522.2	41 695.1	47 989.9
Interest and rent on land	52 895.1	54 428.7	57 287.8	67 615.5
Interest (Incl. interest on finance leases)	52 893.9	54 428.5	57 280.1	67 614.7
Rent on land	1.2	0.2	7.7	0.8
Total current payments	141 389.1	157 770.1	174 259.2	204 346.3
Transfers and subsidies to:				
Provinces and municipalities	243 233.6	289 395.9	344 774.7	387 557.9
Provinces	204 668.3	243 851.9	293 163.8	326 000.2
Provincial revenue funds	204 668.3	243 851.9	293 163.8	326 000.2
Municipalities	38 565.4	45 544.0	51 610.8	61 557.8
Municipal bank accounts	38 565.4	45 544.0	51 610.8	61 557.8
Departmental agencies and accounts	44 609.0	53 708.8	57 458.8	56 035.9
Social security funds	8.5	2 508.7	9.7	11.6
Departmental agencies (non-business entities)	44 600.5	51 200.1	57 449.1	56 024.3
Universities and technikons	12 004.1	13 897.7	15 443.5	17 576.1
Foreign governments and international organisations	935.6	1 010.6	1 366.4	1 357.1
Public corporations and private enterprises	19 485.7	20 188.1	21 704.6	20 492.5
Public corporations	14 887.2	14 723.0	19 325.2	18 180.6
Subsidies on products or production	6 293.0	8 060.3	8 477.2	9 836.7
Other transfers to public corporations	8 594.1	6 662.6	10 848.0	8 343.9
Private enterprises	4 598.5	5 465.1	2 379.4	2 311.9
Subsidies on products or production	4 111.4	5 193.5	2 009.5	1 848.5
Other transfers to private enterprises	487.1	271.7	369.9	463.4
Non-profit institutions	1 006.7	1 222.2	1 220.3	1 470.9
Households	70 655.2	79 279.0	90 214.0	98 316.7
Social benefits	65 169.0	73 588.0	84 842.8	92 538.4
Other transfers to households	5 486.3	5 690.9	5 371.2	5 778.3
Total transfers and subsidies	391 929.9	458 702.2	532 182.3	582 807.0
Payments for capital assets				
Buildings and other fixed structures	3 631.3	5 331.6	5 712.2	5 975.7
Buildings	3 356.9	4 860.4	4 598.8	4 757.1
Other fixed structures	274.4	471.2	1 113.4	1 218.5
Machinery and equipment	3 161.5	2 926.7	3 127.6	3 298.6
Transport equipment	1 538.2	1 510.2	1 524.2	1 769.1
Other machinery and equipment	1 623.4	1 416.5	1 603.4	1 529.5
Heritage assets	-	0.1	0.2	-
Specialised military assets	-	-	83.1	19.0
Biological assets	10.6	2.7	2.1	2.0
Land and subsoil assets	27.4	49.0	83.9	0.1
Software and other intangible assets	187.7	198.3	193.2	40.8
Total payments for capital assets	7 018.5	8 508.4	9 202.2	9 336.2
Payments for financial assets	1 105.9	10 972.6	31 553.0	20 889.2
Total	541 443.4	635 953.3	747 196.8	817 378.6
Unallocated	-	-	-	-
Contingency reserve	-	-	-	-
Projected underspending	-	-	-	-1 700.0
Total	541 443.4	635 953.3	747 196.8	815 678.6

Table 4 Expenditure by economic classification 2007/08 to 2013/14

Revised estimate	Medium-term expenditure estimates			R million
	2010/11	2011/12	2012/13	
88 324.0	94 788.4	100 350.8	107 316.5	Current payments
				Compensation of employees
74 278.1	79 661.6	84 435.8	90 409.3	Salaries and wages
14 046.0	15 126.9	15 914.9	16 907.2	Social contributions
46 980.3	52 944.2	55 829.0	59 536.1	Goods and services
66 579.3	76 606.4	90 838.6	104 067.6	Interest and rent on land
66 578.5	76 605.4	90 837.4	104 066.4	Interest (Incl. interest on finance leases)
0.8	1.1	1.2	1.2	Rent on land
201 883.7	224 339.0	247 018.3	270 920.2	Total current payments
				Transfers and subsidies to:
384 334.3	428 131.5	457 512.2	486 602.9	Provinces and municipalities
323 080.3	357 928.6	380 449.6	404 251.4	Provinces
323 080.3	357 928.6	380 449.6	404 251.4	Provincial revenue funds
61 254.0	70 202.9	77 062.5	82 351.5	Municipalities
61 254.0	70 202.9	77 062.5	82 351.5	Municipal bank accounts
55 866.1	68 241.9	73 170.5	78 537.2	Departmental agencies and accounts
11.6	12.4	13.0	13.7	Social security funds
55 854.6	68 229.5	73 157.5	78 523.5	Departmental agencies (non-business entities)
17 571.1	19 365.4	20 766.7	21 953.2	Universities and technikons
1 358.2	1 463.4	1 723.6	1 830.5	Foreign governments and international organisations
20 459.5	23 642.9	25 011.7	25 561.1	Public corporations and private enterprises
18 180.6	20 434.1	21 742.4	22 063.1	Public corporations
9 836.7	9 879.4	9 997.1	8 896.9	Subsidies on products or production
8 343.9	10 554.7	11 745.4	13 166.3	Other transfers to public corporations
2 278.9	3 208.8	3 269.3	3 498.0	Private enterprises
1 813.5	2 718.2	2 663.9	2 856.4	Subsidies on products or production
465.4	490.6	605.4	641.6	Other transfers to private enterprises
1 461.7	1 500.4	1 874.8	2 099.0	Non-profit institutions
97 282.0	106 151.3	115 494.5	124 154.6	Households
91 514.5	101 279.1	110 239.7	118 596.5	Social benefits
5 767.5	4 872.3	5 254.9	5 558.1	Other transfers to households
578 332.9	648 496.9	695 554.1	740 738.6	Total transfers and subsidies
				Payments for capital assets
5 615.9	7 845.0	10 560.6	14 057.6	Buildings and other fixed structures
4 479.1	5 486.6	7 813.1	11 078.5	Buildings
1 136.8	2 358.3	2 747.6	2 979.1	Other fixed structures
3 144.0	3 302.7	3 202.5	3 344.4	Machinery and equipment
1 699.1	1 922.9	1 645.0	1 697.5	Transport equipment
1 444.9	1 379.8	1 557.5	1 646.9	Other machinery and equipment
0.0	-	-	-	Heritage assets
19.0	20.7	21.3	22.4	Specialised military assets
2.0	0.2	0.3	0.3	Biological assets
0.1	-	-	-	Land and subsoil assets
35.9	38.3	39.1	39.9	Software and other intangible assets
8 817.0	11 206.9	13 823.7	17 464.5	Total payments for capital assets
20 889.7	750.1	0.1	0.1	Payments for financial assets
809 923.3	884 792.9	956 396.3	1 029 123.4	Total
-	40.0	330.0	530.0	Unallocated
-	4 090.4	11 405.4	23 375.2	Contingency reserve
-	-	-	-	Projected underspending
809 923.3	888 923.3	968 131.7	1 053 028.6	Total

Table 5 Amounts to be appropriated from the National Revenue Fund for 2011/12

R million	Appropriated (including direct charges) 2010/11	Current payments	Transfers and subsidies	Payments for capital assets 2011/12	Payments for financial assets	To be appropriated	Increase/ Decrease	
Central Government Administration								
1	The Presidency	706.8	417.5	387.8	14.5	-	819.8	113.0
2	Parliament	1 571.9	1 383.1	287.9	3.9	-	1 674.9	103.0
3	Cooperative Governance and Traditional Affairs	41 096.9	691.3	47 222.4	19.8	0.1	47 933.6	6 836.7
4	Home Affairs	5 719.6	4 437.4	1 000.1	26.7	-	5 464.1	-255.5
5	International Relations and Cooperation	4 824.4	3 703.1	809.9	283.7	-	4 796.8	-27.7
6	Performance Monitoring and Evaluation	20.4	72.8	-	3.0	-	75.8	55.4
7	Public Works	6 446.3	2 265.4	4 010.3	1 543.6	-	7 819.3	1 372.9
8	Women, Children and People with Disabilities	97.8	60.5	55.2	2.3	-	117.9	20.2
Financial and Administrative Services								
9	Government Communication and Information System	546.2	334.8	159.2	2.4	-	496.4	-49.8
10	National Treasury	378 589.1	78 015.4	317 463.8	13.7	750.0	396 242.8	17 653.7
11	Public Enterprises	350.6	188.1	40.8	1.4	-	230.2	-120.4
12	Public Service and Administration	651.5	396.5	290.9	2.7	-	690.1	38.6
13	Statistics South Africa	1 973.4	3 188.8	10.5	41.7	-	3 240.9	1 267.5
Social Services								
14	Arts and Culture	2 406.7	392.9	2 069.3	6.4	-	2 468.6	61.9
15	Basic Education	10 918.5	2 136.9	11 025.3	706.0	-	13 868.1	2 949.7
16	Health	22 967.9	1 209.3	24 489.3	32.9	-	25 731.6	2 763.6
17	Higher Education and Training	32 144.9	455.8	36 913.4	8.1	-	37 377.3	5 232.4
18	Labour	1 783.9	1 349.9	599.4	32.1	-	1 981.5	197.6
19	Social Development	95 929.1	543.7	104 177.1	11.9	-	104 732.7	8 803.6
20	Sport and Recreation South Africa	1 245.6	222.5	574.1	6.0	-	802.7	-442.9
Justice, Crime Prevention and Security								
21	Correctional Services	15 129.0	15 342.1	31.3	1 185.8	-	16 559.2	1 430.2
22	Defence and Military Veterans	30 715.3	27 278.4	6 978.0	348.6	-	34 605.0	3 889.6
23	Independent Complaints Directorate	129.3	147.6	0.1	4.0	-	151.6	22.3
24	Justice and Constitutional Development	12 180.4	10 933.7	1 791.1	792.9	-	13 517.7	1 337.3
25	Police	52 556.4	54 596.4	464.6	3 000.5	-	58 061.5	5 505.1
Economic Services and Infrastructure								
26	Agriculture, Forestry and Fisheries	3 708.0	2 039.4	2 567.8	112.5	-	4 719.7	1 011.8
27	Communications	2 114.0	585.2	1 299.6	4.3	-	1 889.1	-224.9
28	Economic Development	418.6	123.2	464.8	6.5	-	594.5	175.9
29	Energy	5 535.4	297.2	5 784.9	7.8	-	6 089.9	554.5
30	Environmental Affairs	2 557.8	1 119.1	1 219.0	508.0	-	2 846.1	288.3
31	Human Settlements	19 215.6	642.2	21 700.6	235.7	-	22 578.5	3 362.9
32	Mineral Resources	1 030.0	587.6	438.4	10.1	-	1 036.2	6.2
33	Rural Development and Land Reform	6 769.6	2 524.1	5 564.7	35.4	-	8 124.2	1 354.7
34	Science and Technology	4 615.5	369.7	4 031.6	3.3	-	4 404.6	-210.9
35	Tourism	1 151.8	268.2	968.0	6.7	-	1 242.9	91.0
36	Trade and Industry	6 150.1	1 172.4	5 600.4	14.1	-	6 786.9	636.8
37	Transport	30 178.0	841.8	34 238.0	4.1	-	35 084.0	4 906.0
38	Water Affairs	7 996.6	4 005.2	3 767.2	2 163.9	-	9 936.2	1 939.6
Total	812 142.9	224 339.0	648 496.9	11 206.9	750.1	884 792.9	72 650.0	

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

Table 6a Conditional grants to provinces 2007/08 to 2013/14¹

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Central Government Administration								
3	–	29.7	–	214.4	214.4	305.0	180.0	190.0
7	836.6	889.3	1 466.0	2 252.9	2 181.3	2 270.9	2 504.8	2 778.5
Financial and Administrative Services								
10	–	–	4 200.0	–	–	–	–	–
Social Services								
14	163.2	344.6	440.6	512.7	512.7	543.4	570.8	602.2
15	4 012.9	5 215.6	6 460.1	8 683.6	7 107.4	10 546.4	11 330.6	11 953.7
16	12 368.6	14 988.7	17 523.8	21 363.7	20 483.0	23 947.7	25 746.5	28 175.2
17	2 435.3	3 005.8	3 155.3	3 804.0	3 804.0	4 326.0	4 705.1	5 262.4
20	194.0	293.7	402.3	426.4	426.4	452.0	474.6	500.7
Economic Services and Infrastructure								
26	761.7	898.0	973.7	1 166.9	1 166.9	1 487.1	1 683.9	1 866.9
31	6 988.5	8 727.6	10 819.3	13 032.1	13 032.1	14 941.5	15 599.4	16 457.4
37	5 853.7	7 663.3	10 832.1	9 404.1	9 012.8	10 615.9	11 928.5	12 860.0
Total	33 614.6	42 056.3	56 273.0	60 860.7	57 940.8	69 435.8	74 724.2	80 647.0

1. Detail provided in the Division of Revenue Act (2011).

Table 6b Conditional grants to municipalities 2007/08 to 2013/14¹

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Central Government Administration								
3	7 167.2	7 186.4	8 988.3	9 726.7	9 726.7	12 132.9	14 474.2	15 272.1
7	–	–	100.5	623.0	551.4	679.6	665.7	779.5
Financial and Administrative Services								
10	716.5	361.5	808.1	1 394.6	1 186.6	1 184.6	1 279.3	1 326.1
Social Services								
20	4 605.0	4 295.0	2 168.7	512.6	512.6	–	–	–
Economic Services and Infrastructure								
29	462.5	589.1	1 074.6	1 240.1	1 240.1	1 376.6	1 151.4	1 214.8
31	2 948.3	3 572.4	4 418.2	5 157.6	5 157.6	6 267.0	7 409.5	8 126.8
37	1 174.0	2 928.7	2 431.0	3 709.9	3 709.9	4 838.8	5 037.2	5 602.9
38	732.9	994.6	902.4	990.5	966.3	1 010.8	399.0	420.9
Total	17 806.4	19 927.6	20 891.8	23 354.9	23 051.2	27 490.3	30 416.4	32 743.1

1. Detail provided in the Division of Revenue Act (2011).

Table 7 Training expenditure per vote 2007/08 to 2013/14

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Central Government Administration							
1 The Presidency	2.3	1.4	1.9	2.1	2.4	2.5	2.8
2 Parliament	10.6	11.9	10.1	10.4	14.2	15.0	16.8
3 Cooperative Governance and Traditional Affairs	2.3	1.7	1.8	2.4	5.0	5.2	5.5
4 Home Affairs	32.4	34.0	26.4	48.5	37.2	37.5	39.6
5 International Relations and Cooperation	13.1	8.1	12.4	19.6	16.6	17.8	20.0
7 Public Works	15.2	15.2	22.0	27.5	24.8	24.8	26.1
8 Women, Children and People with Disabilities	–	–	–	0.2	0.3	0.4	0.5
Financial and Administrative Services							
9 Government Communication and Information System	4.7	4.2	4.4	4.9	4.8	5.0	5.3
10 National Treasury	16.1	16.9	10.0	20.0	10.8	11.6	12.2
11 Public Enterprises	1.3	2.3	2.2	3.3	2.9	3.1	3.4
12 Public Service and Administration	2.2	3.7	2.6	3.4	3.2	3.4	3.7
13 Statistics South Africa	11.9	14.0	21.2	38.5	21.4	22.5	23.7
Social Services							
14 Arts and Culture	3.1	4.5	2.1	2.3	1.6	1.7	1.8
15 Basic Education	2.8	6.5	1.7	2.8	1.9	2.0	2.1
16 Health	9.5	1.8	4.5	5.5	4.0	4.5	4.9
17 Higher Education and Training	2.5	2.9	1.9	2.4	1.3	1.3	1.3
18 Labour	6.5	8.9	8.3	8.9	11.8	12.0	12.7
19 Social Development	1.7	1.8	2.3	2.5	2.7	2.9	3.0
20 Sport and Recreation South Africa	0.9	0.9	1.1	1.2	1.6	1.6	1.5
Justice, Crime Prevention and Security							
21 Correctional Services	125.6	76.0	89.5	64.0	100.5	105.6	111.0
22 Defence and Military Veterans	87.4	117.7	113.6	145.6	131.9	133.0	141.2
23 Independent Complaints Directorate	0.6	0.4	0.7	1.2	1.2	1.3	1.4
24 Justice and Constitutional Development	18.3	37.5	86.4	78.9	83.6	89.4	94.0
25 Police	966.0	1 124.0	1 253.4	1 386.6	1 449.0	1 514.2	1 590.0
Economic Services and Infrastructure							
26 Agriculture, Forestry and Fisheries	20.3	24.2	16.4	20.0	13.1	14.9	25.5
27 Communications	3.7	6.0	9.0	5.9	6.7	7.3	7.7
28 Economic Development	–	–	–	0.1	0.8	0.9	1.0
29 Energy	0.7	1.6	2.1	2.1	2.7	2.9	3.3
30 Environmental Affairs	2.1	2.2	2.3	2.5	4.1	4.2	4.3
31 Human Settlements	1.2	2.9	2.3	14.1	4.0	4.3	4.5
32 Mineral Resources	1.7	3.8	9.1	3.5	3.9	4.1	4.4
33 Rural Development and Land Reform	9.0	9.4	11.9	12.6	13.3	13.9	–
34 Science and Technology	1.7	2.0	3.2	5.1	5.4	5.6	5.9
35 Tourism	1.4	1.5	1.0	1.0	1.0	1.1	1.1
36 Trade and Industry	1.0	2.5	9.3	11.0	13.4	14.1	14.9
37 Transport	3.2	1.8	3.9	4.0	2.9	3.1	3.5
38 Water Affairs	38.9	40.8	50.6	56.7	62.4	68.6	75.5
Total	1 421.9	1 595.3	1 801.5	2 021.3	2 069.6	2 164.4	2 277.3

Table 8 Infrastructure expenditure per vote 2007/08 to 2013/14¹

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates			
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	
Central Government Administration								
3	Cooperative Governance and Traditional Affairs	6 967.2	6 969.0	8 727.5	9 514.7	11 500.2	13 983.1	14 752.2
4	Home Affairs	122.9	136.0	102.0	131.1	209.8	215.8	248.0
5	International Relations and Cooperation	649.9	926.7	165.3	267.9	250.9	318.2	319.2
7	Public Works	488.0	988.4	1 253.6	1 376.0	1 443.9	1 474.7	1 724.7
Financial and Administrative Services								
10	National Treasury	41.2	373.5	578.1	1 155.0	853.6	880.0	855.0
Social Services								
14	Arts and Culture	281.2	448.6	449.7	447.8	455.6	483.0	509.5
15	Basic Education	2 636.0	3 101.5	3 884.7	4 832.3	6 398.3	8 408.2	11 617.3
16	Health	5 507.8	3 361.4	3 720.5	5 403.0	5 838.1	6 156.9	5 989.0
18	Labour	64.4	37.6	26.9	28.5	44.2	10.5	7.6
20	Sport and Recreation South Africa	4 605.0	4 295.0	2 168.7	512.6	-	-	-
Justice, Crime Prevention and Security								
21	Correctional Services	1 005.3	948.5	833.6	950.9	968.3	1 016.8	1 072.7
22	Defence and Military Veterans	8.1	621.3	665.0	732.7	1 058.4	1 085.7	1 118.0
24	Justice and Constitutional Development	361.1	479.5	590.1	631.4	759.4	1 105.0	1 161.7
25	Police	732.5	991.2	1 070.1	1 118.2	1 235.3	1 544.6	1 629.5
Economic Services and Infrastructure								
26	Agriculture, Forestry and Fisheries	105.3	110.3	131.7	181.7	260.1	239.3	141.0
27	Communications	646.0	750.0	920.0	540.9	404.0	317.0	376.1
29	Energy	1 435.6	1 739.9	2 400.3	4 239.9	4 334.4	4 533.5	3 200.3
30	Environmental Affairs	603.7	405.4	477.5	637.7	647.8	149.7	187.5
31	Human Settlements	9 936.8	12 300.0	15 087.4	18 155.9	21 440.0	23 488.4	25 101.5
33	Rural Development and Land Reform	5.6	6.3	2.8	6.9	21.2	11.3	4.2
34	Science and Technology	272.0	408.0	699.3	236.9	254.2	473.1	595.2
36	Trade and Industry	911.0	967.5	1 407.3	1 224.4	827.4	839.6	629.9
37	Transport	10 889.1	13 915.3	16 955.1	19 747.4	23 128.1	25 592.1	27 901.4
38	Water Affairs	930.4	1 904.1	2 212.8	2 764.0	4 123.8	4 455.1	5 064.6
Total		49 206.1	56 185.0	64 530.2	74 837.7	86 457.1	96 781.5	104 206.1

1. Amounts include mega infrastructure projects and programmes (over R300 million per year for a minimum of three years, or R900 million total project cost), large projects and programmes (between R300 million and R50 million per year within a given MTEF period), small projects and programmes (less than R50 million per year). Infrastructure transfers to other spheres, agencies and entities, fixed installations transferred to households and maintenance and repair projects are also included. Details are provided in the additional tables in each vote.

Table 9 Personnel expenditure per vote 2007/08 to 2013/14

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates			
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14	
Central Government and Administration									
1	The Presidency	117.1	141.7	181.9	209.5	209.5	237.4	251.4	275.6
2	Parliament	517.3	651.0	784.6	868.1	868.1	936.1	990.2	1 046.8
3	Cooperative Governance and Traditional Affairs	128.1	153.8	165.7	232.1	232.1	232.9	245.9	258.1
4	Home Affairs	1 087.0	1 296.0	1 637.1	1 971.1	1 971.1	2 206.6	2 317.5	2 443.5
5	International Relations and Cooperation	1 293.2	1 683.4	1 833.3	1 858.6	1 858.6	1 704.5	1 811.9	2 034.5
6	Performance Monitoring and Evaluation	1.6	2.6	3.4	22.5	22.5	50.9	84.0	102.7
7	Public Works	721.5	801.0	976.1	1 200.9	1 200.9	1 242.1	1 241.2	1 305.1
8	Women, Children and People with Disabilities	4.8	5.9	9.8	24.1	24.1	34.6	39.9	46.3
Financial and Administrative Services									
9	Government Communication and Information System	116.2	114.0	138.7	150.7	150.7	165.4	173.4	183.2
10	National Treasury	272.7	321.0	402.1	552.6	511.2	605.9	637.7	672.2
11	Public Enterprises	56.0	70.4	75.2	90.3	90.3	96.5	101.0	106.2
12	Public Service and Administration	115.8	129.1	156.8	183.6	183.6	208.8	229.5	250.5
13	Statistics South Africa	472.0	700.7	879.2	978.7	931.6	1 531.0	1 165.0	1 185.0
Social Services									
14	Arts and Culture	107.2	126.8	146.3	152.9	152.9	164.8	174.3	183.7
15	Basic Education	150.4	186.3	225.2	271.1	271.1	325.6	349.3	371.7
16	Health	258.6	292.5	333.0	385.0	385.0	424.0	465.0	492.0
17	Higher Education and Training	146.2	174.8	201.8	251.6	249.6	301.5	334.1	359.7
18	Labour	497.9	491.3	576.5	744.8	701.9	786.3	865.8	915.2
19	Social Development	133.6	184.1	220.1	254.9	254.9	267.8	285.1	300.4
20	Sport and Recreation South Africa	43.4	54.5	61.3	75.8	74.3	79.9	84.0	88.4
Justice, Crime Prevention and Security									
21	Correctional Services	6 799.2	8 077.8	9 065.5	10 247.5	10 247.5	10 964.9	11 522.8	12 191.7
22	Defence and Military Veterans	9 735.9	10 620.0	12 705.6	16 219.0	16 219.0	16 770.7	17 700.5	18 787.8
23	Independent Complaints Directorate	45.7	58.0	65.1	75.8	75.8	86.6	91.8	97.2
24	Justice and Constitutional Development	4 250.9	5 326.2	6 028.1	7 262.9	7 224.1	7 631.2	8 382.2	8 850.6
25	Police	25 610.6	29 147.4	33 771.5	38 416.1	38 416.1	41 070.3	43 643.2	47 181.7
Economic Services and Infrastructure									
26	Agriculture, Forestry and Fisheries	811.1	931.3	1 082.2	1 199.6	1 199.6	1 273.0	1 395.3	1 474.5
27	Communications	97.7	108.0	129.6	164.6	164.6	171.7	179.3	188.0
28	Economic Development	-	-	7.9	57.7	33.7	79.2	91.8	96.5
29	Energy	85.5	103.0	133.3	147.9	147.9	181.7	192.4	218.3
30	Environmental Affairs	182.5	197.7	254.0	333.1	333.1	405.2	426.6	451.1
31	Human Settlements	103.5	134.2	166.9	289.0	289.0	319.0	331.9	346.8
32	Mineral Resources	210.1	231.0	275.1	343.7	343.7	377.6	401.0	421.8
33	Rural Development and Land Reform	476.4	614.2	760.9	1 196.8	1 196.8	1 395.7	1 523.3	1 608.9
34	Science and Technology	102.1	141.6	167.5	223.7	223.7	225.3	237.6	259.6
35	Tourism	130.8	106.4	89.6	101.1	101.1	141.9	158.4	169.4
36	Trade and Industry	327.5	383.1	437.7	569.8	533.3	602.2	644.2	676.4
37	Transport	131.3	182.6	228.1	266.2	266.2	294.4	309.9	326.5
38	Water Affairs	880.5	875.6	899.8	1 147.3	964.8	1 195.4	1 272.4	1 348.8
Total		56 221.9	64 819.2	75 276.3	88 740.8	88 324.0	94 788.4	100 350.8	107 316.5

Table 10 Departmental receipts per vote 2007/08 to 2013/14¹

R million	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimates			
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14	
Central Government Administration									
1	The Presidency	0.3	0.2	0.6	0.5	0.5	0.3	0.3	0.3
2	Parliament	43.4	45.9	38.5	15.5	15.5	11.9	11.5	11.2
3	Cooperative Governance and Traditional Affairs	0.7	0.8	0.5	0.6	0.6	0.6	0.6	0.6
4	Home Affairs	421.1	355.7	442.2	455.3	455.3	482.6	506.7	557.4
5	International Relations and Cooperation	65.1	43.6	23.2	22.0	31.2	22.9	24.0	25.3
6.	Performance Monitoring and Evaluation	-	-	-	-	-	-	-	-
7	Public Works	95.8	28.5	39.6	30.9	30.9	38.7	40.6	42.6
8	Women, Children and People with Disabilities	-	-	-	-	-	-	-	-
Financial and Administrative Services									
9	Government Communication and Information System	3.1	3.3	2.9	3.0	2.7	2.5	2.6	2.6
10	National Treasury	5 095.8	5 270.4	2 543.6	3 204.2	2 842.2	1 233.2	2 391.4	2 746.0
11	Public Enterprises	0.1	0.8	1.2	1.2	1.2	0.1	0.1	0.1
12	Public Service and Administration	2.7	1.0	2.2	0.7	0.7	0.7	0.8	0.8
13	Statistics South Africa	17.7	2.8	8.5	2.2	2.2	2.4	2.5	2.7
Social Services									
14	Arts and Culture	0.4	3.6	1.1	0.8	0.8	0.8	0.9	1.1
15	Basic Education	1.9	1.5	0.7	1.2	1.5	1.0	1.1	1.2
16	Health	41.2	31.2	45.2	31.5	31.5	32.8	32.9	36.2
17	Higher Education and Training	6.9	6.7	6.7	7.9	7.9	7.9	8.0	8.0
18	Labour	8.4	28.9	12.9	16.1	16.1	22.4	24.3	25.5
19	Social Development	237.0	16.5	30.6	218.3	0.2	10.1	10.1	10.1
20	Sport and Recreation South Africa	0.0	0.3	0.2	0.3	0.3	0.4	0.4	0.4
Justice, Crime Prevention and Security									
21	Correctional Services	136.3	80.5	108.5	143.4	120.4	126.1	132.3	139.2
22	Defence and Military Veterans	551.9	629.4	699.9	902.5	902.5	803.5	843.7	885.9
23	Independent Complaints Directorate	0.4	0.1	0.2	0.2	0.1	0.1	0.2	0.2
24	Justice and Constitutional Development	317.0	356.8	382.9	377.6	377.6	399.8	422.5	443.7
25	Police	345.1	376.5	347.6	272.9	280.3	263.9	258.7	257.1
Economic Services and Infrastructure									
26	Agriculture, Forestry and Fisheries	121.1	254.0	250.5	119.3	119.3	121.5	118.2	123.6
27	Communications	3 007.4	3 520.1	1 344.8	1 398.7	898.9	913.4	928.0	943.4
28	Economic Development	229.3	244.4	456.0	230.0	366.3	243.8	250.0	263.8
29	Energy	1.2	3.3	4.4	3.7	3.7	3.9	4.1	4.2
30	Environmental Affairs	4.7	8.5	2.1	4.1	4.1	2.8	2.8	2.8
31	Human Settlements	0.7	2.4	0.7	1.2	1.2	0.5	0.6	0.6
32	Mineral Resources	267.1	261.3	212.7	99.0	99.0	27.6	28.0	28.3
33	Rural Development and Land Reform	176.4	64.2	44.0	41.7	41.7	69.0	64.5	68.3
34	Science and Technology	0.2	0.3	1.6	0.4	0.7	0.1	0.1	0.1
35	Tourism	-	-	0.7	1.5	1.5	-	-	-
36	Trade and Industry	94.2	64.9	52.6	108.3	90.3	115.0	120.3	121.5
37	Transport	362.5	215.8	106.1	266.7	266.7	137.4	144.3	151.5
38	Water Affairs	0.1	26.6	76.3	42.1	42.1	22.9	24.3	25.9
Total departmental receipts as per Estimates of National Expenditure									
Total departmental receipts as per Estimates of National Expenditure									
Less: Parliament (retained departmental receipts)									
Plus: Direct receipts into the National Revenue Fund (National Treasury) ²									
Plus: South African Revenue Service departmental receipts collection									
Total departmental receipts as per Budget Review									
Total departmental receipts as per Budget Review									

1. Departmental receipts exclude extraordinary receipts which are deposited into the National Revenue Fund. Extraordinary receipts are included in the Budget Review.

2. Direct receipts into the National Revenue Fund in this instance refer to Levy accounts/exchange control forfeits collected by the South African Reserve Bank.

Information contained in each chapter

The Estimates of National Expenditure publication describes in detail the planned spending of all national government departments for three years going forward: that is, the years of the medium term expenditure framework (MTEF). The Estimates of National Expenditure is tabled in Parliament by the Minister of Finance on the day the main Budget is tabled. It provides details about the allocation of expenditure to all national departments set out in the Appropriation Bill, which is tabled on the same day.

The main divisions of the Appropriation Bill are divided into votes. A vote generally specifies the total amount appropriated per department, but more than one department may be contained within a single vote. Each chapter in the Estimates of National Expenditure relates to a vote. By appropriating funds from the National Revenue Fund through the approval of the Appropriation Bill, Parliament authorises expenditure.

Votes are arranged into the following functional groupings to facilitate analysis of interdepartmental initiatives and service delivery.

- central government administration
- financial and administrative services
- social services
- justice, crime prevention and security
- economic services and infrastructure.

These functional groupings are informal and are not the same as either the government's cluster system groupings or the standard chart of accounts' more rigorous classification of government functions. In the functional budgeting approach linked to the outcomes approach which has been adopted, these groupings are disaggregated further.

More detailed information for each vote is available on www.treasury.gov.za. More comprehensive coverage of vote specific information, particularly about goods and services, transfers, donor funding, public entities and lower level institutional information is provided.

The chapter for each vote contains the following information:

Budget summary

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

R million	2011/12					2012/13	2013/14
	Total to be Appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
MTEF allocation							
Programme name							
Programme name							
Programme name							
Subtotal							
Direct charge against the National Revenue Fund							
Item							
Item							
Total expenditure estimates							
Executive authority	Minister						
Accounting officer	Director-General / Chief Operating Officer						
Website address							

Due to rounding off, the figures do not necessarily add up to the total. Figures are mostly denoted in rand million unless otherwise indicated.

The **2011/12 total to be appropriated** shows the expenditure allocation per programme and the aggregated amount for 2011/12 and corresponds with the information in the 2011 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 mainly consist of 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, unlike other financial transactions, 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, which can be seen in the expenditure estimates table.

Estimates for the two outer years of the expenditure framework, **2012/13** and **2013/14**, are also shown. These estimates are not included in the 2011 Appropriation Bill as they are still only indicative of actual expenditure levels in the outer years of the MTEF period. Parliament typically only appropriates or authorises expenditure for one financial year at a time. These forward estimates or indicative allocations do, however, form the basis for the planning of the 2012 Budget.

Direct charges against the National Revenue Fund are amounts spent in terms of statutes and do not require parliamentary approval and thus are not contained in the Appropriation Bill. They are not budgeted for under any programme on a particular vote and include, for example, state debt costs.

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 lines of the table provide accountability information: the vote's executive authority, accounting officer and website address.

Aim

The aim of the vote captures the department's mandate, strategic objectives or administrative functions, and corresponds with the aim stated in the Appropriation Bill.

Programme purposes

Each vote is comprised of several programmes. The activities and functions performed by a department are typically divided into these programmes. Programme 1 is the *Administration* programme, which houses the administrative activities and functions required to keep the department operating. Each vote programme is listed individually with its purpose, as stated in the Appropriation Bill. The programme purpose outlines the activities and functions of the particular programme as per the approved budget programme structure, in terms of the Public Finance Management Act (1999).

Strategic overview: 2007/08 – 2013/14

This section describes the department's strategic direction over the period under review. It includes policy and mandate developments, legislative changes, a discussion on how the department will contribute towards the achievement of outcomes that are attributed to it and the related outputs listed in the service delivery agreements, as well as a table of selected quantitative and trendable performance indicators.

Savings and cost effectiveness measures

In this section, departments discuss details of the reprioritisation of budgets and savings and cost reduction measures to be effected over the MTEF period.

These typically emanate from reduced expenditure on non-core goods and services, the rescheduling of expenditure over time in the case of delays, reduced transfers to certain public entities, improved financial management, reduced expenditure on administration in favour of frontline services and through seeking alternative sources of financing.

Selected performance indicators

Indicator	Programme	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14

The table presents only a selected set of a department or entity's performance information and is not intended to provide a comprehensive view of performance. It should, however, contain key performance indicators that form part of the service delivery agreements.

An **indicator** is a numerical measure that tracks a department's or entity's progress towards its goal. An indicator may measure inputs, activities, outputs, outcomes or in certain instances explanatory information relating to the internal or external environment.

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

Expenditure estimates

This table shows expenditure outcomes and estimates over a seven-year period, by vote programme and by economic classification item.

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13
R million								
1. Programme name								
2. Programme name								
3. Programme name								
Subtotal								
Direct charge against the National Revenue Fund								
Item								
Item								
Total								
Change to 2010 Budget estimate								

Economic classification

Current payments			
Economic classification item			
Economic classification item			
Transfers and subsidies			
Economic classification item			
Economic classification item			
Payments for capital assets			
Economic classification item			
Economic classification item			
Payments for financial assets			
Total			

Expenditure is set out first by **programme** and then by **economic classification** over a seven-year period.

For comparability, where programme structures have been changed in recent years, expenditure has, where possible, been reallocated to the new approved programme structure for all seven years.

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.

Adjusted appropriation includes any changes made to the appropriation voted in the main 2010 Budget for the financial year, with amounts reallocated for any subsequent approved programme structure changes. 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 the Adjustments Appropriation Bill, which Parliament approved before expenditure could take place, and the details were published in the Adjusted Estimates of National Expenditure publication.

The **revised estimate** for 2010/11 represents National Treasury's current estimate, in consultation with the department, of expenditure outcomes. This does not imply a change in the amounts voted to departments in the 2010/11 adjusted appropriation; it is merely a more recent estimate of what the department is likely to spend in this financial year.

The **medium-term expenditure estimates** are shown for 2011/12, 2012/13 and 2013/14. The spending figures for 2011/12 constitute the proposed appropriation to be funded from the National Revenue Fund that 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 2012/13 and 2013/14 are indicative allocations, and will form the basis for planning the 2012 Budget.

Direct charges against the National Revenue Fund are amounts spent in terms of statutes and do not require parliamentary approval and thus are not contained in the Appropriation Bill. They are not budgeted for in terms of a programme on a particular vote and include, for example, state debt costs.

The **totals**, which are the sum of the expenditure on programmes and direct charges, are also classified into current payments, transfers and subsidies, payments for capital assets and payments for financial assets.

Expenditure trends

The main expenditure trends and vote programme structure changes from 2007/08 to 2013/14 are described. Trends are generally represented over the MTEF period between 2010/11 and 2013/14, or over the entire period between 2007/08 and 2013/14.

An explanation of the spending focus over the MTEF period in relation to the strategic objectives and the performance targets that will be achieved over the period is given. Expenditure growth in the historical period is also typically compared to expenditure anticipated over the MTEF period. Reasons are given for trends that are identified, and the significant increases or decreases in expenditure are explained in terms of the underlying policies that inform the trends. A summary of the new (additional) allocations to the vote programme's baseline budget is given. The baseline is derived from the previous year's forward estimates after consideration of savings, cost reduction and reprioritisation opportunities.

Generally, unless otherwise indicated, average annual growth rates are reflected in nominal, not real, terms. Where inflationary growth has been excluded from the calculation and real growth estimates are provided, the consumer price index has been used to deflate the growth rate.

Personnel information

A brief summary of the personnel posts per programme by salary level is given.

Infrastructure spending

Expenditure on existing, new and mega infrastructure is discussed.

Departmental receipts

Departmental anticipated (non-tax) receipts for the MTEF period are described in relation to receipts for 2010/11.

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Departmental receipts								
Economic classification item								
Economic classification item								
Total								

Information on each programme

Each programme section (with the exception of the *Administration* programme) opens with the purposes and activities of the subprogrammes that form that programme. Key functions, activities and transfers are highlighted by subprogramme. The work carried out by the subprogramme is explained in relation to the personnel responsible, the spending allocation of the funding, and outputs achieved.

Programme 1 is always *Administration*, which 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.

Objectives and measures

Objectives and measures are indicated for each programme. Objectives should include an explanation of strategic intent as well as specific interventions and progress measures. (Programme 1 (*Administration*) is generally exempt from providing objectives and measures.)

For example: Improve the provision of specified services and products to eligible citizens and residents (strategic intent/objective) by reducing the time taken to issue passports and travel documents (specific intervention) from 10 days in 2010/11 to 5 days in 2013/14 (progress measure).

Expenditure estimates (per programme)

Tables for each programme set out expenditure by subprogramme and economic classification over a seven-year period.

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R million							
Subprogramme name							
Subprogramme name							
Subprogramme name							
Total							
Change to 2010 Budget estimate							
Economic classification							
Current payments							
Economic classification item							
Economic classification item							
Transfers and subsidies							
Economic classification item							
Economic classification item							
Payments for capital assets							
Economic classification item							
Economic classification item							
Payments for financial assets							
Total							

Expenditure trends (per programme)

Important expenditure trends for each programme are explained. The scope of the information provided in this section is similar to what is provided for the entire vote.

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.

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

- key legislative mandates in terms of which the entity was established and within which it operates as well as the outcomes and related outputs as stated in service delivery agreements
- selected performance indicators relating to the entity's mandate
- planned deliverables for the next MTEF period
- key achievements during the previous reporting periods
- 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
- reprioritisation, savings and cost effectiveness measures implemented
- personnel expenditure by salary level
- a list of other entities for which more detail appears on www.treasury.gov.za appears at the end of each chapter together with a short description of what the entity does and its total budget.

Additional tables

Additional tables appear at the end of the vote. These include:

Summary of expenditure trends and estimates per programme and economic classification

This table shows the budgeted expenditure and the revised estimate for 2010/11 as well as the audited outcome for 2009/10.

Details of approved establishment and personnel numbers per salary level

Employment information is provided in respect of the department. The amount spent by a department on compensation of employees is shown.

Information is provided on the **number of personnel posts filled/planned for on funded establishment** in the department at different salary levels **per programme** as at 30 September 2010.

Number of posts on approved establishment refers to the number of departmental employment positions approved by the Department of Public Service and Administration.

Number of funded posts refers to the number of departmental employment positions which are provided for within the budget.

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

Summary of expenditure on training

Information is provided on the funds spent on training as a proportion of compensation of employees, and the number of people trained by the department.

Summary of conditional grants to provinces and municipalities

A conditional grant refers to an allocation made by the national government, from its nationally raised revenue, to a province, local government or municipality, on condition that certain requirements or services are met.

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 related to 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 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, technical cooperation and financial cooperation.

The **programme** column links the donor funding to the vote programme that is associated with it.

The **spending focus** shows what the department aims to achieve by using the funding.

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 own.

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

Fixed installations transferred to households shows the transfer of funds to individual South Africans to be used for the construction of fixed 'on-site' structures that enhance the welfare of households.

Maintenance refers to all maintenance, repairs and refurbishment expenditure on infrastructure that prolongs the life and retains the value of the infrastructure asset. This item does not include day-to-day maintenance.

In all expenditure and revenue tables a dash (-) indicates that information is unavailable or zero.

Trade and Industry

**National Treasury
Republic of South Africa**



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Vote 36

Trade and Industry

Budget summary

R thousand	2011/12				2012/13	2013/14
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	466 270	455 820	630	9 820	499 423	558 780
International Trade and Economic Development	129 679	95 199	33 850	630	132 595	139 934
Empowerment and Enterprise Development	839 695	84 843	754 482	370	863 124	909 349
Industrial Development	1 266 895	105 871	1 160 494	530	1 487 194	1 490 974
Consumer and Corporate Regulation	231 671	66 295	165 376	–	242 109	256 712
The Enterprise Organisation	3 469 114	122 799	3 345 315	1 000	3 743 267	3 795 792
Trade and Investment South Africa	306 131	164 614	140 267	1 250	315 115	332 080
Communication and Marketing	77 441	76 910	–	531	84 077	88 816
Total expenditure estimates	6 786 896	1 172 351	5 600 414	14 131	7 366 904	7 572 437
Executive authority	Minister of Trade and Industry					
Accounting officer	Director-General of Trade and Industry					
Website address	www.thedti.gov.za					

Aim

Lead and facilitate access to sustainable economic activity and employment for all South Africans through its understanding of the economy, its knowledge of economic opportunities and potential, and its anticipation of future economic trends. The department also aims to catalyse economic transformation and development, and provide a predictable, competitive, equitable and socially responsible environment for investment, enterprise and trade for economic citizens. In this way, the department will contribute to achieving government's vision of an adaptive and restructured economy, characterised by accelerated economic growth, employment creation and greater equity by 2014.

Programme purposes

Programme 1: Administration

Purpose: Strategic leadership for the department and its agencies, to ensure the successful implementation of the department's mandate through sustainable and integrated resource solutions and services that are customer centric.

Programme 2: International Trade and Economic Development

Purpose: Build an equitable global trading system that facilitates development, by strengthening trade and investment links with key economies and by fostering African development, including through regional and continental integration and development cooperation in line with the New Partnership for Africa's Development.

Programme 3: Empowerment and Enterprise Development

Purpose: Lead the development of policies and strategies that create an enabling environment for small, medium and micro enterprises, and enhance the competitiveness of local and provincial economies, to achieve inclusive shared equity, growth and job creation.

Programme 4: Industrial Development

Purpose: Design and implement policies, strategies and programmes for the development of manufacturing and related sectors of the economy, contribute to the direct and indirect creation of decent jobs, add value and increase competitiveness in both domestic and export markets.

Programme 5: Consumer and Corporate Regulation

Purpose: Develop and implement coherent, predictable and transparent regulatory solutions that facilitate easy access to redress and efficient regulation for economic citizens.

Programme 6: The Enterprise Organisation

Purpose: Stimulate and facilitate the development of sustainable, competitive enterprises through the efficient provision of effective and accessible incentive measures that support national priorities.

Programme 7: Trade and Investment South Africa

Purpose: Increase export capacity and support direct investment flows through strategies for targeted markets and an effectively managed network of foreign trade offices.

Programme 8: Communication and Marketing

Purpose: Facilitate greater awareness of the department's role and increase the uptake of its products and services.

Strategic overview: 2007/08 – 2013/14

The Department's medium term strategy is guided by three main objectives: increased investment levels; increased labour absorption and competitiveness; and broader participation in the economy. Concretely, meeting these objectives involves: coordinating the implementation of government priorities; promoting direct investment and growth in the industrial and services economy, with particular focus on creating employment; raising the level of exports and promoting equitable trade; promoting broader participation, equity and redress in the economy; and contributing to the development and regional integration of Africa within the New Partnership for Africa's Development (NEPAD) framework.

In addition, the department's strategy has been aligned with government's 12 outcomes. The department contributes directly to the creation of decent employment through inclusive economic growth (outcome 4) through the following outputs: faster and sustainable inclusive growth (output 1); more labour absorbing growth (output 2); increased competitiveness to raise net exports, grow trade as a share of world trade and improve its composition (output 4); improved support to small businesses and cooperatives (output 6); and the development of a competitive and integrated SMME sector. Specific programmes have been developed over the MTEF period through which the department will contribute towards these outputs.

The department is responsible for managing government's industrial policy and has developed a detailed implementation plan, the industrial policy action plan 2, released in February 2010. The document lays out specific projects, many of which are housed within the department's programmes and entities. The minister's service delivery agreement is linked to the progress of the plan as well as the creation of decent employment through inclusive economic growth (outcome 4). The organisation of the department is aligned with the broad themes of: industrial development; trade, investment and exports; broadening participation; regulation; and administration and coordination. The structure will also accommodate the changes in activity and direction that the department makes as it aligns its work with the outcomes of government and the plans laid out in the industrial policy action plan 2.

Strategic focus

Broadening participation

One of the key industrial policy goals is the promotion of a broader based industrial path where there is more participation by historically disadvantaged economic citizens and marginalised regions in the mainstream of the

industrial economy. To this end, the department will promote enterprise development, economic empowerment, the development of skills for the economy, the facilitation of economic infrastructure, as well as enhancing technology and innovation.

The focus will be on improving productivity, reducing the regulatory burden and cost of doing business, improving access to finance for small, medium and micro enterprises (SMMEs) and cooperatives, improving innovation in the domestic economy, promoting the development and sustainability of SMMEs and cooperatives, and encouraging entrepreneurship and self-employment. Business development support programmes will therefore be strengthened and regulatory impact assessment will be addressed to create a conducive environment for enterprise growth.

The department will work to increase and diversify economic opportunities for black people, and for black owned and women owned enterprises, especially in priority industrial sectors. It will undertake a review of the broad based black economic empowerment (BEE) legislation and regulations to enhance efficiency, and expand opportunities for broader participation in the economy. Special attention will be given to preferential procurement and black supplier development initiatives.

Industrial development

To improve the economy's performance, as well as investment, employment, and competitiveness, the department will implement appropriate policies and strategies. The automotive and clothing and textiles sectors have been identified as key strategic sectors for which the department will continue improving incentive schemes to boost manufacturing capacity and support job creation.

Industrial policy interventions to support developmental objectives will be reviewed. An updated and comprehensive amended industrial policy action plan will be released towards the end of 2011/12. However, to reach higher levels of growth and reduce the current account deficit, significant progress still needs to be made in achieving actual and substantial increases in productive employment and structurally transforming key sectors. The challenge is to substantially raise the level of industrial policy interventions in a range of sectors and at the same time build the necessary capacity in the department to manage this up scaling.

In relation to incentives for industries and enterprises, further work is planned to align the industrial financing regime with industrial policy objectives. Production incentives in the automotive and clothing and textiles sectors will be increasingly grant based, thus reducing the reliance on tax incentives. Over the medium term, the department will also focus on improving the efficiency of the incentive administration system to record applications and deal with claims, verify information and document all correspondence.

Trade, investment and exports

Increasing the level of international trade is critical to domestic economic growth and development, and it is also an output linked to the outcome to create decent employment through inclusive economic growth. Here, the department provides leadership on trade policy, and released the trade policy and strategy framework, which was adopted by Cabinet in July 2010. The framework aims to promote the development of higher value added, labour absorbing production. To complement this framework, the department has also developed strategies for export development and promotion, as well as investment promotion and facilitation. A single integrated facilitation centre has been created to deal with investors and exporters.

Currently the department has a network of 45 foreign economic offices abroad to facilitate business on behalf of South African companies. This network is spread over 38 countries and provides a substantial footprint for South African business to access markets globally. In 2008/09, the new foreign economic office strategy was approved, which, when fully implemented, will result in the department having a total of 56 offices in 44 countries. This will include new offices in Tehran in Iran; Kinshasa in the Democratic Republic of the Congo, and Harare in Zimbabwe. The department assists exporters by providing information, financial support and practical assistance to sustain growth in traditional markets and penetrate new high growth markets. Good progress has been made in defining new high growth markets that showed resilience in the global economic crisis, including in China, India, Russia and the Democratic Republic of the Congo. The ground work was also laid for engaging with the Brazilian market. A more targeted approach has been adopted for investment attraction activities, and there is a pipeline of R115 billion worth of investment projects in the next three years. The focus is on investments that have a greater multiplier effect to the South African economy.

At the multilateral level, South Africa continues to play a prominent and active role in the World Trade Organisation, and supports the consolidation of the G20 group of developing countries, which seeks to ensure a developmental outcome in industrial tariff negotiations. Progress has been made in trade integration in the Southern African Development Community (SADC). Over the medium term, the SADC will focus on addressing rules of origin, trade facilitation, and non-tariff barriers. South Africa has recently been invited to join the Brazil-Russia-India-China group of emerging economies and this represents a significant opportunity for the country to attract trade and investment and to have a greater involvement in global economic decision making.

New public entities

The department initiated a review of the corporate law regime and the consumer law, resulting in the passing of the Companies Act (2008) and the Consumer Protection Act (2008). The acts bring about the establishment of five new agencies: the Companies and Intellectual Property Commission, the Companies and Intellectual Property Tribunal, the Takeover Regulation Panel, the Financial Reporting Standards Council and the National Consumer Commission. All these agencies will become operational in 2011/12. The department will have oversight over these entities.

Savings and cost effectiveness measures

The department has identified efficiency savings of R115.5 million over the MTEF period in spending on goods and services and non-recurrent expenditure. The department's cost saving initiatives include: booking all local and international trips of less than 5 hours in economy class; using venues on the department campus for meetings and workshops instead of hiring outside venues; and reducing advertising, catering services and contractor costs. In addition, the department has reprioritised some budget items. R1.6 billion was reprioritised over the MTEF period, mainly from underperforming incentive schemes and the Coega industrial development zone, to provide additional funding to other incentives that are receiving more claims than budgeted for and to provide a baseline for the East London and Richards Bay industrial development zones.

Selected performance indicators

Table 36.1 Trade and Industry

Indicator	Programme	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Total number of projects implemented under the national industrial participation programme since its inception	Industrial Development	200	225	250	275	290	310	310
Total value of investment and export credits under the national industrial participation programme since its inception	Industrial Development	US\$9bn	US\$13bn	US\$14bn	US\$15bn	US\$16bn	US\$16.5bn	US\$16.5bn
Total number of direct jobs created under the national industrial participation programme since its inception	Industrial Development	16 500	17 500	18 500	19 000	20 000	20 500	20 500
Number of companies implementing cleaner production activities, including energy efficiency, per year	Industrial Development	18	6	20	26	32	38	46
Number of companies receiving cleaner production audits, including energy efficiency, per year	Industrial Development	55	24	80	105	130	130	130
Number of projects supported under the support programme for industrial innovation per year	Empowerment and Enterprise Development	75	85	100	110	20	20	20

Table 36.1 Trade and Industry (continued)

Indicator	Programme	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Value of support for industrial innovation projects per year	Empowerment and Enterprise Development	R100m	R120m	R160m	R110m	R20m	R20m	R20m
Number of technology incubators supported per year	Empowerment and Enterprise Development	24	29	29	34	39	44	49
Number of technology transfer interventions supported per year	Empowerment and Enterprise Development	40	30	40	40	40	40	40
Number of projects supported by the technology and human resources for industry programme per year	Empowerment and Enterprise Development	297	310	330	350	350	350	350
Number of students supported by the technology and human resources for industry programme per year	Empowerment and Enterprise Development	2 500	2 500	2 500	2 000	2 100	2 200	2 200
Number of researchers supported by the technology and human resources for industry programme per year	Empowerment and Enterprise Development	700	730	750	650	700	700	700
Number of enterprises supported by the technology and human resources for industry programme per year	Empowerment and Enterprise Development	198	400	450	350	350	350	350
Number of BEE charters assisted with alignment to codes of good practice and gazetting per year in terms of section 12 and 9 of the Black Economic Empowerment Act (2004)	Empowerment and Enterprise Development	3	7	9	12	15	15	15
Number of companies assisted per year with:	The Enterprise Organisation							
- export market and investment assistance		1 693	1 203	1 500	1 600	801	870	909
- black business supplier development programme		1 200	1 320	1 600	1 830	1 455	1 600	1 780
- enterprise development programme		3 500	3 200	1 800	600 ¹	300 ¹	250 ¹	150 ¹
- enterprise investment programme		-	50	300	500	390	450	550
- cooperatives		-	150	220	280	130	135	145
Number of film and television productions assisted per year	The Enterprise Organisation	40	60	80	55	60	63	70
Number of bilateral and regional trade and investment agreements signed per year	International Trade and Economic Development	12	12	12	12	12	12	12
Number of successful technical and business missions to foreign countries and companies undertaken per year	International Trade and Economic Development	15	15	15	15	15	15	15
Number of government-to-government platforms per year	International Trade and Economic Development	-	18	18	18	18	18	18
Number of target internal and external events and exhibitions per year	Communication and Marketing	50	50	100	120	150	150	150
Key performance indicators for Coega industrial development zone:	The Enterprise Organisation							
- total value of investment per year		R5.9bn	R22.07bn	R800m	R2bn	R3bn	R3.5bn	R4bn
- number of jobs created per year		4 867	4 906	2 775	800	1 200	1 400	1 600
- number of further investors expected per year		-	2	4	6	6	7	8
Key performance indicators for East London industrial development zone:	The Enterprise Organisation							
- number of foreign investors per year		6	7	4	6	2	3	4
- value of investments per year		R271m	R347m	R96m	R300m	R350m	R500m	R750m
- number of jobs created per year		649	525	192	432	700	100	1 400

Table 36.1 Trade and Industry (continued)

Indicator	Programme	Past		2009/10	Current 2010/11	Projections		
		2007/08	2008/09			2011/12	2012/13	2013/14
Key performance indicators for Richards Bay industrial development zone:	The Enterprise Organisation							
- number of foreign investors per year		1	-	4	1	2	3	3
- number of jobs created per year		1 200	140	375	150	100	200	300
- value of investments per year		R650m	-	R1.9bn	R250m	R300m	R400m	R500m
Key performance indicators for the critical infrastructure programme:	The Enterprise Organisation							
- number of new projects per year		7	5	12	14	8	12	13
- value of investments per year		R9.5bn	R12bn	R6bn	R7bn	R4bn	R6bn	R6.5bn
- number of jobs created per year		6 387	3 910	2 510	2 820	3 520	3 600	4 000
Number of direct jobs created per year:	The Enterprise Organisation							
- enterprise investment programme		-	-	1 025	17 775	8 400	9 240	10 140
- business process outsourcing		-	5 950	2 340	8 925	5 000	6 000	7 000

1. The programme is gradually being phased out and is being replaced by the enterprise investment programme.

Expenditure estimates

Table 36.2 Trade and Industry

Programme	Audited outcome			Adjusted appropriation 2010/11	Revised estimate	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10			2011/12	2012/13	2013/14
R thousand								
Administration	310 742	345 597	400 111	443 251	432 851	466 270	499 423	558 780
International Trade and Economic Development	77 815	108 573	122 998	125 088	115 088	129 679	132 595	139 934
Empowerment and Enterprise Development	1 315 523	1 065 127	1 155 601	792 034	787 295	839 695	863 124	909 349
Industrial Development	330 894	418 740	430 470	1 136 961	1 131 961	1 266 895	1 487 194	1 490 974
Consumer and Corporate Regulation	106 015	111 610	133 825	195 531	182 531	231 671	242 109	256 712
The Enterprise Organisation	2 563 105	2 400 699	3 338 234	3 085 852	3 030 852	3 469 114	3 743 267	3 795 792
Trade and Investment South Africa	284 547	310 233	298 979	351 476	347 476	306 131	315 115	332 080
Communication and Marketing	61 517	76 124	43 092	64 015	47 415	77 441	84 077	88 816
Total	5 050 158	4 836 703	5 923 310	6 194 208	6 075 469	6 786 896	7 366 904	7 572 437
Change to 2010 Budget estimate				44 100	(74 639)	29 528	102 908	(40 439)
Economic classification								
Current payments	720 975	907 178	935 076	1 143 952	1 073 213	1 172 351	1 236 306	1 338 191
Compensation of employees	327 488	383 077	437 711	569 849	533 310	602 237	644 161	676 425
Goods and services	393 487	524 101	497 365	574 103	539 903	570 114	592 145	661 766
<i>of which:</i>								
<i>Administrative fees</i>	<i>4 118</i>	<i>3 549</i>	<i>5 060</i>	<i>3 943</i>	<i>3 943</i>	<i>4 215</i>	<i>4 622</i>	<i>4 805</i>
<i>Advertising</i>	<i>10 631</i>	<i>23 783</i>	<i>16 102</i>	<i>22 596</i>	<i>17 596</i>	<i>22 475</i>	<i>23 861</i>	<i>24 577</i>
<i>Assets less than the capitalisation threshold</i>	<i>294</i>	<i>2 025</i>	<i>906</i>	<i>1 173</i>	<i>1 173</i>	<i>929</i>	<i>979</i>	<i>1 028</i>
<i>Audit cost: External</i>	<i>3 742</i>	<i>4 751</i>	<i>7 639</i>	<i>10 763</i>	<i>10 763</i>	<i>9 627</i>	<i>8 017</i>	<i>10 787</i>
<i>Bursaries: Employees</i>	<i>404</i>	<i>587</i>	<i>1 078</i>	<i>2 500</i>	<i>2 500</i>	<i>2 660</i>	<i>2 822</i>	<i>2 977</i>
<i>Catering: Departmental activities</i>	<i>2 179</i>	<i>3 762</i>	<i>2 818</i>	<i>4 789</i>	<i>4 789</i>	<i>4 787</i>	<i>5 200</i>	<i>5 453</i>
<i>Communication</i>	<i>15 897</i>	<i>15 732</i>	<i>18 735</i>	<i>15 266</i>	<i>15 266</i>	<i>18 091</i>	<i>18 897</i>	<i>20 115</i>
<i>Computer services</i>	<i>9 993</i>	<i>10 951</i>	<i>14 434</i>	<i>12 971</i>	<i>10 971</i>	<i>11 728</i>	<i>14 602</i>	<i>18 425</i>

Table 36.2 Trade and Industry (continued)

R thousand	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Current payments	720 975	907 178	935 076	1 143 952	1 073 213	1 172 351	1 236 306	1 338 191
<i>Consultants and professional services: Business and advisory services</i>	36 234	55 598	40 354	83 140	74 140	91 945	89 780	94 018
<i>Consultants and professional services: Infrastructure and planning</i>	–	114	43	–	–	–	–	–
<i>Consultants and professional services: Legal costs</i>	5 207	24 320	26 767	12 842	11 842	7 559	5 698	5 871
<i>Contractors</i>	7 678	19 045	8 308	10 984	9 984	18 134	19 127	19 497
<i>Agency and support / outsourced services</i>	8 362	2 243	9 624	10 046	10 046	6 311	5 971	6 247
<i>Entertainment</i>	1 650	1 091	1 000	1 655	1 655	1 463	1 563	1 651
<i>Fleet services (including government motor transport)</i>	–	–	–	–	–	94	200	350
<i>Inventory: Fuel, oil and gas</i>	–	–	–	–	–	95	200	250
<i>Inventory: Learner and teacher support material</i>	–	63	–	–	–	–	–	–
<i>Inventory: Materials and supplies</i>	–	23	115	–	–	324	410	460
<i>Inventory: Medical supplies</i>	500	–	–	–	–	–	–	–
<i>Inventory: Other consumables</i>	–	29	375	18	18	539	540	556
<i>Inventory: Stationery and printing</i>	7 791	9 504	10 556	14 518	14 518	12 453	13 364	13 985
<i>Lease payments</i>	16 517	157 695	179 401	170 787	170 787	166 665	182 430	192 243
<i>Property payments</i>	6 783	8 825	14 372	21 524	21 524	15 363	14 794	15 609
<i>Transport provided: Departmental activity</i>	–	–	–	–	–	320	240	295
<i>Travel and subsistence</i>	75 929	99 696	74 166	105 431	97 931	101 140	104 813	111 497
<i>Training and development</i>	1 640	3 592	8 927	11 736	10 536	13 462	14 203	14 984
<i>Operating expenditure</i>	15 889	22 208	15 436	23 428	22 428	22 701	23 093	25 417
<i>Venues and facilities</i>	162 049	54 915	41 149	33 993	27 493	37 034	36 719	70 669
Transfers and subsidies	4 279 193	3 903 542	4 961 921	5 032 762	4 984 762	5 600 414	6 117 579	6 223 969
Provinces and municipalities	8	–	–	–	–	–	–	–
Departmental agencies and accounts	1 329 434	1 117 238	1 200 886	859 609	849 609	969 125	1 053 884	1 134 238
Universities and technikons	–	10 500	15 500	2 298	2 298	4	4	4
Foreign governments and international organisations	30 596	34 169	31 402	39 084	39 084	34 668	34 838	36 820
Public corporations and private enterprises	2 912 604	2 730 360	3 703 958	4 096 296	4 058 296	4 581 917	5 010 953	5 034 022
Non-profit institutions	5 000	6 075	7 597	33 000	33 000	14 700	17 900	18 885
Households	1 551	5 200	2 578	2 475	2 475	–	–	–
Payments for capital assets	24 118	22 077	23 160	17 494	17 494	14 131	13 019	10 277
Machinery and equipment	20 537	14 847	20 440	12 964	12 964	9 873	10 001	9 795
Software and other intangible assets	3 581	7 230	2 720	4 530	4 530	4 258	3 018	482
Payments for financial assets	25 872	3 906	3 153	–	–	–	–	–
Total	5 050 158	4 836 703	5 923 310	6 194 208	6 075 469	6 786 896	7 366 904	7 572 437

Expenditure trends

The spending focus over the MTEF period will be on industrial development programmes, which will directly contribute to the creation of decent jobs.

Expenditure increased from R5.1 billion in 2007/08 to R6.2 billion in 2010/11, at an average annual rate of 7.0 per cent. Over the MTEF period, expenditure is expected to increase to R7.6 billion at an average annual rate of 7.6 per cent. The bulk of the increase in both periods is in the *Industrial Development* and *The Enterprise Organisation* programmes, as a result of the introduction of support programmes for the automotive and clothing and textile sectors. Incentive schemes account for more than 60 per cent of the total budget and are classified under transfer payments. The major incentive schemes are the production incentives for the

automotive and the clothing and textile sectors, as well as the enterprise investment programme, which focuses on manufacturing.

Expenditure on consultants and professional services is expected to increase from R83.1 million in 2010/11 to R94.0 million in 2013/14, at an average annual rate of 4.2 per cent. These services are mostly used in legal services on contracts and industrial research and incentive reviews.

Personnel information

The department has an establishment of 1 395 posts, all of which are funded and 104 are additional to the approved establishment. The number of posts filled increased from 890 in 2007/08 to 1 129 in 2010/11, and is expected to grow to 1 320 over the medium term. The increase over the medium term is mainly as a result of the strategic move to split the activities of the *Enterprise and Industrial Development* programme into the *Empowerment and Enterprise Development* and *Industrial Development* programmes, with the industrial policy action plan activities demanding more specifically skilled staff.

There are 266 vacancies in the department, of which 86 are below middle management, 88 at the middle management level and 94 at the senior management level. Most of the vacancies are in the *International Trade* and *Economic Development* programmes, and remain vacant because terminations exceeded appointments. Promotions in the department and the creation of some new positions also contributed to the vacancies.

Infrastructure spending

Spending relates primarily to the critical infrastructure programme and the industrial development zones. Contributions through the critical infrastructure programme have generated about R56.9 billion worth of investments and have supported more than 69 424 direct job opportunities, representing a decline from 74 000 initially reported in 2009, due to the economic recession and cancellation of some projects.

Over the past eight years, a total of R4.8 billion has been allocated to the three industrial development zones: Coega received R3.5 billion, East London R1.2 billion and Richards Bay R88.4 million. Since the inception of the industrial development zones programme in 2001, 38 investors with an investment value of R12.8 billion have been secured and 41 451 jobs have been created. R1.6 billion has been allocated to the three zones over the medium term: Coega will receive R1.1 billion, East London R421.3 million and Richards Bay R132.7 million.

Mega projects

Coega industrial development zone

The Coega industrial development zone, which is a flagship industrial development zone project, was designated in 2001. The site near Port Elizabeth, which was originally a greenfield area, includes 11 500ha of land and is adjacent Ngqura deepwater port. Some of the key sectors at the Coega industrial development zone include agro-processing, general manufacturing, business process services, energy, automotives and petrochemicals. Infrastructure programmes include road construction, earthworks, electricity, water and sewerage, factory buildings, and offices.

The Coega industrial development zone is designed to attract private sector investment in export orientated industries. It aims to create jobs within the industrial development zone, promote the use of domestic industries outside Coega, and boost growth through increased exports, technology transfer and increased employment. Coega has a pipeline of 22 private commitments in excess of R40 billion. To date there were 24 commitments worth R49 billion that had been finalised and 10 investors with in excess of R500 million invested are already operational in the industrial development zone.

The Coega Development Corporation's expenditure increased from R726 million in 2007/08 to R859.9 million in 2009/10 and decreased to R714 million in 2010/11. The budget allocated to the corporation over the medium term is R1.1 billion. The corporation's expenditure is expected to decline to R308.2 million over the medium term.

East London industrial development zone

East London industrial development zone was designated in 2001. The zone's key focus sectors are the following: automotive, marine aquaculture, agro-processing, pharmaceutical industry, information communication and technology, electronics, business process services, and the automotive supplier park.

25 investors have been secured since inception, 21 of whom are operational on site and have generated an investment value worth of R1.3 billion. The zone has created 930 direct jobs and 11 300 construction jobs. The zone is projected to attract 9 investors with an estimated investment value of R1.6 billion and 3 200 jobs over the medium term. The East London industrial development zone received R124.9 million in 2007/08, R154 million in 2008/09 and R373.4 million in 2009/10. In 2010/11, the zone has received R198 million and over the MTEF period is expected to receive R171.3 million in 2011/12, R150 million in 2012/13 and R100 million in 2013/14.

Critical infrastructure programme

It is estimated that over 11 120 direct job opportunities are to be supported through the critical infrastructure programme over the MTEF period. The projects supported by the critical infrastructure programme have committed to support upstream and downstream industries to produce value added products in line with national industrial policy. The budget allocation for the programme increased from R60.2 million in 2007/08 to R80.7 million in 2010/11. Over the MTEF period, expenditure is set to increase to R191.7 million. The programme covers multiple sectors, including mining, tourism and manufacturing, and is distributed across all nine provinces.

Large projects

Richards Bay Industrial Development Zone

The Richards Bay industrial development zone is in the process of developing infrastructure to enable investors to locate in that province. The sectoral focus of the zone includes aluminium clustering, wood, chemicals and mineral beneficiation. In 2006/07, the zone attracted an investment of R650 million from Tata Steel. The zone projected to secure 8 investors worth an investment value of R1.2 billion and create 600 jobs over the medium term. The zone's allocation was R68.4 million in 2009/10 and R20 million in 2010/11. Over the MTEF period, the allocation will increase to R30 million.

Departmental receipts

Revenue is mainly generated from financial transactions in assets and liabilities: debt recoverable, interest from debts and bank deposits, cash receipt from senior management parking, recycling of papers, and garnish and liquor licences. Between 2007/08 and 2010/11, departmental receipts increased from R94.2 million to R108.3 million, at an average annual rate of 4.8 per cent. Over the MTEF period, it is estimated that revenue will increase to R121.5 million as fees will be adjusted upwards with cost recovery and inflation increases.

Table 36.3 Departmental receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Departmental receipts	94 217	64 931	52 570	108 260	90 327	115 011	120 290	121 537
Tax receipts	3 835	3 064	3 008	3 430	3 100	3 805	5 000	5 200
Sales of goods and services produced by department	-	-	-	160	225	255	290	305
Interest, dividends and rent on land	11 315	1 912	1 950	22 260	1 002	23 596	25 000	25 032
Sales of capital assets	204	110	2	-	-	-	-	-
Transactions in financial assets and liabilities	78 863	59 845	47 610	82 410	86 000	87 355	90 000	91 000
Total	94 217	64 931	52 570	108 260	90 327	115 011	120 290	121 537

Programme 1: Administration

Expenditure estimates

Table 36.4 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand							
Ministry ¹	23 564	29 910	27 561	38 649	35 233	37 007	39 043
Office of the Director General	33 044	33 788	39 866	57 689	65 065	69 342	73 159
Corporate Services	226 076	245 552	293 006	304 661	318 988	343 804	362 688
Office Accommodation	6 000	6 462	7 110	7 821	8 292	8 708	9 187
Financial Management	22 058	29 885	32 568	34 431	38 692	40 562	74 703
Total	310 742	345 597	400 111	443 251	466 270	499 423	558 780
Change to 2010 Budget estimate				(5 292)	(10 524)	1 726	33 710

1. From 2008/09, the current payments relating to the total remuneration package of political office bearers are shown. Before this, only salary and car allowance are included. Administrative and other subprogramme expenditure may in addition include payments for capital assets as well as transfers and subsidies.

Economic classification

Current payments	285 697	330 819	377 629	428 480	455 820	490 574	552 903
Compensation of employees	69 402	87 282	103 653	139 797	158 844	171 097	179 939
Goods and services	216 295	243 537	273 976	288 683	296 976	319 477	372 964
<i>of which:</i>							
Administrative fees	1 403	2 258	3 198	2 759	2 515	2 767	2 919
Advertising	676	2 288	1 129	1 107	6 258	6 115	6 411
Assets less than the capitalisation threshold	103	1 275	447	338	347	365	385
Audit cost: External	3 742	4 751	7 639	10 763	9 627	8 017	10 787
Bursaries: Employees	95	108	1 078	2 500	2 660	2 822	2 977
Catering: Departmental activities	353	711	563	1 082	1 103	1 168	1 232
Communication	11 170	10 317	14 245	8 644	11 814	12 525	13 267
Computer services	8 445	9 120	13 441	12 048	11 225	14 048	17 851
Consultants and professional services: Business and advisory services	5 668	14 560	11 953	16 826	22 121	25 245	25 483
Consultants and professional services: Infrastructure and planning	–	114	43	–	–	–	–
Consultants and professional services: Legal costs	4 062	6 367	2 675	1 202	2 041	2 165	2 284
Contractors	6 527	5 428	3 342	3 470	4 406	4 400	4 527
Agency and support / outsourced services	8 339	1 300	4 776	5 684	4 909	4 619	4 821
Entertainment	101	39	23	240	243	265	280
Inventory: Learner and teacher support material	–	63	–	–	–	–	–
Inventory: Materials and supplies	–	23	17	–	–	–	–
Inventory: Other consumables	–	23	174	–	80	54	57
Inventory: Stationery and printing	3 246	3 359	4 176	4 741	4 120	4 435	4 674
Lease payments	–	146 619	165 679	155 383	156 999	172 258	181 731
Property payments	6 783	6 952	13 441	20 414	13 328	14 009	14 779
Travel and subsistence	16 331	20 047	12 127	21 322	19 834	20 953	22 102
Training and development	1 486	1 869	8 921	11 721	13 332	14 068	14 842
Operating expenditure	3 377	4 398	2 518	5 662	6 973	6 268	7 621
Venues and facilities	134 388	1 548	2 371	2 777	3 041	2 911	33 934
Transfers and subsidies	6 169	1 832	2 463	2 845	630	650	686
Provinces and municipalities	8	–	–	–	–	–	–
Public corporations and private enterprises	5 250	523	596	600	630	650	686
Households	911	1 309	1 867	2 245	–	–	–
Payments for capital assets	18 876	10 966	17 417	11 926	9 820	8 199	5 191
Machinery and equipment	15 295	7 561	15 875	7 546	5 706	5 331	4 869
Software and other intangible assets	3 581	3 405	1 542	4 380	4 114	2 868	322
Payments for financial assets	–	1 980	2 602	–	–	–	–
Total	310 742	345 597	400 111	443 251	466 270	499 423	558 780

Table 36.4 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Details of transfers and subsidies							
Households							
Households social benefits							
Current	911	1 309	1 867	2 245	-	-	-
Gifts, donations and sponsorships	530	291	277	-	-	-	-
Employee leave gratuity	-	-	777	945	-	-	-
Bursaries Non-Government Employees	381	1 018	813	1 300	-	-	-
Provinces and municipalities							
Provinces							
Provincial agencies and funds							
Current	8	-	-	-	-	-	-
Regional Services Council levies	8	-	-	-	-	-	-
Public corporations and private enterprises							
Public corporations							
Public corporations - subsidies on products and production							
Current	5 250	523	596	600	630	650	686
Industrial Development Corporation: Fund for Research into Industrial Development, Growth and Equity	5 250	523	596	600	630	650	686

Expenditure trends

Expenditure increased from R310.7 million in 2007/08 to R443.3 million in 2010/11, at an average annual rate of 12.6 per cent. Over the MTEF period, expenditure is expected to increase to R558.8 million, at an average annual rate of 8 per cent. The increase in expenditure in both periods is mainly due to organisational development, increased staff capacity and business process re-engineering.

The largest allocation goes to the *Corporate Services* subprogramme, which accounts for 69.7 per cent of the programme's total budget on average over the seven-year period. Expenditure in this subprogramme increased from R226.1 million in 2007/08 to R304.7 million in 2010/11, at an average annual rate of 10.5 per cent, and is expected to increase to R362.7 million over the medium term, at an average annual rate of 6 per cent. The main cost drivers are compensation of employees and goods and services.

Programme 2: International Trade and Economic Development

- *International Trade Development* facilitates bilateral and multilateral trade relations and agreements. The subprogramme makes transfers to: the Organisation for the Prohibition of Chemical Weapons, as the South African contribution to the Chemical Weapons Convention; ProTechnik Laboratories, as the South African contribution to international non-proliferation treaties and regimes; and the World Trade Organisation, as the South African membership fee to this global organisation dealing with rules of trade between countries. The Canadian Trade Facilitation Office and the Indian Foreign Training Institute collaborated with Trade and Investment South Africa to design a world class training programme for prospective foreign economic representatives. The subprogramme has a staff complement of 107, and a total budget of R81.2 million in 2011/12, of which 63 per cent is used for compensation of employees.
- *African Economic Development* facilitates bilateral and multilateral African trade relations aimed at deepening regional integration. The subprogramme makes a transfer payment to the Development Bank of Southern Africa for regional spatial development initiatives aimed at accelerating sustainable socioeconomic development. It has a staff complement of 51, and a total budget of R48.4 million in 2011/12, of which 37 per cent is used for compensation of employees.

Objectives and measures

- Promote African economic integration and development at bilateral, regional and continental levels by consolidating the Southern African Customs Union and the SADC free trade area, launching the SADC-East African Community-Common Market for Eastern and Southern Africa free trade area and implementing spatial development initiatives in Southern Africa by 2014.
- Advance South Africa's trade, industrial policy and economic development objectives through building mutually beneficial economic relations with key economies by overcoming the tariff and non-tariff barriers that inhibit South African value added exports in key economies around the world by 2014.
- Build national consensus around trade and investment policy, strategy and negotiation by strengthening research and national consultations as a basis for agreed national policy positions by 2014.

Expenditure estimates

Table 36.5 International Trade and Economic Development

Subprogramme	Audited outcome			Adjusted appropriation 2010/11	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
R thousand							
International Trade Development	43 013	68 832	80 158	79 186	81 241	82 016	85 769
African Economic Development	34 802	39 741	42 840	45 902	48 438	50 579	54 165
Total	77 815	108 573	122 998	125 088	129 679	132 595	139 934
Change to 2010 Budget estimate				(6 050)	(878)	(878)	(881)
Economic classification							
Current payments	51 009	80 187	88 831	92 808	95 199	96 515	101 868
Compensation of employees	32 125	40 306	47 202	61 855	68 342	73 126	75 022
Goods and services	18 884	39 881	41 629	30 953	26 857	23 389	26 846
<i>of which:</i>							
Administrative fees	161	100	48	-	20	20	20
Advertising	676	265	211	961	-	-	-
Assets less than the capitalisation threshold	11	46	-	23	40	40	40
Bursaries: Employees	56	74	-	-	-	-	-
Catering: Departmental activities	170	212	172	426	600	600	600
Communication	944	1 069	992	1 106	1 055	1 055	1 055
Computer services	-	-	14	-	-	-	-
Consultants and professional services: Business and advisory services	545	582	1 300	2 796	3 700	1 382	1 732
Consultants and professional services: Legal costs	-	15 325	20 567	6 900	2 000	500	500
Contractors	-	45	92	100	50	50	50
Agency and support / outsourced services	-	8	10	-	50	50	50
Entertainment	2	-	5	82	120	120	120
Inventory: Other consumables	-	-	63	-	-	4	4
Inventory: Stationery and printing	553	473	925	802	800	796	796
Lease payments	6	-	63	430	-	-	-
Travel and subsistence	14 078	18 361	15 573	16 086	17 266	17 616	18 597
Training and development	-	49	-	-	-	-	-
Operating expenditure	450	225	155	154	226	226	226
Venues and facilities	1 232	3 047	1 439	1 087	930	930	3 056
Transfers and subsidies	26 191	27 994	33 594	31 750	33 850	35 400	37 348
Foreign governments and international organisations	9 693	10 639	10 312	12 000	13 000	13 500	14 243
Public corporations and private enterprises	16 452	17 110	23 282	19 750	20 850	21 900	23 105
Households	46	245	-	-	-	-	-
Payments for capital assets	615	364	573	530	630	680	718
Machinery and equipment	615	364	573	500	600	650	685
Software and other intangible assets	-	-	-	30	30	30	33
Payments for financial assets	-	28	-	-	-	-	-
Total	77 815	108 573	122 998	125 088	129 679	132 595	139 934

Table 36.5 International Trade and Economic Development (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Details of transfers and subsidies							
Households							
Households social benefits							
Current	46	245	-	-	-	-	-
Employee leave gratuity	46	245	-	-	-	-	-
Foreign governments and international organisations							
Current	9 693	10 639	10 312	12 000	13 000	13 500	14 243
Organisation for the Prohibition of Chemical Weapons	2 198	2 300	2 596	3 400	4 000	4 000	4 220
World Trade Organisation	7 495	8 339	7 716	8 600	9 000	9 500	10 023
Public corporations and private enterprises							
Public corporations							
Other transfers to public corporations							
Current	16 052	16 849	18 001	18 750	19 850	20 900	22 050
Development Bank of Southern Africa: Regional Spatial Development Initiatives	14 524	15 228	15 871	16 500	17 500	18 500	19 518
ProTechnik Laboratories	1 528	1 621	2 130	2 250	2 350	2 400	2 532
Capital	400	261	5 281	1 000	1 000	1 000	1 055
ProTechnik Laboratories	400	261	5 281	1 000	1 000	1 000	1 055

Expenditure trends

The spending focus over the MTEF period will be on transfers to the World Trade Organisation and the Organisation for the Prohibition of Chemical Weapons for membership fees, to the Development Bank of Southern Africa for contributions to the regional spatial development programme, and to ProTechnik Laboratories for current and capital transfer payments.

Expenditure increased from R77.8 million in 2007/08 to R125.1 million in 2010/11, at an average annual rate of 17.1 per cent. The growth is mainly as a result of expenditure in goods and services, which increased due to international legal proceedings, and expenditure in compensation of employees, which increased due to expanded capacity. These items increased current payments from R51 million in 2007/08 to R92.8 million in 2010/11, at an average annual rate of 22.1 per cent.

Over the medium term, expenditure is expected to increase to R139.9 million, at an average annual rate of 3.8 per cent, mainly to provide for additional capacity and improved conditions of service.

Programme 3: Empowerment and Enterprise Development

- *Enterprise Development* creates an enabling environment conducive to the development and growth of SMMEs and cooperative enterprises, and provides a broad range of business development support services. Provision is made for the Small Enterprise Development Agency, which provides non-financial business development and support services for small enterprises. The subprogramme has a staff complement of 28, and a total budget of R438.6 million in 2011/12, of which more than 90 per cent is used for transfer payments to public entities such as the Small Enterprise Development Agency.
- *Equity and Empowerment* promotes BEE and women's economic empowerment. The subprogramme makes transfer payments to: the National Empowerment Fund, which targets transactions that present the best and highest contribution to the entity's empowerment dividend measure; the South African Women Entrepreneurs' Network, a networking platform administered by Khula Enterprise Finance, which supports and grows women's entrepreneurship; and the Industrial Development Corporation's Isivande Women's Fund, which provides financial support to women entrepreneurs. The subprogramme has a staff complement of 28, and a total budget of R41.3 million in 2011/12, of which slightly more than 50 per cent is used for compensation of employees and goods and services.

- *Regional Economic Development* promotes spatially balanced economic development and productivity improvements by crafting policies, strategies and programmes that focus on underdeveloped regions. The subprogramme makes transfers to: the National Research Foundation's Technology and Human Resources for Industry Programme, which supports research and technology development by strengthening the number and skills of appropriately trained people; Productivity South Africa's Workplace Challenge programme, which finances and supports world class manufacturing and value chain efficiency improvements in South African companies; the Industrial Development Corporation's Support Programme for Industrial Innovation, which enables private sector enterprises to develop new products and services; the Small Enterprise Development Agency's Technology programme, which finances and supports early, seed and start up technology ventures aimed at increasing South Africa's competitiveness; and the Centre for Entrepreneurship, which combines technical graduate training and entrepreneurship in the higher education curricula, thus empowering emerging entrepreneurs and unemployed graduates. The subprogramme has a staff complement of 56, and a total budget of R359.8 million in 2011/12, of which approximately 90 per cent is used for these transfer payments.

Objectives and measures

- Foster the growth of SMMEs and cooperatives by:
 - facilitating the provision of business development support to increase the current number of SMMEs (estimated at 2 million) and to increase the contributions of SMMEs and cooperatives to GDP from the current estimated 40 per cent to 45 per cent by 2014
 - funding equipment to assist with the establishment of 300 small scale cooperatives over the next 3 years, resulting in 1 500 new jobs or memberships of cooperatives
 - facilitating access to procurement opportunities for SMMEs and cooperatives during the course of 2012 by overseeing the implementation of the 10 products strategy, which is aimed at increasing the share of SMMEs and cooperatives in government and state owned enterprises procurement
 - integrating entrepreneurship into the curriculum and research activities of 4 universities and 2 further education and training colleges over the next 3 years
 - strengthening and upscaling the incubator programme to generate 600 new enterprises that can provide at least 5 000 jobs by 2014
 - aligning BEE with industrial policy to facilitate the increased participation of blacks and women in priority sectors by 2013
 - supporting 60 innovative projects and at least 6 000 students to participate in the development of new technologies over the next 3 years, thus contributing to the establishment of new SMMEs
 - supporting the development of at least 3 underdeveloped areas through targeted interventions by 2014
 - improving the competitiveness of at least 120 companies by 2013 through the workplace challenge programme.

Expenditure estimates

Table 36.6 Empowerment and Enterprise Development

Subprogramme	Audited outcome			Adjusted appropriation 2010/11	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
R thousand							
Enterprise Development	275 645	433 596	355 948	412 667	438 559	450 113	474 740
Equity and Empowerment	739 475	353 858	461 001	41 668	41 318	42 852	45 082
Regional Economic Development	300 403	277 673	338 652	337 699	359 818	370 159	389 527
Total	1 315 523	1 065 127	1 155 601	792 034	839 695	863 124	909 349
Change to 2010 Budget estimate				14 237	4 039	(1 883)	(3 233)

Table 36.6 Empowerment and Enterprise Development (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Economic classification							
Current payments	30 960	43 891	63 423	83 045	84 843	89 170	93 629
Compensation of employees	13 158	29 199	35 709	44 058	48 950	52 634	55 266
Goods and services	17 802	14 692	27 714	38 987	35 893	36 536	38 363
<i>of which:</i>							
Administrative fees	48	130	422	70	145	148	154
Advertising	415	363	1 448	1 279	108	109	115
Assets less than the capitalisation threshold	4	19	5	3	7	7	7
Catering: Departmental activities	322	860	784	523	628	640	671
Communication	192	166	277	575	429	437	460
Computer services	-	-	-	3	-	-	-
Consultants and professional services: Business and advisory services	6 562	3 789	10 572	16 693	16 051	16 339	17 156
Consultants and professional services: Legal costs	-	2	150	1 500	1 606	1 635	1 717
Contractors	1	264	318	138	547	557	585
Agency and support / outsourced services	-	73	3 043	2 927	557	567	595
Entertainment	-	13	4	18	23	23	24
Inventory: Other consumables	-	-	4	-	-	-	-
Inventory: Stationery and printing	318	530	459	1 187	949	965	1 014
Lease payments	27	-	86	320	346	352	370
Travel and subsistence	5 662	5 450	8 036	8 659	11 253	11 455	12 028
Training and development	13	194	-	-	-	-	-
Operating expenditure	823	717	359	1 824	431	438	460
Venues and facilities	3 415	2 122	1 747	3 268	2 813	2 864	3 007
Transfers and subsidies	1 284 304	1 021 156	1 091 766	708 354	754 482	773 374	815 140
Departmental agencies and accounts	1 205 876	973 944	1 012 492	635 121	686 290	701 831	740 442
Universities and technikons	-	2 000	6 500	1	1	1	1
Public corporations and private enterprises	73 330	39 137	65 060	65 502	60 491	63 642	66 362
Non-profit institutions	5 000	6 075	7 597	7 500	7 700	7 900	8 335
Households	98	-	117	230	-	-	-
Payments for capital assets	259	80	412	635	370	580	580
Machinery and equipment	259	80	412	635	370	580	580
Total	1 315 523	1 065 127	1 155 601	792 034	839 695	863 124	909 349
Details of transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	1 205 876	973 944	1 012 492	635 121	686 290	701 831	740 442
Small Enterprise Development Agency	258 849	413 631	331 177	400 121	413 290	423 631	446 941
National Empowerment Fund	709 954	312 932	427 642	-	-	-	-
Small Enterprise Development Agency Technology Programme	73 360	76 739	78 320	76 000	110 000	113 000	119 215
National Research Foundation: Technology and Human Resources for Industry Programme	155 455	161 982	163 823	151 000	155 000	157 000	165 635
National Productivity Institute: Workplace Challenge	8 258	8 660	11 530	8 000	8 000	8 200	8 651

Table 36.6 Empowerment and Enterprise Development (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Households							
Households social benefits							
Current	-	-	100	200	-	-	-
Bursaries non employees	-	-	100	200	-	-	-
Universities and technikons							
Current	-	2 000	6 500	1	1	1	1
Witwatersrand Business School: Centre for Entrepreneurship	-	2 000	6 500	1	1	1	1
Public corporations and private enterprises							
Public corporations							
Public corporations - subsidies on products and production							
Current	10 619	14 136	2 000	1	1	1	1
Council for Scientific and Industrial Research: Fibre and Textile Centre of Excellence	-	3 000	2 000	1	1	1	1
South African Bureau of Standard: Trade Metrology	10 619	11 136	-	-	-	-	-
Households							
Households other transfers							
Current	98	-	17	30	-	-	-
Gifts, donations and sponsorships	98	-	8	30	-	-	-
Other transfers (cash)	-	-	9	-	-	-	-
Non-profit institutions							
Current	5 000	6 075	7 597	7 500	7 700	7 900	8 335
South African Women Entrepreneurs' Network	5 000	6 075	7 597	7 500	7 700	7 900	8 335
Public corporations and private enterprises							
Public corporations							
Other transfers to public corporations							
Current	10 000	19 000	9 930	10 500	10 700	10 900	11 500
Industrial Development Corporation: Isivande Women's Fund	10 000	19 000	9 930	10 500	10 700	10 900	11 500
Capital							
Industrial Development Corporation: Support Programme for Industrial Innovation	46 881	-	47 661	55 000	49 789	52 740	54 860
Industrial Development Corporation: Technology Venture Capital	5 830	6 001	5 469	1	1	1	1

Expenditure trends

The spending focus over the MTEF period will be on financing the operations of the Small Enterprise Development Agency, whose transfers are mainly reflected in the *Enterprise Development* subprogramme and make up, on average, 61.7 per cent of the programme's budget over this period.

Between 2007/08 and 2010/11, expenditure decreased from R1.3 billion to R792 million at an average annual rate of 15.6 per cent. This trend is mainly due to the phasing out of funding to the National Empowerment Fund, and to the transfer of Khula Enterprise Finance and the South African Micro-Finance Apex Fund to the Economic Development Department in 2010/11.

Expenditure is expected to increase to R909.3 million in 2013/14, at an average annual rate of about 4.7 per cent, mainly to provide for increased transfers to the Small Enterprise Development Agency.

Programme 4: Industrial Development

- *Industrial Competitiveness* develops policies, strategies and programmes to strengthen the ability of manufacturing and other value added 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. The subprogramme has a staff complement of 49, and a total budget of R487.8 million in 2011/12.
- *Customised Sector Programmes* develops and implements high impact sector strategies focused on manufacturing and other value added 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. The subprogramme has a staff complement of 99, and a total budget of R779.1 million in 2011/12.

Objectives and measures

- Contribute to the direct and indirect creation of decent jobs, value addition and competitiveness in both domestic and export markets by developing policies, strategies and programmes for the manufacturing sector and related sectors as set out in the industrial policy action plan.
- Ensure, through standards, quality assurance, accreditation and metrology institutions, that technical infrastructure policies and institutions play a strategic role in industrial policy, particularly in dealing with unsafe and poor quality imports and in promoting access to high value export markets.
- Support industrial upgrading through:
 - specific incentives schemes that support capital investment over the MTEF period
 - developing and implementing an industrial climate change response plan and cleaner production initiatives in at least 200 companies over the MTEF period.
- Leveraging large public procurements to promote industrial development through the reorientation of the national industrial participation programme and active engagement with the large ‘fleet’ procurements of public entities.
- Respond to the growing imperatives of climate change and environmental concerns and opportunities by promoting green industries and resource efficiency as set out in the industrial policy action plan.

Expenditure estimates

Table 36.7 Industrial Development

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand							
Industrial Competitiveness	289 809	309 237	328 629	547 740	487 765	508 905	492 025
Customised Sector Programmes	41 085	109 503	101 841	589 221	779 130	978 289	998 949
Total	330 894	418 740	430 470	1 136 961	1 266 895	1 487 194	1 490 974
Change to 2010 Budget estimate				84 839	44 359	124 411	103 878
Economic classification							
Current payments	80 537	89 030	62 385	96 353	105 871	107 118	112 909
Compensation of employees	47 560	42 958	45 053	61 080	66 045	71 012	74 852
Goods and services	32 977	46 072	17 332	35 273	39 826	36 106	38 057
<i>of which:</i>							
Administrative fees	729	395	216	414	675	850	897
Advertising	936	1 988	291	985	395	252	305
Assets less than the capitalisation threshold	7	44	9	55	60	70	74
Bursaries: Employees	72	100	–	–	–	–	–
Catering: Departmental activities	136	182	201	413	475	475	475

Table 36.7 Industrial Development (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Current payments							
<i>Communication</i>	589	687	419	648	830	860	907
<i>Consultants and professional services: Business and advisory services</i>	12 428	11 870	6 389	14 305	18 900	13 800	14 510
<i>Consultants and professional services: Legal costs</i>	–	57	56	80	110	120	127
<i>Contractors</i>	5	719	78	15	150	150	150
<i>Agency and support / outsourced services</i>	–	–	118	405	190	170	176
<i>Entertainment</i>	3	11	3	70	50	50	53
<i>Inventory: Materials and supplies</i>	–	–	–	–	10	10	10
<i>Inventory: Other consumables</i>	–	2	2	–	50	50	50
<i>Inventory: Stationery and printing</i>	729	790	653	1 245	1 230	1 600	1 688
<i>Lease payments</i>	–	2	91	122	125	130	137
<i>Travel and subsistence</i>	11 632	18 813	7 287	10 205	11 570	12 070	12 730
<i>Training and development</i>	33	228	–	15	65	70	77
<i>Operating expenditure</i>	904	1 632	723	1 619	1 600	1 600	1 732
<i>Venues and facilities</i>	4 774	8 552	796	4 677	3 341	3 779	3 959
Transfers and subsidies	249 802	326 162	367 792	1 039 875	1 160 494	1 379 516	1 377 474
Departmental agencies and accounts	59 268	80 546	105 446	100 647	120 377	184 818	216 022
Universities and technikons	–	8 500	9 000	2 297	3	3	3
Foreign governments and international organisations	4 875	10 545	8 069	13 000	7 000	5 000	5 275
Public corporations and private enterprises	185 400	223 247	245 277	923 931	1 033 114	1 189 695	1 156 174
Households	259	3 324	–	–	–	–	–
Payments for capital assets	555	3 548	293	733	530	560	591
Machinery and equipment	555	730	293	733	530	560	591
Software and other intangible assets	–	2 818	–	–	–	–	–
Total	330 894	418 740	430 470	1 136 961	1 266 895	1 487 194	1 490 974
Details of transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	59 268	80 546	105 446	100 647	120 377	184 818	216 022
South African National Accreditation System	12 500	13 750	14 707	18 239	20 623	29 427	31 660
National Metrology Institute of South Africa	46 768	54 999	54 806	55 266	62 581	76 221	83 533
National Regulator for Compulsory Specifications	–	11 797	35 933	27 142	37 173	79 170	100 829
Foreign governments and international organisations							
Current	4 875	10 545	8 069	13 000	7 000	5 000	5 275
United Nations Industrial Development Organisation	4 875	3 492	3 069	4 000	4 800	5 000	5 275
United Nations Industrial Development Organisation: Automotive Component Supplier Development Programme	–	4 553	5 000	7 000	–	–	–
French Institute of South Africa: African Programme on Rethinking Development Economics	–	2 500	–	2 000	2 200	–	–

Table 36.7 Industrial Development (continued)

R thousand	Audited outcome			Adjusted appropriation 2010/11	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Universities and technikons							
Current	-	8 500	9 000	2 297	3	3	3
University of the Witwatersrand: National Aerospace Skills Sector Support Centre	-	3 000	4 000	1	1	1	1
University of Johannesburg: Capacity Building Programme for Economic Development	-	-	5 000	1	-	-	-
University of Stellenbosch: Furniture Centre of Competitiveness Programme	-	-	-	1 500	-	-	-
North-West University: Advanced Manufacturing Skills Sector Support Programme	-	3 000	-	794	1	1	1
University of Pretoria: Advanced Engineering Centre of Excellence	-	2 500	-	1	1	1	1
Households							
Households other transfers							
Current	259	3 324	-	-	-	-	-
Gifts, donations and sponsorships	259	144	-	-	-	-	-
Technology for Women in Business: Sponsorship	-	180	-	-	-	-	-
Umsobomvu Youth Fund: Sponsorship	-	3 000	-	-	-	-	-
Public corporations and private enterprises							
Private enterprises							
Private enterprises - subsidies on products and production							
Current	-	-	-	6 500	7 000	21 000	18 154
National Foundry Technology Network: Metals	-	-	-	6 500	7 000	21 000	18 154
Public corporations and private enterprises							
Private enterprises							
Other transfers to private enterprises							
Current	-	20 000	7 450	37 400	25 000	64 168	70 234
Intsimbi National Tooling Initiative	-	-	7 450	32 400	15 000	49 168	54 434
Centurion Aerospace Village	-	20 000	-	5 000	10 000	15 000	15 800
Capital	-	-	-	32 454	-	-	-
Centurion Aerospace Village	-	-	-	32 454	-	-	-
Public corporations and private enterprises							
Public corporations							
Other transfers to public corporations							
Current	175 400	193 247	227 896	663 436	887 143	1 035 175	1 046 560
Council for Mineral Technology and Research: Customised Sector Programmes	1 540	1 000	-	400	-	-	-
Industrial Development Corporation: Customised Sector Programmes	-	39 000	48 657	51 092	57 427	56 421	57 041
Council for Scientific and Industrial Research: National Cleaner Production Centre	4 500	9 800	18 966	32 082	40 141	41 225	41 678
Industrial Development Corporation: Regional Industrial Development	30 000	-	-	-	-	-	-
South African Bureau of Standards: Research Contribution	138 612	142 144	153 731	178 845	181 496	186 396	188 446
South African Bureau of Standards: Small Business Technical Consulting	748	1 303	1 201	1 017	1 078	1 132	1 144
Nuclear Energy Corporation of South Africa	-	-	5 341	-	-	-	-

Table 36.7 Industrial Development (continued)

R thousand	Audited outcome			Adjusted appropriation 2010/11	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Public corporations and private enterprises							
Public corporations							
Other transfers to public corporations							
Current							
Industrial Development Corporation:							
Clothing and Textile Production Incentive	-	-	-	400 000	600 000	750 000	758 250
Council for Scientific and Industrial Research: Maritime Industry Project	-	-	-	-	1	1	1
South African Bureau of Standards: Upgrading of vehicle testing facility	-	-	-	-	7 000	-	-
Capital	10 000	10 000	9 931	184 141	113 971	69 352	21 226
Council for Scientific and Industrial Research: Aerospace Industry	10 000	10 000	9 931	9 901	20 791	21 352	21 226
South African Bureau of Standards-infrastructure	-	-	-	174 240	93 180	48 000	-

Expenditure trends

Spending over the medium term will be focused on the production incentive schemes for the clothing and textile industry, which amounts to R2.1 billion over the MTEF period, reflected in the *Customised Sector Programmes* subprogramme. Clothing, textiles, footwear and leather is a priority sector due to its labour intensive nature.

Between 2007/08 and 2010/11, expenditure increased significantly from R330.9 million to R1.1 billion, at an average annual rate of 50.9 per cent. Much of this growth is accounted for by the introduction of the customised sector programmes and the clothing and textile production incentive schemes, which are administered by the Industrial Development Corporation.

Over the MTEF period, expenditure is expected to increase to R1.5 billion, at an average annual rate of 9.5 per cent, mainly for increased transfers to public corporations and private enterprises.

Programme 5: Consumer and Corporate Regulation

- *Policy and Legislative Development* develops regulatory solutions, including through ongoing legislative reviews. The subprogramme has a staff complement of 20, and a total budget of R16.6 million in 2011/12, of which 69 per cent is used for compensation of employees and related costs. 2010/11 projects include the review of the Estate Agency Affairs Act (1976) and the review of intellectual property laws and policy.
- *Enforcement and Compliance* provides the public and private sector with policy reviews and briefings on trends analysis, impact assessments, market surveys, and the effectiveness of regulatory agencies and voluntary compliance. The staff complement is 77, and the total budget R41 million in 2011/12, of which 71 per cent is used for compensation of employees. In 2010/11: 15 stakeholders were engaged; workshops, community radio interviews and other outreach activities reached more than 5 million people; and 60 inspections were carried out in the liquor industry.
- *Regulatory Services* monitors and funds the following regulatory agencies: the National Gambling Board, which provides a regulatory framework for gambling practices; the National Consumer Tribunal, which ensures equity in the credit market and balances the rights and responsibilities of credit providers and consumers; the National Credit Regulator, which regulates the consumer credit industry to improve consumer protection in the end user credit market; the National Consumer Commission, which ensures well functioning markets that are fair, competitive and responsible to consumers; The Companies and Intellectual Property Commission, which regulates the enforcement of intellectual property and company laws, including registration of companies; the National Lotteries Board, which regulates the National Lottery and all other South African lotteries; the Estate Agency Affairs Board, which regulates the activities of estate agents and protects consumers; the Companies and Intellectual Property Tribunal, which adjudicates matters

arising in terms of the Companies Act (2008); the Takeover Regulation Panel and the Financial Reporting Standards Council, which will be established following the Companies Act (2008) and will regulate affected transactions and issue standards; and the World Intellectual Property Organisation, which facilitates a South African contribution to an international regime for intellectual properties. The staff complement is 20, and the total budget R174.1 million in 2011/12, of which 5 per cent is used for compensation of employees.

Objectives and measures

- Increase access to economic opportunities for historically disadvantaged citizens through enhancing business confidence and the certainty of South African business regulation by aligning the relevant laws and policies and how they are implemented.
- Harmonise consumer protection, regulate real estate matters and strengthen the protection of consumers who take mortgage agreements by reviewing the Alienation of Land Act (1981) for proper alignment and coordination with the Estate Agency Affairs Act (1976) and drafting a bill for Cabinet approval in 2011/12, and publishing regulations in 2012/13.
 - Improve efficient licensing, reduce the cost of compliance to SMMEs, protect and empower consumers and promote the participation of historically disadvantaged individuals in real estate by reviewing the Estate Agency Affairs Act (1976) and drafting a bill for Cabinet approval in 2011/12, and publishing regulations in 2012/13.
- Ensure the harmonisation of intellectual property laws and policy to avoid fragmentation, promote economic development and encourage innovation by reviewing the laws and policies and drafting a policy for Cabinet approval in 2011/12, drafting a bill for Cabinet approval in 2012/13, and developing and publishing regulations in 2013/14.
- Improve efficiency in lottery governance structures and ensure the optimal distribution of lottery funds for developmental purposes by reviewing the Lotteries Act (1997) and drafting a bill for Cabinet approval in 2011/12, and publishing regulations in 2012/13.
- Reduce the regulatory burden on business and facilitate the efficient registration of businesses by developing the integrated business register in 2011/12 and implementing it, including maintenance, in 2012/13.

Expenditure estimates

Table 36.8 Consumer and Corporate Regulation

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand							
Policy and Legislative Development	8 713	12 155	10 131	21 357	16 646	23 413	24 726
Enforcement and Compliance	27 680	29 844	32 948	41 472	40 967	37 516	39 548
Regulatory Services	69 622	69 611	90 746	132 702	174 058	181 180	192 438
Total	106 015	111 610	133 825	195 531	231 671	242 109	256 712
Change to 2010 Budget estimate				4 000	13 701	12 714	14 700

Economic classification

Current payments	39 131	44 880	48 051	68 090	66 295	70 874	74 718
Compensation of employees	29 692	31 736	36 395	44 410	48 016	51 630	54 421
Goods and services	9 439	13 144	11 656	23 680	18 279	19 244	20 297
<i>of which:</i>							
Administrative fees	251	13	42	10	108	62	65
Advertising	265	595	603	231	72	185	196
Assets less than the capitalisation threshold	23	69	2	3	22	24	25
Bursaries: Employees	22	88	–	–	–	–	–
Catering: Departmental activities	100	98	394	645	458	472	497
Communication	213	236	222	398	379	349	368

Table 36.8 Consumer and Corporate Regulation (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Economic classification							
Current payments							
Computer services	–	–	3	–	3	4	4
Consultants and professional services: Business and advisory services	2 192	4 808	2 357	11 570	8 427	8 614	9 312
Consultants and professional services: Legal costs	391	774	1 257	800	1 072	478	400
Contractors	1	21	133	–	–	–	–
Agency and support / outsourced services	–	–	413	–	–	–	–
Entertainment	5	2	1	10	25	–	–
Inventory: Other consumables	–	–	8	–	4	2	3
Inventory: Stationery and printing	401	623	569	787	583	618	622
Lease payments	–	–	85	61	3	5	5
Travel and subsistence	3 511	3 948	3 443	5 952	4 595	5 819	6 065
Training and development	79	71	–	–	–	–	–
Operating expenditure	696	160	1 201	1 652	1 309	1 361	1 436
Venues and facilities	1 289	1 638	923	1 561	1 219	1 251	1 299
Transfers and subsidies	66 588	66 132	85 513	126 841	165 376	171 235	181 994
Departmental agencies and accounts	64 290	62 748	82 948	123 841	162 458	167 235	177 774
Foreign governments and international organisations	2 279	3 074	2 565	3 000	2 918	4 000	4 220
Households	19	310	–	–	–	–	–
Payments for capital assets	296	594	261	600	–	–	–
Machinery and equipment	296	594	261	600	–	–	–
Payments for financial assets	–	4	–	–	–	–	–
Total	106 015	111 610	133 825	195 531	231 671	242 109	256 712
Details of transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	64 290	62 748	82 948	123 841	162 458	167 235	177 774
National Credit Regulator	44 514	34 082	43 859	46 000	53 042	54 000	57 915
National Gambling Board	19 776	17 274	21 570	22 000	23 605	25 000	26 375
National Consumer Tribunal	–	11 392	17 519	22 059	28 833	32 500	35 233
Companies and Intellectual Property Commission	–	–	–	8 982	13 990	4 158	4 387
National Consumer Commission	–	–	–	24 800	32 988	41 577	43 864
Companies and Intellectual Property Tribunal	–	–	–	–	10 000	10 000	10 000
Households							
Households social benefits							
Current	19	310	–	–	–	–	–
Employee leave gratuity	19	310	–	–	–	–	–
Foreign governments and international organisations							
Current	2 279	3 074	2 565	3 000	2 918	4 000	4 220
World Intellectual Property Organisation	2 279	3 074	2 565	3 000	2 918	4 000	4 220

Expenditure trends

Spending over the MTEF period will be focused in the *Regulatory Services* subprogramme, which makes transfers to regulatory institutions.

Expenditure increased from R106 million in 2007/08 to R195.5 million in 2010/11, at an average annual rate of 22.6 per cent. The increase is as a result of the establishment of new entities, such as the National Consumer Tribunal, the National Consumer Commission, the Companies and Intellectual Property Commission, and the Companies Tribunal.

Over the MTEF period, expenditure is expected to increase to R256.7 million, at an average annual rate of 9.5 per cent, and will mainly provide for increased transfers to departmental agencies.

Programme 6: The Enterprise Organisation

- *Broadening Participation Incentives* provides incentive programmes that promote broadened competitiveness and export incentives participation by historically disadvantaged communities and marginalised regions in the mainstream economy. The black business supplier development programme and the cooperatives incentive scheme form part of this subprogramme. The subprogramme has a staff complement of 43, and a total budget of R144.7 million in 2011/12, of which 91.6 per cent is used for incentive programmes.
- *Competitiveness and Export Incentives* provides incentive programmes that promote industrial upgrading and the growth of South African goods and services in the global economy. Incentive programmes under this subprogramme include export marketing and investment assistance, the sector specific assistance scheme and the capital projects feasibility studies programme. The subprogramme has a staff complement of 19, and a total budget of R146.3 million in 2011/12, of which 96.7 per cent is used for incentive programmes.
- *Manufacturing Incentives* provides incentive programmes that promote additional investment in the manufacturing sector. Incentive programmes under this subprogramme include the small and medium enterprise development programme, the small and medium manufacturing development programme, and the automotive production and development programme. The subprogramme has a staff complement of 115, and a total budget of R2 billion in 2011/12, of which 97 per cent is used for incentive programmes.
- *Services Sector Incentives* provides incentive programmes that promote increased investment and growth in the services sector. Incentive programmes under this subprogramme include the business process outsourcing services programme, the film and television production incentive, and the enterprise investment programme and tourism support programme. The subprogramme has a staff complement of 13, and a total budget of R412.5 million in 2011/12, of which 97.8 per cent is used for incentive programmes.
- *Infrastructure Development Support* leverages investments in the South African economy by providing infrastructure critical to industrial development, thus increasing the export of value added commodities and creating employment opportunities. Incentive programmes under this subprogramme include the Coega Development Corporation, the East London Industrial Development Zone Corporation, and the Richards Bay Industrial Development Zone Company. The subprogramme has a staff complement of 14, and a total budget of R744.1 million in 2011/12, of which 97.7 per cent is used for infrastructure projects.
- *Product and Systems Development* aims to develop, review, monitor and evaluate incentive programmes to support the national industrial policy framework and its action plan as well as sector strategies to address identified market failures. The subprogramme has a staff complement of 23, and a total budget of R9.7 million in 2011/12, of which 91.75 per cent is used for compensation of employees.
- *Business Development and After Care* facilitates access to targeted enterprises by reviewing incentive schemes for their impact and the lessons for improving old schemes or developing new ones. This subprogramme has a staff complement of 24, and a total budget of R17.2 million in 2011/12, of which 75.3 per cent is used for compensation of employees.

Objectives and measures

- Design and implement programmes or incentives that support investment, competitiveness, employment creation and equity on an ongoing basis.
- Improve the impact of incentive programmes by implementing a monitoring and evaluation system by 2011/12.

- Improve the administrative requirements for incentives to make them more user friendly by implementing an electronic online application and claim system by March 2012.
- Achieve a measurable improvement every year in identified customer focus indicators for incentive administration by developing measurable indicators and monitoring them.

Expenditure estimates

Table 36.9 The Enterprise Organisation

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
R thousand							
Broadening Participation Incentives	68 977	98 356	156 103	205 071	144 703	152 796	163 817
Competitiveness and Export Incentives	97 836	115 335	127 807	132 297	146 272	150 616	157 822
Manufacturing Incentives	1 053 656	1 029 008	1 360 450	1 389 222	1 994 651	2 175 419	2 315 599
Services Sector Incentives	131 608	210 494	258 377	316 841	412 473	435 166	488 729
Infrastructure Development Support	1 211 028	947 506	1 418 601	1 022 714	744 131	802 200	641 124
Product and Systems Development	-	-	8 672	9 552	9 734	10 377	10 917
Business Development and After Care	-	-	8 224	10 155	17 150	16 693	17 784
Total	2 563 105	2 400 699	3 338 234	3 085 852	3 469 114	3 743 267	3 795 792
Change to 2010 Budget estimate				(89 444)	(15 376)	(30 382)	(185 408)
Economic classification							
Current payments	50 685	70 391	88 650	118 327	122 799	130 975	138 218
Compensation of employees	38 928	49 092	67 677	87 389	90 244	96 500	101 808
Goods and services	11 757	21 299	20 973	30 938	32 555	34 475	36 410
<i>of which:</i>							
Administrative fees	310	42	67	40	-	-	-
Advertising	142	355	30	415	-	-	-
Assets less than the capitalisation threshold	18	147	76	130	275	300	317
Bursaries: Employees	84	176	-	-	-	-	-
Catering: Departmental activities	147	172	195	180	160	170	179
Communication	202	287	404	767	750	800	838
Computer services	1 110	1 018	648	-	-	-	-
Consultants and professional services: Business and advisory services	1 915	5 127	5 375	9 495	13 000	14 000	14 770
Consultants and professional services: Legal costs	520	1 167	1 477	2 000	550	600	633
Contractors	7	39	3	2	-	-	-
Agency and support / outsourced services	-	862	1 225	530	-	-	-
Entertainment	4	1	9	20	70	75	79
Inventory: Other consumables	-	3	24	18	25	30	32
Inventory: Stationery and printing	1 015	1 302	1 833	2 000	1 700	1 900	2 021
Lease payments	7	-	962	1 444	-	-	-
Property payments	-	29	47	70	-	-	-
Travel and subsistence	5 094	8 124	7 766	12 322	14 000	14 500	15 325
Training and development	5	590	-	-	-	-	-
Operating expenditure	387	260	155	505	375	400	422
Venues and facilities	790	1 598	677	1 000	1 650	1 700	1 794
Transfers and subsidies	2 511 756	2 326 705	3 247 549	2 966 025	3 345 315	3 611 242	3 656 510
Public corporations and private enterprises	2 511 605	2 326 695	3 247 343	2 966 025	3 345 315	3 611 242	3 656 510
Households	151	10	206	-	-	-	-

Table 36.9 The Enterprise Organisation (continued)

R thousand	Audited outcome			Adjusted	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	appropriation 2010/11	2011/12	2012/13	2013/14
Payments for capital assets	664	1 757	1 800	1 500	1 000	1 050	1 064
Machinery and equipment	664	750	796	1 500	1 000	1 050	1 064
Software and other intangible assets	–	1 007	1 004	–	–	–	–
Payments for financial assets	–	1 846	235	–	–	–	–
Total	2 563 105	2 400 699	3 338 234	3 085 852	3 469 114	3 743 267	3 795 792
Details of transfers and subsidies							
Households							
Households social benefits							
Current	151	10	206	–	–	–	–
Employee leave gratuity	151	10	206	–	–	–	–
Public corporations and private enterprises							
Private enterprises							
Private enterprises - subsidies on products and production							
Current	1 177 377	1 230 412	1 609 381	1 682 109	2 340 363	2 538 474	2 729 089
Business Process Outsourcing	35 588	104 994	78 438	63 060	143 064	143 951	176 268
Small and Medium Enterprise Development Programme	1 040 163	1 014 790	1 346 435	577 248	341 243	294 197	276 878
Film and Television Production Incentive	96 020	105 500	175 555	245 873	260 305	281 550	302 310
Small and Medium Manufacturing Development Programme	5 606	4 652	3 333	2 226	1 300	1 335	1 408
Staple Food Fortification Programme	–	476	282	1	–	–	–
Industrial Development Zones: Other	–	–	4 475	–	1	1	1
Enterprise Investment Programme	–	–	863	246 700	674 542	803 894	887 108
Manufacturing Development Programme Incentives	–	–	–	1	–	–	–
Sector Development Programme	–	–	–	–	3 108	3 192	3 368
Automotive Production and Development Programme: Production Allowance	–	–	–	547 000	916 800	1010 354	1081 748
Public corporations and private enterprises							
Private enterprises							
Other transfers to private enterprises							
Current	123 200	148 777	230 676	271 236	270 730	281 150	297 488
Black Business Supplier Development Programme	28 490	27 323	73 850	105 621	88 058	94 221	101 653
Export Market and Investment Assistance	89 770	112 124	122 303	123 998	138 258	141 451	148 131
South African Capital Goods Feasibility Study Fund	4 940	–	–	–	–	–	–
Cooperatives Incentive Scheme	–	9 330	34 523	41 617	44 414	45 478	47 704
Capital	360 215	75 051	105 601	80 680	118 540	181 742	191 738
Critical Infrastructure Programme: ALCAN Aluminium Smelter	300 000	–	–	–	–	–	–
Critical Infrastructure Programme	60 215	75 051	105 601	80 680	118 540	181 742	191 738
Public corporations and private enterprises							
Public corporations							
Other transfers to public corporations							
Capital	850 813	872 455	1301 685	932 000	615 682	609 876	438 195
Coega Development Corporation	725 963	718 425	859 889	714 000	383 718	417 858	308 195
East London Industrial Development Zone (Pty) Limited	124 850	154 030	373 373	198 000	171 282	150 000	100 000
Richards Bay Industrial Development Zone Company	–	–	68 423	20 000	60 682	42 018	30 000

Expenditure trends

The spending focus over the medium term will be on funding incentives schemes, which aim to create jobs and attract investment.

Expenditure increased from R2.6 billion in 2007/08 to R3.1 billion in 2010/11, at an average annual rate of 6.4 per cent, mainly due to the implementation of new schemes, such as the automotive incentive scheme and the enterprise investment programme. Over this period, the East London industrial development zone received R850.3 million, the Richards Bay industrial development zone received R88.4 million and the Coega industrial development zone received R3 billion for infrastructure development.

Over the MTEF period, expenditure is expected to increase to R3.8 billion, at an average annual rate of 7.1 per cent, mainly due to the continuous improvement of enterprise investment programme guidelines, the implementation of the automotive incentive scheme, the revised black business supplier development programme, and the revised business process outsourcing services programme, which will attract more applications.

Programme 7: Trade and Investment South Africa

- *Investment Promotion and Facilitation* facilitates the increase in the quality and quantity of foreign and domestic direct investment by providing an investment recruitment, problem solving and information service. The subprogramme is promoting South Africa as an investment destination, with a target of R115 billion over three years, and it is also responsible for organising an international investment conference annually. It comprises 23 officials, including 7 employees at the deputy director general's office and a total budget of R40.7 million in 2011/12. A large percentage of the budget is spent on goods and services.
- *Export Development and Promotion* develops new and existing South African exporter capabilities. It provides information, financial support and practical assistance to sustain organic growth in traditional markets and penetrate new high growth markets. The subprogramme has a staff complement of 45, and a total budget of R166.9 million in 2011/12, of which 18.8 per cent is used for compensation of employees and operational costs. The remaining 81.2 per cent is for transfers and subsidies. Trade and Investment South Africa recently participated at the 2010 Shanghai World Expo and held trade and investment seminars on the theme of the modern economy in July and August 2010. The subprogramme also conducts international trade initiatives promoting exports.
- *International Operations* manages and administers the department's foreign office network to promote trade and investment in South Africa. The subprogramme has a staff complement of 24, and a total budget of R98.6 million in 2011/12.

Objectives and measures

- Implement the department's export strategy by March 2011 in order to support export growth.
- Promote trade in new or undeveloped markets through expanding trade mission offices by fully implementing the new foreign economic office strategy by March 2013.
- Promote South African products in targeted high growth markets through 6 international trade initiatives and 18 pavilions, and through funding 50 trade missions, among others, through the export councils and provincial investment promotion agencies, by March 2011.
- Facilitate markets for Southern African products and services by promoting and implementing 8 export projects in high yield targeted countries by March 2011.
- Enhance the promotion of exports and investment into targeted countries by providing a full suite of corporate services on an ongoing basis to the foreign economic offices.

Expenditure estimates

Table 36.10 Trade and Investment South Africa

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand							
Investment Promotion and Facilitation	24 631	33 681	42 041	68 250	40 656	43 955	46 129
Export Development and Promotion	153 447	172 702	157 780	162 419	166 872	170 516	180 262
International Operations	106 469	103 850	99 158	120 807	98 603	100 644	105 689
Total	284 547	310 233	298 979	351 476	306 131	315 115	332 080
Change to 2010 Budget estimate				60 029	(3 378)	(2 691)	(3 205)
Economic classification							
Current payments	148 863	175 507	164 205	193 354	164 614	167 603	175 763
Compensation of employees	82 992	85 898	83 561	105 840	96 310	101 362	106 843
Goods and services	65 871	89 609	80 644	87 514	68 304	66 241	68 920
<i>of which:</i>							
<i>Administrative fees</i>	1 208	601	1 043	650	752	775	750
<i>Advertising</i>	2 221	2 026	1 243	1 730	-	-	-
<i>Assets less than the capitalisation threshold</i>	125	174	264	621	178	173	180
<i>Bursaries: Employees</i>	17	19	-	-	-	-	-
<i>Catering: Departmental activities</i>	226	186	98	720	225	225	225
<i>Communication</i>	2 473	2 814	2 009	2 771	2 265	2 130	2 270
<i>Computer services</i>	438	766	312	920	500	550	570
<i>Consultants and professional services: Business and advisory services</i>	2 984	8 783	1 473	6 855	3 110	3 000	3 105
<i>Consultants and professional services: Legal costs</i>	234	523	585	360	180	200	210
<i>Contractors</i>	1 136	3 442	2 178	2 858	1 605	1 570	1 635
<i>Agency and support / outsourced services</i>	23	-	39	500	605	565	605
<i>Entertainment</i>	1 535	1 025	951	1 160	870	965	1 015
<i>Inventory: Materials and supplies</i>	-	-	1	-	-	-	-
<i>Inventory: Medical supplies</i>	500	-	-	-	-	-	-
<i>Inventory: Other consumables</i>	-	1	98	-	380	400	410
<i>Inventory: Stationery and printing</i>	1 153	2 113	972	2 748	1 270	1 250	1 320
<i>Lease payments</i>	16 437	11 047	12 267	12 880	9 145	9 635	9 945
<i>Property payments</i>	-	1 844	884	1 040	2 035	785	830
<i>Transport provided: Departmental activity</i>	-	-	-	-	320	240	295
<i>Travel and subsistence</i>	17 568	22 312	18 156	26 857	19 400	18 900	20 300
<i>Training and development</i>	-	130	6	-	65	65	65
<i>Operating expenditure</i>	6 297	9 593	8 003	9 805	6 952	7 400	7 920
<i>Venues and facilities</i>	11 296	22 210	30 062	15 039	18 447	17 413	17 270
Transfers and subsidies	134 316	133 559	132 956	157 072	140 267	146 162	154 817
Foreign governments and international organisations	13 749	9 911	10 456	11 084	11 750	12 338	13 082
Public corporations and private enterprises	120 567	123 648	122 400	120 488	121 517	123 824	131 185
Non-profit institutions	-	-	-	25 500	7 000	10 000	10 550
Households	-	-	100	-	-	-	-
Payments for capital assets	1 353	1 119	1 502	1 050	1 250	1 350	1 500
Machinery and equipment	1 353	1 119	1 502	1 050	1 250	1 350	1 500
Payments for financial assets	15	48	316	-	-	-	-
Total	284 547	310 233	298 979	351 476	306 131	315 115	332 080

Table 36.10 Trade and Investment South Africa (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Details of transfers and subsidies							
Households							
Households social benefits							
Current	-	-	100	-	-	-	-
Gifts, donations and sponsorships	-	-	100	-	-	-	-
Foreign governments and International organisations							
Current	13 749	9 911	10 456	11 084	11 750	12 338	13 082
Export Consultancy Trust Fund: International Bank for Reconstruction and Development (World Bank)	9 075	4 956	5 228	5 542	5 875	6 169	6 541
Export Consultancy Trust Fund: International Finance Corporation	4 674	4 955	5 228	5 542	5 875	6 169	6 541
Non-profit institutions							
Current	-	-	-	25 500	7 000	10 000	10 550
Proudly South African Campaign	-	-	-	25 500	7 000	10 000	10 550
Public corporations and private enterprises							
Public corporations							
Other transfers to public corporations							
Current	120 567	123 648	122 400	120 488	121 517	123 824	131 185
Export Credit Insurance Corporation	120 567	123 648	122 400	120 488	121 517	123 824	131 185

Expenditure trends

Spending over the MTEF period will be focused on the *Export Development and Promotion* subprogramme, which funds the interest make-up scheme for exporters.

Expenditure increased from R284.5 million in 2007/08 to R351.5 million in 2010/11, at an average annual rate of 7.3 per cent. Over the medium term, expenditure is expected to decrease to R332.1 million, at an average annual rate of 1.9 per cent. The decrease in both periods is as a result of lower expenditure in the *International Operations* subprogramme, which includes expenses related to trade missions abroad, due to efficiency savings and the closing of certain foreign offices. Favourable exchange rates and vacancies in foreign offices result in fluctuating expenditure in this programme.

Programme 8: Communication and Marketing

- *Brand Management* manages the department's image and ensures that excellent customer service standards are upheld. This entails improving customer touch points and ensuring strong customer relationship management. The subprogramme has a staff complement of 69, and a total budget of R40.2 million in 2011/12, of which 100 per cent is used for compensation of employees and goods and services.
- *External Communications* creates consumer awareness and educational campaigns to ensure a meaningful understanding of the department's offerings. The subprogramme has a staff complement of 13, and a total budget of R28.7 million in 2011/12, of which 85 per cent is used for the marketing costs of outreach campaigns.
- *Media Relations and Public Relations* ensures that the department's image is visible by improving media relations management and public relations activities. The subprogramme has a staff complement of 8, and a total budget of R8.6 million in 2011/12, of which 50 per cent is used for media briefings, and print and electronic publications.

Objectives and measures

- Promote awareness of the department's impact on growth and development by increasing the number of awareness campaigns from 2 per quarter in 2009 to 3 per quarter in 2011.

- Minimise negative press coverage of the department by means of targeted integrated multimedia awareness campaigns and assessing its performance against benchmarks on a quarterly basis.
- Improve communication about the department's role, products and services by:
 - increasing the frequency of media updates from biweekly to daily by July 2011
 - reaching at least 95 per cent of economic citizens through external events by March 2012
 - increasing the number of media briefings from 2 per quarter to 4 per quarter by March 2012
 - increasing site visits from 2 per quarter in 2010 to 3 per quarter by March 2012.

Expenditure estimates

Table 36.11 Communication and Marketing

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand							
Brand Management	17 313	30 646	20 972	31 508	40 168	43 870	45 163
External Communications	13 969	22 865	18 630	24 612	28 713	31 391	33 049
Media Relations and Public Relations	30 235	22 613	3 490	7 895	8 560	8 816	10 604
Total	61 517	76 124	43 092	64 015	77 441	84 077	88 816
Change to 2010 Budget estimate				(18 219)	(2 415)	(109)	-

Economic classification

	34 093	72 473	41 902	63 495	76 910	83 477	88 183
Current payments							
Compensation of employees	13 631	16 606	18 461	25 420	25 486	26 800	28 274
Goods and services	20 462	55 867	23 441	38 075	51 424	56 677	59 909
<i>of which:</i>							
<i>Administrative fees</i>	8	10	24	-	-	-	-
<i>Advertising</i>	5 300	15 903	11 147	15 888	15 642	17 200	17 550
<i>Assets less than the capitalisation threshold</i>	3	251	103	-	-	-	-
<i>Bursaries: Employees</i>	58	22	-	-	-	-	-
<i>Catering: Departmental activities</i>	725	1 341	411	800	1 138	1 450	1 574
<i>Communication</i>	114	156	167	357	569	741	950
<i>Computer services</i>	-	47	16	-	-	-	-
<i>Consultants and professional services: Business and advisory services</i>	3 940	6 079	935	4 600	6 636	7 400	7 950
<i>Consultants and professional services: Legal costs</i>	-	105	-	-	-	-	-
<i>Contractors</i>	1	9 087	2 164	4 401	11 376	12 400	12 550
<i>Entertainment</i>	-	-	4	55	62	65	80
<i>Fleet services (including government motor transport)</i>	-	-	-	-	94	200	350
<i>Inventory: Fuel, oil and gas</i>	-	-	-	-	95	200	250
<i>Inventory: Materials and supplies</i>	-	-	97	-	314	400	450
<i>Inventory: Other consumables</i>	-	-	2	-	-	-	-
<i>Inventory: Stationery and printing</i>	376	314	969	1 008	1 801	1 800	1 850
<i>Lease payments</i>	40	27	168	147	47	50	55
<i>Travel and subsistence</i>	2 053	2 641	1 778	4 028	3 222	3 500	4 350
<i>Training and development</i>	24	461	-	-	-	-	-
<i>Operating expenditure</i>	2 955	5 223	2 322	2 207	4 835	5 400	5 600
<i>Venues and facilities</i>	4 865	14 200	3 134	4 584	5 593	5 871	6 350
Transfers and subsidies	67	2	288	-	-	-	-
Households	67	2	288	-	-	-	-

Table 36.11 Communication and Marketing (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Payments for capital assets	1 500	3 649	902	520	531	600	633
Machinery and equipment	1 500	3 649	728	400	417	480	506
Software and other intangible assets	-	-	174	120	114	120	127
Payments for financial assets	25 857	-	-	-	-	-	-
Total	61 517	76 124	43 092	64 015	77 441	84 077	88 816
Details of transfers and subsidies							
Households							
Households other transfers							
Current	67	2	288	-	-	-	-
Households	67	2	288	-	-	-	-

Expenditure trends

The spending focus over the MTEF period will be on publishing, printing and advertising the department's products and services. Printing and publications will focus on booklets, pamphlets, brochures and mandated publications like annual reports.

Expenditure increased from R61.5 million in 2007/08 to R64 million in 2010/11, at an average annual rate of 1.3 per cent, and is expected to rise to R88.8 million in 2013/14, at an average annual rate of 11.5 per cent. The increase in both periods is mainly in expenditure on compensation of employees, which increases by R14.7 million over the seven-year period to provide for increased capacity and improved conditions of service. The escalation in the costs of advertising, printing and publications also contributes to growth in expenditure over the medium term.

Public entities and other agencies

Companies and Intellectual Property Commission

Strategic overview: 2007/08 – 2013/14

The Companies and Intellectual Property Commission will come into effect from 1 April 2011. It was established in terms of the Companies Act (2008) and listed in the Public Finance Management Act (1999) to: enforce intellectual property and company laws, including the registration of companies; promote voluntary resolution of disputes arising between a company and a shareholder or director, without intervening in, or adjudicating on the dispute; monitor patterns of compliance; evaluate complaints; and initiate investigations, including referring matters to a court; and appearing before the court or the Companies Tribunal.

The commission was established as a result of a merger between the Companies and Intellectual Property Registration Office, the Office of Company Intellectual Property Enforcement, the Office of Consumer Protection, and the National Liquor Authority.

Functions will be streamlined to enable more efficient company registrations, investigations, inspections, and better coordination with other law enforcement bodies. More effective mechanisms for improved revenue collection will also be put in place. The required organisational structure has been developed on the basis of extensive research on existing departments.

Over the medium term, the following priorities have been identified: preventing and eradicating fraud; providing broader geographical access to the office's services through partner organisations; implementing the Companies Act (2008); participating in amending the cooperatives legislation; automating the office's core services; and reducing the costs of accessing the office's services.

A companies and intellectual property tribunal will be established from April 2011 in terms of the Companies Act (2008). The tribunal will be promoted by the commission, and will adjudicate on matters referred to it by the commission and assist with dispute resolution. This will enable a reduction in the individual and corporate

costs associated with formal court proceedings. The tribunal will only accommodate disputes arising from any contravention of the Companies Act (2008), on intellectual property issues and from cooperatives. Dispute escalation will remain with the courts, pending any amendments to relevant legislation.

Savings and cost effectiveness measures

Implementation of the financial model adopted in 2010/11 resulted in a reduction of the commission's operating costs by R51.7 million by reprioritising the proposed commission structure. Over the MTEF period, the commission will be revising its fee structure as a cost recovery measure and will implement cost curtailing measures throughout all business units to reduce spending on travel, entertainment and communications.

Selected performance indicators

Table 36.12 Companies and Intellectual Property Commission

Indicator	Activity/Objective	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of companies registered per year	Registration of business entities and intellectual property	33 269	27 358	12 154	28 624	40 074	52 096	67 724
Number of close corporations registered per year ¹	Registration of business entities and intellectual property	251 996	261 065	118 647	–	–	–	–
Number of cooperatives registered per year	Registration of business entities and intellectual property	3 140	6 054	3 730	7 547	7 924	8 321	8 737
Number of trademark applications processed per year	Registration of business entities and intellectual property	32 717	28 671	13 261	26 644	26 644	26 910	27 180
Number of patent applications processed per year	Registration of business entities and intellectual property	10 667	10 191	4 575	9 579	9 579	9 675	9 772
Number of design applications processed per year	Registration of business entities and intellectual property	2 321	1 952	975	1 898	1 898	1 917	1 936
Number of enterprises that submitted annual returns per year	Registration of business entities and intellectual property	162 553	288 427	176 507	329 898	329 898	362 887	381 031
Number of new copyright in films registrations per year	Registration of business entities and intellectual property	–	–	–	53	55	56	57

1. Activity phased out in 2010/11.

Details of programmes/activities/objectives

Over the past few years, there has been a decline in the number of companies registered. Projections for the medium term follow the same pattern, with total registrations expected to average between 26 000 and 30 000 per year. Although the number of close corporations increased in recent years, it is expected to substantially decline before coming to a halt in 2011 as a result of the implementation of the new Companies Act (2008), which will result in the phasing out of close corporations.

The total budget allocated to the commission for 2010/11 was R9 million for its establishment. Over the MTEF period, R52.5 million in additional funds has been allocated by the Department of Trade and Industry to facilitate the process of establishing the commission and tribunal, after which the commission will be self-sustained.

Objective 1: Efficient and effective end to end operations aims to open up entrepreneurship and business opportunities, create flexibility and simplicity in the formation of companies, ensure equitable access to the commission's products and services and contribute to the goal of economic participation by all. This is achieved by registering business entities and intellectual property and implementing support processes for the commission.

Objective 2: Maintenance of accurate up to date and relevant information concerning the commission's databases, and the provision of that information to the public and to other organs of state ensures that the public has access to up to date, comprehensive, accurate and usable information. The commission will focus on improving the integrity of its records by verifying them with accounting officers and auditor institutes and linking with the Department of Home Affairs.

Objective 3: Promotion of education and awareness on legislative requirements related to company and intellectual property laws and compliance with the Companies Act (2008) and any other applicable legislation enhances awareness and education regarding the changes in the act to promote voluntary compliance and downscale enforcement activities. An education and awareness framework will be developed and implemented.

Objective 4: Efficient, effective and widest possible compliance and enforcement of relevant legislation provides detailed research on the characteristics of non-complying entities and informs the design of the commission's programmes. Non-compliant companies are referred for enforcement, and financial statements are reviewed against standards.

Objective 5: Ensure best practice developments in company and intellectual property law, and reporting on and publication of information establishes a research and analysis capability to ensure that the commission keeps abreast of the latest developments in company legislation and leverage on international best practice. The commission liaises with advisory bodies. Research positions in the commission need to be filled.

Objective 6: Establish and entrench financial management, administrative compliance and sound governance throughout the commission addresses the prevalence of fraudulent activities by establishing capacity to detect and combat corruption while ensuring that ethical and moral behaviour is enforced. An approved model is used for forecasting and scenario analysis, and an upgraded ICT system will support operational efficiency.

Objective 7: Build the human capital capability and capacity to meet the strategic objectives of the commission combines the resources of the commission and the Office of Company and Intellectual Property Enforcement to undertake the new functions assigned to it by the act in terms of recruitment, retention and the development of capability and capacity of highly specialised competencies required. A recruitment plan will be implemented and a remuneration framework drafted.

Objective 8: Establish world class customer service delivery that meets the needs of the customer and delivers consistently against a customer promise conducts market studies to better understand customers, targets audiences for products and services, and develops a responsive business model that segments customers to tailor products and services. A service delivery model will be developed and a contact centre established.

Expenditure estimates

Table 36.13 Companies and Intellectual Property Commission

Statement of financial performance	Audited outcome			Revised estimate 2010/11	Medium-term estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
R thousand							
Revenue							
Non-tax revenue	308 064	1 133 627	961 269	407 148	597 476	517 257	426 664
Sale of goods and services other than capital assets	277 718	954 819	854 383	316 848	351 676	366 407	380 062
<i>of which:</i>							
Admin fees	277 718	954 819	854 383	316 848	351 676	366 407	380 062
Other non-tax revenue	30 346	178 808	106 886	90 300	245 800	150 850	46 602
Transfers received	-	-	-	8 982	23 990	14 158	14 387
Total revenue	308 064	1 133 627	961 269	416 130	621 466	531 415	441 051
Expenses							
Current expense	181 628	924 995	709 739	416 130	621 466	531 415	441 051
Compensation of employees	71 113	87 253	115 402	163 751	179 805	193 290	207 787
Goods and services	103 427	824 554	589 274	222 750	376 525	267 024	163 671
Depreciation	7 018	13 106	4 942	29 629	48 614	53 753	51 378
Interest, dividends and rent on land	70	82	121	-	16 522	17 348	18 215
Total expenses	181 628	924 995	709 739	416 130	621 466	531 415	441 051
Surplus / (Deficit)	126 436	208 632	251 530	-	-	-	-

Table 36.13 Companies and Intellectual Property Commission (continued)

Statement of financial position	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand							
Carrying value of assets	24 949	76 642	122 049	266 133	437 519	483 766	462 388
<i>of which: Acquisition of assets</i>	16 666	64 837	50 421	173 713	220 000	100 000	30 000
Inventory	744	578	620	700	650	683	717
Receivables and prepayments	5 441	81 049	121 032	618	800	840	882
Cash and cash equivalents	369 794	519 579	644 501	470 788	250 788	150 788	120 788
Total assets	400 928	677 848	888 202	738 239	689 757	636 077	584 775
Accumulated surplus/deficit	343 715	552 347	803 878	703 901	659 757	604 577	551 699
Trade and other payables	48 688	114 375	71 877	31 663	25 000	26 250	27 563
Provisions	8 525	9 936	11 748	2 675	5 000	5 250	5 513
Liabilities not classified elsewhere	-	1 190	699	-	-	-	-
Total equity and liabilities	400 928	677 848	888 202	738 239	689 757	636 077	584 775

Expenditure trends

The commission mainly generates revenue from registration fees. Total revenue increased from R308.1 million in 2007/08 to R416.1 million in 2010/11, at an average annual rate of 10.5 per cent. Over the MTEF period, revenue is expected to increase to R441.1 million, at an average annual rate of 2 per cent.

Between 2007/08 and 2010/11, expenditure increased from R181.6 million to R416.1 million, at an average annual rate of 31.8 per cent. The growth was mainly focused on expenditure on goods and services, which grew by R119.3 million over the period, due to special projects relating to the move to the new building, the electronic content management system, scanning and registry, and fraud prevention, and on compensation of employees, which grew by R92.6 million over the period, due to the new structure for the commission, which was approved in January 2009. In addition, depreciation charges increased from R7 million in 2007/08 to R29.6 million in 2010/11 as a result of the acquisition of additional assets, such as computer software and computer equipment.

Expenditure is expected to increase to R441.1 million in 2013/14, at an average annual rate of 2 per cent, mainly due to the implementation of the new Companies Act (2008) in 2010/11. In addition, capital costs relating to special initiatives will be incurred in 2011/12 and 2012/13.

Personnel information

The entity has an establishment of 554 posts, of which 501 are funded and 59 are additional to the approved establishment. The number of posts filled increased from 421 in 2007/08 to 508 in 2010/11 and is expected to grow to 554 over the medium term. This is as a result of the expanded mandate and the new entity. There are 3 vacancies at the senior management level.

Table 36.14 Companies and Intellectual Property Commission

	Post status as at 30 September 2010			Number of posts filled on funded establishment							
	Number of posts on approved establishment	Number of funded posts (establishment)	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate			
				2007/08	2008/09	2009/10		2010/11	2011/12	2012/13	2013/14
Executive management	7	5	-	5	6	5	5	7	7	21	
Senior management	25	22	3	9	14	22	22	22	22	22	
Middle management	59	53	-	23	41	53	53	53	53	53	
Semi-skilled	134	115	-	75	87	115	122	176	179	189	
Very low skilled	329	306	-	309	292	306	306	269	269	269	
Total	554	501	3	421	440	501	508	527	530	554	
Compensation (R thousand)				71 113	87 253	115 402	163 751	179 805	193 290	207 787	
Unit cost (R thousand)				169	198	230	322	341	365	375	

1. As at 30 September 2010.

Estate Agency Affairs Board

Strategic overview: 2007/08 – 2013/14

The Estate Agency Affairs Board was established in terms of the Estate Agency Affairs Act (1976) and is self-financing. The board's dual objectives are to maintain and promote the standard of conduct of estate agents and to regulate their activities. The board has served as the statutory regulator of the estate agency industry for 32 years. It is responsible for the administration of the Estate Agents Fidelity Fund, to which all estate agents contribute annually. The board provides services to estate agents, and administers the qualifying examination for estate agents.

In 2009/10, the board showed significant growth under the Fidelity Fund, conducted more consumer awareness campaigns and capacity building workshops, improved services to estate agents with a significant reduction in turnaround times, and improved call centre outputs.

Over the medium term, the board will pursue the following strategic initiatives: establish or outsource an inspectorate function for legislative compliance; increase public awareness of the professional status, qualifications and training standards of registered estate agents; and increase estate agents' awareness of the benefits of being a registered member of the board. The aim of these initiatives is to enhance compliance with legislation in the industry.

Savings and cost effectiveness measures

While the board has expanded to improve capacity, significant savings are envisaged on: consulting fees, due to increased in-house capacity; effective insurance policies to eliminate fruitless expenditure; and reduced audit fees due to improved internal control systems.

Selected performance indicators

Table 36.15 Estate Agency Affairs Board

Indicator	Programme/Activity	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of days to issue fidelity fund certificate	Compliance	30	14	14	14	14	14	14
Number of days to address customer queries	Compliance	14	6	5	5	5	5	5
Number of inspections per year	Inspectorate	8	8	16	1 800	1 800	2 700	3 600
Number of days to deal with appeals	Compliance	90	90	90	90	90	90	90
Number of training months per estate agent	Education and Training	-	-	-	12	12	12	12

Details of programmes/activities/objectives

Table 36.16 Estate Agency Affairs Board

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Governance and Strategy (Office of the CEO)	2 028	4 271	5 578	7 656	9 063	9 697	10 376
Compliance	2 067	2 855	8 937	13 050	15 738	16 839	18 018
Education and Training	2 673	1 613	2 832	4 700	7 779	8 325	8 907
Corporate Services	33 501	45 225	24 200	28 925	33 286	33 478	35 820
Total expense	40 269	53 964	41 547	54 331	65 866	68 338	73 121

The board's total expenditure for 2010/11 was R54.3 million.

Governance and Strategy (office of the chief executive) provides support in developing and implementing the board's overall strategy.

Compliance manages the registration of estate agents, the issuing of fidelity fund certificates to qualified applicants, disciplinary processes involving estate agents, and claims lodged against the fidelity fund. In 2009/10, 50 350 estate agents registered with the board and were issued fidelity fund certificates. Of the 3 708 files that were dealt with, 3 487 were successfully finalised, and 221 were still pending.

Inspectorate conducts inspections to ensure compliance with relevant legislation. In 2009/10, the board, along with the Financial Intelligence Centre, conducted 16 inspections. The board has since outsourced the inspectorate functions to service providers countrywide.

Education and Training manages the education and training programme for estate agents, the conduct of the professional designation examination for estate agents and the introduction of continuing professional development requirements for estate agents. In 2010/11, over 6 000 candidates wrote the national qualifications framework level 4 examinations.

Corporate Services provides support to the board in the form of human capital, administration and financial services. It also provides communication and marketing support to the estate agency profession in general, focusing on consumer education and public awareness initiatives.

Expenditure estimates

Table 36.17 Estate Agency Affairs Board

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome			2010/11	2011/12	2012/13	2013/14
	2007/08	2008/09	2009/10				
Revenue							
Non-tax revenue	65 363	53 838	55 729	60 441	66 762	71 227	75 767
Sale of goods and services other than capital assets	59 492	45 466	46 162	52 412	58 976	65 104	69 662
<i>of which:</i>							
<i>Sales by market establishments</i>	59 492	45 466	46 162	52 412	58 976	65 104	69 662
<i>Other non-tax revenue</i>	5 871	8 372	9 567	8 029	7 786	6 123	6 105
Total revenue	65 363	53 838	55 729	60 441	66 762	71 227	75 767
Expenses							
Current expense	40 269	53 964	41 548	54 331	65 866	68 338	73 121
Compensation of employees	17 990	28 222	21 828	31 123	32 980	35 288	37 758
Goods and services	20 868	24 251	17 652	21 297	31 023	31 274	33 703
Depreciation	1 411	1 491	1 722	1 911	1 863	1 776	1 660
Interest, dividends and rent on land	–	–	346	–	–	–	–
Total expenses	40 269	53 964	41 548	54 331	65 866	68 338	73 121
Surplus / (Deficit)	25 094	(126)	14 181	6 110	896	2 890	2 645
Statement of financial position							
Carrying value of assets	23 817	23 698	23 510	22 190	57 076	60 815	59 957
<i>of which: Acquisition of assets</i>	2 534	1 515	1 548	591	60 749	5 515	803
Investments	60 029	73 326	71 710	75 974	46 849	49 848	53 057
Inventory	373	357	706	755	808	317	317
Receivables and prepayments	964	617	1 259	1 347	1 441	1 542	1 650
Cash and cash equivalents	16 229	4 176	15 502	10 455	6 502	3 691	4 569
Assets not classified elsewhere	843	843	5 280	5 280	5 650	6 045	6 468
Total assets	102 255	103 017	117 967	116 002	118 326	122 258	126 019
Accumulated surplus/deficit	93 347	81 795	95 976	102 086	102 982	105 872	108 517
Post-retirement benefits	–	9 795	11 090	11 090	11 866	12 697	13 586
Trade and other payables	7 354	10 049	6 654	1 518	1 623	1 737	1 858
Provisions	1 554	1 378	1 327	1 308	1 400	1 498	1 603
Liabilities not classified elsewhere	–	–	2 920	–	455	455	455
Total equity and liabilities	102 255	103 017	117 967	116 002	118 326	122 258	126 019

Expenditure trends

The spending focus over the MTEF period will be on enhancing compliance with legislation in the industry.

The board generates revenue from fees and contributions from registered estate agents. It does not receive any transfers from the department or government. Over the medium term, total revenue is expected to increase from R60.4 million in 2010/11 to R75.8 million in 2013/14, at an average annual rate of 7.9 per cent.

Expenditure increased from R40.3 million in 2007/08 to R54.3 million in 2010/11, at an average annual rate of 10.4 per cent, and is expected to increase to R73.1 million in 2013/14, at an average annual rate of 10.4 per cent. The increase over the medium term is due to an increase in staff and the acquisition of motor vehicles for inspection services. The acquisition of the board's new premises will be funded from the proceeds of the sale of existing building and accumulated reserves.

Personnel information

The board has an establishment of 85 posts, of which 81 are funded. The number of posts filled decreased from 78 in 2007/08 to 77 in 2010/11, and is expected to grow to 85 over the medium term as the board continues to build capacity.

There are 8 vacancies, of which 4 are at board member level; 3 in management and 1 professional levels.

Table 36.18 Estate Agency Affairs Board

	Post status as at 30 September 2010			Number of posts filled on funded establishment						
	Number of posts on approved establishment	Number of funded posts (establishment)	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Board members	15	15	4	15	11	11	11	15	15	15
Executive management	5	4	1	5	4	4	4	5	5	5
Senior management	6	5	1	4	5	5	5	6	6	6
Middle management	8	7	1	6	7	7	7	8	8	8
Professionals	5	4	1	4	4	4	4	5	5	5
Semi-skilled	41	41	–	41	45	41	41	41	41	41
Very low skilled	5	5	–	3	3	5	5	5	5	5
Total	85	81	8	78	79	77	77	85	85	85
Compensation (R thousand)				17 990	28 222	21 828	31 123	32 980	35 288	37 758
Unit cost (R thousand)				231	357	283	404	388	415	444

1. As at 30 September 2010.

Export Credit Insurance Corporation of South Africa

Strategic overview: 2007/08 – 2013/14

The Export Credit Insurance Corporation was established in terms of the Export Credit and Foreign Investments Insurance Act (1957) as amended. It is a self-sustained, national export credit agency.

In line with its legal mandate, the corporation facilitates and encourages South African export trade by underwriting export credit loans and investments outside South Africa to enable South African contractors to win capital goods and services contracts in other countries. The corporation evaluates export credit and foreign investment risks, and provides export credit and foreign investment insurance cover on behalf of the South African government. In addition, the corporation manages the interest makeup scheme on behalf of the Department of Trade and Industry in terms of the South African export credit support agreement. The corporation is committed to attaining government's strategic goals through accelerating economic growth, creating and preserving employment opportunities, and reducing economic inequalities.

The corporation's focus over the medium term is to: increase credit and investment insurance with a special focus on the African market; develop new products to facilitate exports of South African goods and services; manage the existing insurance portfolio efficiently and diversify the portfolio sectorally and geographically; prudently administer the interest makeup scheme; and ensure that the pricing of the corporation's products

adequately reflect the corporation's risks and costs. For this to be achieved, the corporation's technical skills base will be developed with a high recruitment drive over the medium term.

Savings and cost effectiveness measurements

The corporation has introduced stringent cost reduction measures on entertainment and travelling expenses. This has been achieved by introducing assessments on travelling needs and also reviewing the business impact resulting from entertainment expenses. Furthermore, prudent underwriting processes are applied when assessing each policy.

Selected performance indicators

Table 36.19 Export Credit Insurance Corporation of South Africa

Indicator	Programme/Activity	Past			Current	Project		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Value of underwriting activity per year	Increase in value of approved applications	-	-	-	-	US\$400 million	US\$450 million	US\$500 million
Number of direct interactions per year to increase awareness of the corporation's products	Direct interactions with exporters, banks and Investors	-	-	-	-	10	10	10
Number of conferences and industrial expos participated in per year to raise the profile of the corporation	Participation in relevant conferences and industrial expos	-	-	-	-	3	4	5

1. After a strategic review, all previously published performance indicators have been revised and replaced with these more suitable indicators.

Details of programmes/activities/objectives

The corporation is the official export credit agency of South Africa. It offers insurance cover for risks that the international private sector insurance market is still generally unwilling to accept. Typically these transactions span 2 to 15 years.

This entails: developing a minimum capital requirement model with external actuaries as part of keeping up to date with technological developments in the industry; reviewing and developing the corporation's incurred but not reported reserves model; and reviewing the corporation's pricing methodology by benchmarking with other export credit agencies.

The corporation has a total budget of R1.1 billion over the MTEF period, of which 35 per cent will be used for interest make up payments.

Expenditure estimates

Table 36.20 Export Credit Insurance Corporation of South Africa

Statement of financial performance				Revised estimate	Medium-term estimate		
	Audited outcome						
R thousand	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Revenue							
Non-tax revenue	688 626	574 162	753 168	630 577	729 419	749 096	776 792
Sale of goods and services other than capital assets	215 573	305 090	290 349	369 556	355 809	372 066	392 946
<i>of which:</i>							
<i>Sales by market establishments</i>	215 573	305 090	290 349	369 556	355 809	372 066	392 946
<i>Other non-tax revenue</i>	473 053	269 072	462 819	261 021	373 610	377 030	383 846
Transfers received	120 567	137 265	122 400	120 488	121 517	123 824	131 185
Total revenue	809 193	711 427	875 568	751 065	850 936	872 920	907 977

Table 36.20 Export Credit Insurance Corporation of South Africa (continued)

R thousand	Audited outcome			Revised estimate 2010/11	Medium-term estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Expenses							
Current expense	320 596	608 178	373 697	542 819	335 902	414 120	429 523
Compensation of employees	16 638	19 910	17 613	22 309	27 877	30 050	32 354
Goods and services	302 891	588 139	342 199	520 256	307 720	383 290	396 357
Depreciation	123	108	177	254	305	780	812
Interest, dividends and rent on land	944	21	13 708	–	–	–	–
Total expenses	462 172	636 964	517 449	611 834	485 111	547 584	568 490
Surplus / (Deficit)	347 021	74 463	358 119	139 231	365 825	325 336	339 487
Statement of financial position							
Carrying value of assets	95	280	804	1 200	2 545	2 015	1 353
<i>of which: Acquisition of assets</i>	31	268	810	650	1 650	250	150
Investments	1 545 773	1 604 316	1 284 001	1 516 325	1 773 768	1 856 990	1 966 699
Receivables and prepayments	337 093	191 623	182 454	193 401	205 005	217 306	230 344
Cash and cash equivalents	956 282	1 283 560	1 303 586	1 520 815	1 858 027	2 342 063	2 826 118
Assets not classified elsewhere	2 558	123 029	21 525	21 525	16 525	11 525	6 525
Total assets	2 841 801	3 202 808	2 792 370	3 253 266	3 855 870	4 429 899	5 031 039
Accumulated surplus/deficit	1 090 448	1 169 434	1 528 900	1 685 098	2 052 570	2 376 008	2 713 406
Capital and reserves	337 608	598 388	409 066	430 334	428 687	430 585	432 673
Trade and other payables	197 512	87 023	24 914	13 347	92 857	118 866	162 765
Provisions	1 216 233	1 347 963	829 490	1 124 487	1 281 756	1 504 440	1 722 195
Total equity and liabilities	2 841 801	3 202 808	2 792 370	3 253 266	3 855 870	4 429 899	5 031 039

Expenditure trends

Over the medium term, the corporation's spending focus will be on: export credit and foreign investment risks, and export credit and foreign investment insurance cover on behalf of government; underwriting medium and long term loans, and equity investments for exporting capital goods and services from South Africa; extending the corporation's services in line with preserving the financial viability essential to its long term support of exporters of capital goods and services; and providing financial services that contribute to public confidence and comply with international standards.

The entity generates revenue from premium payments for reinsurance and finances its operations without any government grants. Total revenue averaged R786.8 million between 2007/08 and 2010/11, of which R295.1 million is attributed to underwriting activities. Investments income accounts for approximately R222 million due to stable investments returns over the period. The interest make-up scheme's transfers are done through the Export Credit Insurance Corporation, acting as government's agent to administer the scheme. Scheme transfers were R120.6 million in 2007/08 and R120.5 million in 2010/11. Over the MTEF period, transfers are expected to increase to R131.2 million, at an average annual rate of 2.9 per cent.

Expenditure increased from R462.2 million in 2007/08 to R611.8 million in 2010/11, at an average annual rate of 9.8 per cent, mainly as a result of an increase in claims paid out to policy holders. Claims paid increased because insurance risks materialised, influenced by the 2008 economic downturn. Expenditure is expected to decrease to R568.5 million over the medium term, at an average annual rate of 2.4 per cent. This is influenced by the increase in reserve movements as a result of projected higher concentration risk reserve coupled with premium increase.

Personnel Information

The corporation has an approved and funded establishment of 47 posts. The number of posts filled decreased from 45 in 2007/08 to 43 in 2010/11, and is expected to grow to 52 over the medium term as a result of expanded business operations.

There are 9 vacancies, of which 4 are at board member level, 4 at the professionals level, and 1 at the semi-skilled level.

The ratio of support staff to line staff is 1:2.18.

Table 36.21 Export Credit Insurance Corporation of South Africa

	Post status as at 30 September 2010			Number of posts filled on funded establishment						
	Number of posts on approved establishment	Number of funded posts (establishment)	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Board members	9	9	4	9	9	9	5	9	9	9
Executive management	5	5	–	3	2	4	5	5	5	5
Middle management	4	4	–	4	4	4	4	4	4	4
Professionals	23	23	4	23	23	23	23	27	27	27
Semi-skilled	6	6	1	6	6	6	6	7	7	7
Total	47	47	9	45	44	46	43	52	52	52
Compensation (R thousand)				16 638	19 910	17 613	22 309	27 877	30 050	32 354
Unit cost (R thousand)				370	453	383	519	536	578	622

1. As at 30 September 2010.

National Consumer Commission

Strategic overview: 2007/08 – 2013/14

The Consumer Protection Act (2008) established the National Consumer Commission, which is a listed entity of the Department of Trade and Industry. Its mandate is to ensure the enforcement of consumer legislation by establishing a supportive regulatory framework to achieve and maintain a consumer market that is fair, accessible, efficient and sustainable, and to promote and protect the economic interests of consumers.

Focused interventions include: reducing and improving any disadvantages in accessing goods or services; protecting consumers from hazards to their wellbeing and safety; promoting fair business practices; developing effective means of redress for consumers; improving consumer awareness and information, and encouraging empowered, responsible consumer behaviour; facilitating consumer advocacy groups; promoting consumer participation in decision making about the marketplace and their interests; and developing guidelines on codes of good practice for stakeholders as identified in the Consumer Protection Act (2008) and codes of conduct for industry.

The commission is also tasked with the responsibility of harmonising consumer protection across government and the private sector and will therefore work closely with all tiers of government, sector regulators, industry, civil society and other stakeholders. The Department of Trade and Industry is in the process of establishing the commission and over the medium term, the focus will be on building infrastructure and capacity. An immediate priority is to embark on awareness campaigns about the act and its application.

The Minister of Trade and Industry has appointed both the commissioner and deputy commissioner in terms of the act. The commission will be launched by the Minister of Trade and Industry on 11 March 2011 and it will become fully operational on 1 April 2011.

Selected performance indicators

Table 36.22 National Consumer Commission

Indicator	Programme/Activite	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Consumer Protection awareness rate	Advocacy, Education and Awareness	-	-	-	-	20%	85%	90%
Percentage of consumer complains timely and successfully resolved	Complaints Handling System	-	-	-	-	90%	95%	95%
Percentage of investigation complaints timely finalised	Enforcement and Compliance	-	-	-	-	90%	90%	90%
Number of consumer research studies per year conducted	Research and development	-	-	-	-	3	3	3
Percentage adherence to Memorandum of understanding and services level agreements	Customer and stakeholder relations	-	-	-	-	75%	85%	90%

Details of programmes/activities/objectives

A number of key activities and programmes are planned for the commission over the medium term. These include: advocacy, education and awareness, which entails public awareness, sector education, and consumer protection for rural development; complaints handling and information systems, which entails establishing a consumer contact centre; research and development, which entails industry and consumer research; enforcement and compliance, which entails formulating industry codes and codes of practice, accrediting consumer protection groups and agents; stakeholder relationship management, which entails establishing stakeholder standing advisory committees, and formalising a memorandum of understanding and service level agreements; organisational development, which entails developing relevant organisational policies and standard operating procedures, organisational design in terms of structure, and providing organisational change management; human capital management, which entails developing a human capital development strategy and providing effective internal communications; a performance management system; communications and marketing, which entails media engagement, developing a corporate identity and the commission's service charter; the ICT infrastructure and network, which entails an ICT master plan, a contact centre with a multimedia system, a website, and a case and knowledge management system; and financial management, which entails developing a financial management system.

Expenditure trends

The National Consumer Commission had an allocation of R 24.8 million in 2010/11. Over the medium term, allocations are R33 million in 2011/12, R42.6 million in 2012/13 and R43.9 million in 2013/14.

Personnel information

The approved establishment provides for 131 staff members. The executive team will comprise the commissioner, the deputy commissioner and 5 divisional heads.

National Consumer Tribunal

Strategic overview: 2007/08 – 2013/14

The National Consumer Tribunal was established in 2006 in terms of the National Credit Act (2005). The purpose of the act is to ensure equity in the credit market and to balance the rights and responsibilities of credit providers and consumers. As an independent body, the tribunal's mandate is to hear and decide on cases involving consumers, credit providers, debt counsellors and credit bureaus. It is also responsible for reviewing decisions made by the National Credit Regulator.

Until 2009/10, the tribunal's focus was on developing and finalising the rules of procedure for matters before the tribunal, capacity building and related initiatives, infrastructure development, and creating awareness about the act. The Consumer Protection Act (2008) will be implemented on 1 April 2011. The tribunal is preparing for its implementation and will ensure that appropriate resources are made available to facilitate the process.

Over the medium term, the tribunal will continue profiling its offerings, role and extended mandate to its stakeholders, and will implement human resources and IT strategies, which entail: process re-engineering; rehabilitation and standardising of existing document management systems; upgrading of server and telecommunication systems and related infrastructure; and the procurement of modernised IT devices and software in line with envisaged IT policy that is currently being formulated by the tribunal.

Other strategic objectives over the medium term include: increased accessibility; improved process management; improved contribution to the development of a rights culture; and positioning the tribunal as an authoritative and adjudicative body.

Savings and cost effectiveness measures

The tribunal has made changes to its systems to promote efficiency. The changes include: allocating an average of eight consent order applications to a single tribunal member; considering consent order applications in chambers, which results in efficiency savings in travel, accommodation and recording services associated with the hearings; requiring suppliers to pre-register, which has allowed the tribunal to negotiate more competitive prices and value for money from a wider pool; and implementing automated case management and records management systems, which will enable the tribunal to get accurate management information quickly and reduce the time spent by staff members on collating management information for reporting purposes.

Selected performance indicators

Table 36.23 National Consumer Tribunal

Indicator	Programme/Activity	Past			Current	Projections ¹		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Percentage of cases adjudicated	Effective Adjudication of Cases	100% (2)	100% (12)	100% (181)	100% (111)	100%	100%	100%
Percentage of decisions overturned on review or appeal	Position the Tribunal as an Authoritative Adjudicative Body	2%	2%	2%	2%	2%	5%	5%
Number of communication initiatives about the tribunal per year	Create Awareness of the Role and Function of the Tribunal	-	-	-	10	10	10	10
Number of initiatives to support tribunal members in their adjudications	Effective Adjudication of Cases	3	3	4	4	4	4	4
Number of policies, procedures and systems developed per year	Ensure the Optimal Functioning and Continuity of the Tribunal and Good Corporate Governance	8	1	1	1	2	2	2

1. Cases are referred to the tribunal and it is not possible to project numbers of cases.

Details of programmes/activities/objectives

Table 36.24 National Consumer Tribunal

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Ensuring the effective adjudication of cases	1 884	4 095	5 744	6 398	9 414	11 725	10 985
Creating awareness of the role and function of the Tribunal	16	776	245	212	233	256	282
Forging mutually supportive strategic alliances	9	418	530	192	211	232	255
Optimising the capacity of the Tribunal members and staff	109	572	1 290	1 964	2 160	2 376	2 614
Ensuring the optimal functioning and continuity of the Tribunal	705	19	57	325	358	394	432
Other objectives	3 379	6 724	10 252	13 561	15 142	15 020	18 775
Total expense	6 102	12 604	18 118	22 652	27 518	30 003	33 343

The total budget allocated to the tribunal for 2010/11 was R22.7 million.

Effective Adjudication of Cases has a staff complement of 11 (expected to increase to 17 over the medium term) and a total budget of R 5.1 million, of which 66 per cent is used for compensating part-time tribunal members. In 2010/11, 111 cases were adjudicated.

Position the Tribunal as an Authoritative Adjudicative Body ensures the effective adjudication of cases by positioning the tribunal as an authoritative adjudicative body. This objective has no budget allocated. The tribunal has set a target of a 2 per cent maximum in decisions overturned for 2010/11, and this will increase over the medium term to 5 per cent due to the projected increases in the number of cases.

Create Awareness of the Role and Function of the Tribunal communicates the role and business processes of the tribunal to stakeholders to improve its accessibility. This objective has a total budget of R 334 000, of which 72 per cent is used for media advertising and travelling to create awareness. Over the medium term, 10 communication initiatives have been planned, with 6 having been undertaken in 2010/11 and supported by a budget of R 334 000.

Forge Mutually Supportive Strategic Alliances has no budget. In 2010/11, objectives were to ensure that initiatives undertaken were in support of members' adjudicative function.

Ensure the Optimal Functioning and Continuity of the Tribunal and Good Corporate Governance has a total budget of R2.2 million, of which 95 per cent is used for audits, publications and document management systems. Over the medium term, the tribunal will continue to monitor compliance using the compliance monitoring tool, review policies *where necessary, and implement the case management system.*

Expenditure estimates

Table 36.25 National Consumer Tribunal

Statement of financial performance				Revised estimate 2010/11	Medium-term estimate		
R thousand	Audited outcome				2011/12	2012/13	2013/14
	2007/08	2008/09	2009/10				
Revenue							
Non-tax revenue	35	344	230	593	606	671	714
Sale of goods and services other than capital assets	1	8	40	16	60	70	80
<i>of which:</i>							
<i>Other sales</i>	1	8	40	16	60	70	80
<i>Other non-tax revenue</i>	34	336	190	577	546	601	634
Transfers received	7 193	11 392	17 519	22 059	28 833	32 500	35 233
Total revenue	7 228	11 736	17 749	22 652	29 439	33 171	35 947
Expenses							
Current expense	6 102	12 604	18 118	22 652	27 518	30 003	33 343
Compensation of employees	1 334	3 189	5 215	7 879	9 869	10 856	11 942
Goods and services	4 370	8 899	12 207	14 252	17 136	18 740	20 980
Depreciation	356	423	591	521	513	407	421
Interest, dividends and rent on land	42	93	105	-	-	-	-
Total expenses	6 102	12 604	18 118	22 652	27 518	30 003	33 343
Surplus / (Deficit)	1 126	(868)	(369)	-	1 921	3 168	2 604
Statement of financial position							
Carrying value of assets	1 314	1 200	1 288	945	832	629	412
<i>of which: Acquisition of assets</i>	1 471	309	684	178	400	204	204
Receivables and prepayments	84	98	106	200	200	200	200
Cash and cash equivalents	3 584	2 926	3 441	2 450	3 150	3 850	4 000
Total assets	4 982	4 224	4 835	3 595	4 182	4 679	4 612
Accumulated surplus/deficit	3 540	2 672	2 303	2 303	2 303	2 303	2 303
Trade and other payables	1 019	989	1 839	735	1 290	1 743	1 626
Provisions	42	77	265	300	350	400	450
Liabilities not classified elsewhere	381	486	428	257	239	233	233
Total equity and liabilities	4 982	4 224	4 835	3 595	4 182	4 679	4 612

Expenditure trends

The spending focus over the MTEF period will be on managing the increase in the number of cases referred to the tribunal as a result of the expanded mandate.

The tribunal generates revenue mainly from transfers received from the Department of Trade and Industry, filing fees and interest from investments. Transfers from the department increased from R7.2 million in 2007/08 to R22.1 million by 2010/11, at an average annual rate of 45.3 per cent to cover the entity's operational costs. Transfers are expected to increase to R35.2 million over the medium term, at an average annual rate of 16.8 per cent.

Expenditure increased from R6.1 million in 2007/08 to R22.7 million in 2010/11, at an average annual rate of 55 per cent, to cover the establishment of the entity. Expenditure is expected to increase to R33.3 million in 2013/14, at an average annual rate of 13.6 per cent. The increase is due to the increase in the number of tribunal members as a result of the expanded mandate.

Personnel information

The tribunal has an establishment of 16 posts, of which 8 are currently filled. The number of posts filled increased from 4 in 2007/08 to 8 in 2010/11, and is expected to grow to 16 over the medium term. The tribunal has recently been established and is therefore still in the process of building capacity.

The tribunal had a vacancy rate of 33 per cent in 2009/10. The vacancy rate is expected to decline over the medium term as key appointments are made. The current proportion of support staff to line is 1.7: 1.

Table 36.26 National Consumer Tribunal

	Post status as at 30 September 2010			Number of posts filled on funded establishment						
	Number of posts on approved establishment	Number of funded posts (establishment)	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Executive management	1	–	–	1	1	1	1	1	1	1
Senior management	5	–	–	–	1	3	4	5	5	5
Middle management	4	–	–	2	2	2	2	4	4	4
Semi-skilled	6	–	–	1	1	1	1	6	6	6
Total	16	–	–	4	5	7	8	16	16	16
Compensation (R thousand)				1 334	3 189	5 215	7 879	9 869	10 856	11 942
Unit cost (R thousand)				334	638	745	985	617	679	746

1. As at 30 September 2010.

National Credit Regulator

Strategic overview: 2007/08 – 2013/14

The National Credit Regulator was instituted by the National Credit Act (2005). Its primary purpose is to regulate the consumer credit industry to improve consumer protection and the efficiency and fairness of the end user credit market. The main objectives of the National Credit Regulator are: to provide education, do research, develop policy, register industry participants and investigate complaints; to promote the development of an accessible credit market, and particularly to address the needs of historically disadvantaged and other marginalised people and communities; to register all credit providers, credit bureaus and debt counsellors; and to enforce compliance with the National Credit Act (2005).

Over the medium term, the regulator will strengthen the oversight and monitoring of credit providers, credit bureaus and debt counsellors, and continue fostering consumer and public awareness of the provisions of the act and debt relief.

In terms of the national register of credit agreement, the regulator must establish a single national register of outstanding credit agreements; ensure that investigations are concluded on time, and where applicable, forwarded to the National Consumer Tribunal for redress; ensure the compilation and reporting of statistical data is regularly disseminated to government and stakeholders to facilitate the development of policy and other decision making processes.

The provisions of the National Credit Act (2005) on debt counselling have made further interventions necessary that may require financial resourcing.

Savings and cost effectiveness measures

The regulator is currently operating at 21 per cent below capacity and will therefore continue to appoint additional staff. Given the specialised skills required, the recruitment process was slower than expected.

Selected performance indicators

Table 36.27 National Credit Regulator

Indicator	Programme/Activity	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Average turnaround time in days for approval of correct and complete registrations	Registrations	9	10	10	10	10	10	10
Number of consumers reached per year	Education	32 090	37 873	36 000	36 000	36 000	36 000	36 000
Number of debt counsellors registered per year	Debt counselling	336	834	600	650	700	750	750

Details of programmes/activities/objectives

Table 36.28 National Credit Regulator

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Registrations	6 280	6 340	7 316	9 910	10 788	10 463	12 050
Complaints	3 663	4 755	7 474	8 045	8 091	7 847	9 035
Investigations	6 280	6 340	6 709	9 250	10 788	10 463	12 450
Research and Statistics	3 140	3 170	4 023	5 334	5 394	5 231	7 520
Credit information	1 570	2 113	1 844	6 065	3 596	3 488	4 250
Other Objectives	45 100	30 115	38 801	48 969	51 244	49 698	47 226
Total expense	66 033	52 833	66 167	87 573	89 903	87 190	92 531

Registration and Compliance Monitoring ensures compliance monitoring of credit providers and reports on compliance by both large and small entities, and audited and non-audited entities. By the end of 2010/11, a total of 4 168 credit providers were registered with the regulator, representing 33 706 branches, 10 credit bureaus and a total estimated loan book of R1.1 trillion. By March 2010, there were 650 registered debt counsellors.

Complaints receives and attends to consumer complaints. In 2010/11, the regulator received 81 895 calls at its call centre and recorded 240 596 hits on its website.

Investigation conducts investigations on credit providers and ensures compliance by debt counsellors. Since inception, the regulator has conducted and completed a total of 431 investigations. In 2010/11, 16 compliance notices were issued while a further 14 compliance letters were issued for lesser areas of non-compliance. The regulator also issued 8 tribunal referrals and 8 cases to high courts.

Credit Bureau and Credit Provider Statistics provides information to industry and stakeholders on consumer credit in South Africa by publishing quarterly credit providers and credit bureau statistics.

Debt Counselling provides a functional debt counselling system. By the end of 2010/11, the regulator had a total of 1 642 registered debt counsellors. An additional 8 training institutions were accredited, allowing for increased debt counsellors' certification prior to obtaining registration.

Expenditure estimates

Table 36.29 National Credit Regulator

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome				2010/11	2011/12	2012/13
	2007/08	2008/09	2009/10				
Revenue							
Non-tax revenue	23 628	33 028	31 784	51 216	37 296	34 190	38 719
Sale of goods and services other than capital assets	18 169	26 236	26 528	46 416	34 896	31 485	35 219
<i>of which:</i>							
Admin fees	18 169	26 236	26 528	46 416	34 896	31 485	35 219
Other non-tax revenue	5 459	6 792	5 256	4 800	2 400	2 705	3 500
Transfers received	45 915	34 513	46 213	48 274	56 555	55 927	60 042
Total revenue	69 543	67 541	77 997	99 490	93 851	90 117	98 761
Expenses							
Current expense	52 331	52 833	66 167	87 573	89 903	87 190	92 531
Compensation of employees	23 052	25 691	31 738	46 001	49 398	52 884	54 296
Goods and services	27 906	27 688	33 010	40 048	38 479	31 870	35 999
Depreciation	1 362	(560)	1 407	1 511	2 025	2 432	2 230
Interest, dividends and rent on land	11	14	12	13	1	4	6
Transfers and subsidies	13 702	-	-	-	-	-	-
Total expenses	66 033	52 833	66 167	87 573	89 903	87 190	92 531
Surplus / (Deficit)	3 510	14 708	11 830	11 917	3 948	2 927	6 230
Statement of financial position							
Carrying value of assets	4 352	6 636	7 432	10 021	11 750	12 470	14 705
<i>of which: Acquisition of assets</i>	1 279	1 749	2 432	4 100	3 754	3 152	4 465
Investments	-	-	-	-	-	-	1 050
Receivables and prepayments	264	285	189	304	339	339	339
Cash and cash equivalents	48 873	61 949	73 019	63 479	53 530	50 775	67 737
Total assets	53 489	68 870	80 640	73 804	65 619	63 584	83 831
Accumulated surplus/deficit	23 260	37 969	49 800	49 275	35 948	36 144	46 957
Trade and other payables	6 495	5 199	4 618	1 159	3 500	(738)	6 168
Provisions	2 351	2 265	3 598	3 123	2 685	2 819	3 050
Liabilities not classified elsewhere	21 383	23 437	22 624	20 247	23 486	25 359	27 656
Total equity and liabilities	53 489	68 870	80 640	73 804	65 619	63 584	83 831

Expenditure trends

The spending focus over the MTEF period will be on operational expenses and compensation of employees, as a result of the regulatory function this entity performs.

The regulator generates revenue mainly from transfers received from the Department of Trade and Industry. Transfers increased from R45.9 million in 2007/08 to R48.3 million in 2010/11, at an average annual rate of 1.7 per cent. Over the medium term, transfers are expected to grow to R60 million, at an average annual rate of 7.5 per cent in order to build sufficient capacity in the regulator.

Expenditure increased from R66 million in 2007/08 to R87.6 million in 2010/11, at an average annual rate of 9.9 per cent. Over the MTEF period, expenditure is expected to increase marginally to R92.5 million, at an average annual rate of 1.8 per cent. The increase in both periods is mainly due to organisational development, increased staff capacity, business process re-engineering and increased infrastructure spending.

Personnel information

The number of posts filled increased from 70 in 2007/08 to 107 in 2010/11 and is expected to grow to 138 over the medium term. This is as a result of extended compliance regulation and increased investigations required in terms of the National Credit Act (2005).

Table 36.30 National Credit Regulator

	Post status as at 30 September 2010			Number of posts filled on funded establishment						
	Number of posts on approved establishment	Number of funded posts (establishment)	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
Senior management	-	-	-	5	3	4	3	3	3	3
Middle management	-	-	-	4	4	4	6	6	6	6
Professionals	-	-	-	23	22	32	35	35	44	44
Semi-skilled	-	-	-	9	18	28	32	32	47	47
Very low skilled	-	-	-	29.0	22.0	24.0	31.0	31.0	38.0	38.0
Total	-	-	-	70	69	92	107	107	138	138
Compensation (R thousand)				23 052	25 691	31 738	46 001	49 398	52 884	54 296
Unit cost (R thousand)				329	372	345	430	462	383	393

1. As at 30 September 2010.

National Empowerment Fund

Strategic overview: 2007/08 – 2013/14

The National Empowerment Fund was established by the National Empowerment Fund Act (1998) to promote and facilitate black economic equality and transformation. It provides finance and financial solutions to black business across a range of sectors, and structures accessible retail savings products for black people based on state owned equity investments.

Its mandate and mission is to be government's funding agency in facilitating the implementation of broad based black economic empowerment (BEE) in terms of the BEE codes of good practice.

The fund's strategic objectives over the medium term are to: encourage and promote savings, investments and meaningful economic participation by black people; promote and support business ventures pioneered and run by black enterprises; promote the universal understanding of equity ownership among black people; contribute to creating employment opportunities; and encourage the development of a competitive, effective and inclusive equities market.

The fund is structured to deliver on its mandate and realise these objectives through asset management, fund management and strategic projects funding. The entity's structure and capital will facilitate its role of advancing funding to the transactions currently under consideration. This is undertaken with the appropriate appetite for risk, and to make an impact in the targeted sector.

Savings and cost effectiveness measures

The fund has applied a business model that seeks to leverage off existing infrastructure and sources of expertise as opposed to replicating these needs in the form of establishing an organisation of critical mass. The fund has, as a result, leveraged off its relationships with provincial government and development finance institutions to create awareness of its products and services, which has proved more efficient than creating a standalone regional network. The fund is currently appointing regional officers that will be permanently based in these structures in each province to further entrench its provincial activities.

Additional skills, especially at the non-financial support level, are sourced through the mentorship network that the fund has established as opposed to the permanent recruitment of staff to fulfil these support requirements. Over and above this, tight fiscal discipline is applied across all expenditure areas.

Selected performance indicators

Table 36.31 National Empowerment Fund

Indicator	Programme/Activity	Past			Current	Projected		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Value of transactions between R5m and R100m approved per year	Corporate Fund	R218m	R219m	R184.7m	R300m	R400m	R500m	R500m
Value of transactions between R250 000- and R10m approved per year	Imbewu Fund	R80m	R78m	R106.2m	R135m	R150m	R180m	R200m
Value of transactions for small projects in rural areas approved per year	Rural and Community Development unit	R2m	R9m	R86.1m	R75m	R105m	R130m	R130m
Value of transactions for strategic projects and feasibility studies approved per year	Strategic Projects Fund	-	R5m	R46.5m	R70m	R330m ¹	R200m ¹	R200m ¹
Number of asset management activities undertaken per year	Asset Management	-	-	-	18 702	9 862	2 850	2 850
Number of projects receiving non financial support per year	Non Financial support	-	-	-	5 554	6 500	9 000	9 000

1. Strategic projects projected disbursement figures are an indication of what is available for disbursement.

Details of programmes/activities/objectives

Table 36.32 National Empowerment Fund

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Umntho Fund	218 000	219 000	184 654	300 000	375 000	450 000	500 000
Imbewu Fund	80 000	78 000	106 162	135 000	150 000	180 000	216 000
Rural and Community Development unit	2 000	9 000	86 145	75 000	105 000	130 000	156 000
Strategic Projects Fund	-	5 000	46 533	70 000	330 000	200 000	200 000
Other objectives	142 784	17 887	(39 804)	(350 890)	(691 404)	(629 700)	(806 903)
Total expense	442 784	328 887	383 690	229 110	268 596	330 300	265 097

The National Empowerment Fund promotes and supports business ventures pioneered and run by black people. Ongoing activities of the fund include: broadening black economic participation; asset management, by structuring accessible retail savings products for black people; fund management, as a facilitator of the codes of good practice of the Broad-Based Black Economic Empowerment Act (2003); and the management of a strategic projects fund, which provides venture capital finance for entrepreneurs to participate in projects that are at an early stage. The fund has a total budget of R864 million over the medium term, of which 40 per cent will be used for compensation of employees and 60 per cent for administrative expenses.

Over the medium term, the fund management division will focus on the following: approving 84 deals worth R749 million and disbursing 72 deals worth R630 million in 2011/12; approving 101 deals worth R915 million and disbursing 87 deals worth R760 million in 2012/13; and approving 120 deals worth R1 billion and disbursing 102 deals worth R872 million in 2013/14. The strategic projects fund invested a total of R46.5 million in 2009/10 in transactions expected to be currently worth R615 million to the fund at equity closure, bringing the total invested by this fund to R52.5 million since inception. The unit has 10 projects in the pipeline and is currently working on active projects.

Expenditure estimates

Table 36.33 National Empowerment Fund

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome				2010/11	2011/12	2012/13
	2007/08	2008/09	2009/10				
Revenue							
Non-tax revenue	1 294 598	432 930	466 654	350 909	348 000	399 000	446 000
<i>Other non-tax revenue</i>	1 294 598	432 930	466 654	350 909	348 000	399 000	446 000
Transfers received	100 000	–	116 000	–	–	–	–
Total revenue	1 394 598	432 930	582 654	350 909	348 000	399 000	446 000
Expenses							
Current expense	442 784	328 887	383 690	229 110	268 596	330 300	265 097
Compensation of employees	48 125	60 609	78 050	87 167	106 672	116 278	126 700
Goods and services	392 339	264 491	300 222	135 657	157 633	209 701	134 476
Depreciation	2 320	3 787	5 418	6 286	4 291	4 321	3 921
Total expenses	442 784	328 887	383 690	229 110	268 596	330 300	265 097
Surplus / (Deficit)	951 814	104 043	198 964	121 799	79 404	68 700	180 903
Statement of financial position							
Carrying value of assets	7 720	11 458	13 283	13 012	14 021	11 600	9 579
<i>of which: Acquisition of assets</i>	7 620	7 528	7 243	6 015	5 300	1 900	1 900
Investments	1 462 570	1 309 951	1 289 581	1 460 778	1 545 064	1 634 408	1 729 112
Loans	495 304	688 586	898 304	1 294 658	1 842 856	2 448 951	3 240 042
Receivables and prepayments	16 928	23 985	10 741	1 781	2 138	2 565	3 078
Cash and cash equivalents	2 317 757	2 604 188	2 788 342	2 358 000	1 925 000	1 921 000	1 123 375
Total assets	4 300 279	4 638 168	5 000 251	5 128 229	5 329 079	6 018 524	6 105 186
Accumulated surplus/deficit	1 137 116	1 241 159	1 440 124	1 561 923	1 641 327	1 710 027	1 890 930
Capital and reserves	3 133 291	3 245 385	3 518 812	3 541 181	3 659 848	4 280 483	4 186 142
Trade and other payables	24 327	29 460	41 315	25 125	27 904	28 014	28 114
Provisions	4 776	121 994	–	–	–	–	–
Liabilities not classified elsewhere	769	170	–	–	–	–	–
Total equity and liabilities	4 300 279	4 638 168	5 000 251	5 128 229	5 329 079	6 018 524	6 105 186

Expenditure trends

Spending focus over the MTEF will mainly be to implement the fund's mandate in respect of asset management, fund management and the strategic projects fund.

The net asset value of the fund has increased from R2.1 billion in 2005/06, to just over R5.1 billion currently. This has largely been a factor of appreciation in fair value of the asset management portfolio, retained earnings, as well as the capitalisation of the fund by the department.

Total revenue decreased from R1.4 billion in 2007/08 to R350.9 million in 2010/11, at an average annual decrease of 36.9 per cent. This was mainly due to the fund no longer receiving funding from the budget of the Department of Trade and Industry from 2010/11 onwards. Over the MTEF period, revenue is expected to increase to R446 million, at an average annual rate of 8.3 per cent.

Expenditure has decreased from R442.8 million in 2007/08 to R229.1 million in 2010/11, at an average annual rate of 19.7 per cent. This is mainly due to lower spending on goods and services. Over the medium term, expenditure is expected to increase to R265.1 million, at an average annual rate of 5 per cent. This is in line with the increase in net asset value.

Personnel information

Personnel numbers have grown from 85 in 2007/08 to 140 in 2010/11 and are projected to grow to 162 over the medium term. The increase in the staff complement mainly relates to the fund achieving greater operational efficiency. 50 per cent of the previous year's overheads comprised staff costs. Vacant positions amounted to 23 at the end of 2009/10 and are in the process of being filled. Due to the level of investment in staff resources each year, much focus is placed on high calibre staff attraction, retention and wellbeing. The recruitment drive enhanced employment equity statistics in terms of race and gender.

National Gambling Board

Strategic overview: 2007/08 – 2013/14

The mandate of the National Gambling Board is to provide strategic leadership and guide gambling activities to align with the national policy framework. The board is responsible for implementing the National Gambling Act (2004) and is a catalyst for creating a credible South African gambling environment. The board is responsible for overseeing regulation in South Africa's gambling industry. The board aims to grow its regulatory capability to position South Africa as a credible adjudicator in an effectively regulated gambling industry.

Over the medium term, the board will implement the new strategy formulated in 2010/11. This strategy will improve leadership and strengthen its advocacy role for the industry within the legislative framework, including among industry role players as partners. The board will build strategic relationships and create forums for meaningful engagement with all industry stakeholders.

To give effect to its strategy over the medium term, the board will focus on establishing a regulatory framework to deal with new forms of technology based gambling modes before they are illegally introduced into the country. It will also give input into the national responsible gambling programme's research initiatives by compiling national guidelines on generating gambling and gaming data. It will also develop an electronic compliance monitoring tool that will provide for a more robust and reliable internal system. Monitoring compliance will be effected through the implementation of an automated interactive system that will collate information from provincial gambling boards, analysis of which will point to areas of concern that will need to be audited.

Savings and cost effectiveness measures

The board has introduced cost effective measures that include: annual budgets linked to projects identified in strategic planning; quarterly performance appraisals linked to actual performance; the filling of vacant positions reviewed in line with the organisation's needs analysis; and monthly monitoring of travelling, flight and accommodation expenses.

Selected performance indicators

Table 36.34 National Gambling Board

Indicator	Programme/Activity	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of Financial Intelligence Centre Act (2001) inspections per year ¹	Operations	72	44	112	86	106	106	106
Number of national employee licences issued per year	Operations	0	0	72	10	10	10	10
Number of national databases developed, implemented and maintained per year	Operations	2	1	-	-	-	-	-
Number of central electronic monitoring system audits conducted per year	Operations	-	-	2	1	1	1	1
Number of oversight inspections conducted per province per year	Operations	-	1	1	2	2	2	2
Number of illegal gambling activities registered per year ²	Operations	800	9	475	18	18	18	10
Number of research projects conducted per year	Operations	-	3	2	2	1	-	1

1. For any member of staff employed in the gambling industry it is mandatory for them to be registered for probity purposes. The figures indicated are across provinces and not specifically to each province.

2. The Research projects are not conducted annually unless where there is a critical issue or request to research a specific matter. The strategy pursued is to allow analysis and implementation of the recommendation of such research.

Details of programmes/activities/objectives

The total budget allocated to the board for 2010/11 was R22 million, of which 41 per cent was used in the Operations programme.

Operations monitors compliance, oversees regulatory functions in the gambling industry, and facilitates and conducts research. This entails performing inspections, research, oversight monitoring of licensees, partnering with banks against illegal gambling activities, and consulting with the industry on any matter affecting it. This programme has a total budget of R9 million, of which 65 per cent was used for compliance monitoring and 35 per cent for research. Inspections in relation to the Financial Information Centre Act (2001) have been conducted at casinos in three provinces: Limpopo, Gauteng and KwaZulu Natal. Spatial mapping research is under way and will be completed in March 2011.

Corporate Services advises on gambling policy related matters, builds integrity in the gambling industry and promotes a responsible gambling environment through public protection. This programme has a total budget of R5.7 million.

Support Service maintains good corporate governance and efficient management systems. This programme has a total budget of R7.3 million, of which 20 per cent is used for audit fees, 20 per cent is used for the rental of premises, and the remaining 60 per cent is used for general administration of the organisation.

Expenditure estimates

Table 36.35 National Gambling Board

Statement of financial performance				Revised	Medium-term estimate		
R thousand	Audited outcome			estimate			
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Revenue							
Non-tax revenue	673	1 374	530	598	893	720	1 057
<i>Other non-tax revenue</i>	673	1 374	530	598	893	720	1 057
Transfers received	18 855	18 195	21 570	22 000	23 605	25 000	26 375
Total revenue	19 528	19 569	22 100	22 598	24 498	25 720	27 432
Expenses							
Current expense	18 971	19 215	21 973	22 598	24 498	25 720	27 432
Compensation of employees	6 665	7 990	8 254	11 822	13 300	14 133	14 572
Goods and services	12 089	10 879	13 300	10 395	10 859	11 233	12 327
Depreciation	196	324	405	381	325	338	518
Interest, dividends and rent on land	21	22	14	-	14	16	15
Total expenses	18 971	19 215	21 973	22 598	24 498	25 720	27 432
Surplus / (Deficit)	557	354	127	-	-	-	-
Statement of financial position							
Carrying value of assets	1 062	1 581	1 392	1 449	1 154	1 397	1 362
<i>of which: Acquisition of assets</i>	488	888	244	438	95	680	553
Inventory	30	33	94	94	88	108	108
Receivables and prepayments	287	28	104	(16)	43	102	222
Cash and cash equivalents	4 282	5 103	4 059	3 270	3 440	3 824	2 524
Assets not classified elsewhere	-	-	-	(281)	(522)	772	2 463
Total assets	5 661	6 745	5 649	4 516	4 203	6 203	6 679
Accumulated surplus/deficit	3 151	3 462	3 590	3 500	2 267	3 417	3 483
Trade and other payables	1 554	1 769	675	(384)	216	716	1 576
Provisions	913	1 452	1 367	1 400	1 720	2 070	1 620
Liabilities not classified elsewhere	43	62	17	-	-	-	-
Total equity and liabilities	5 661	6 745	5 649	4 516	4 203	6 203	6 679

Expenditure trends

The spending focus over the MTEF period will be on strengthening the regulatory capability of the board by appointing additional staff.

The board is funded mainly by transfers from the Department of Trade and Industry. Between 2007/08 and 2010/11, these transfers increased from R18.9 million to R22 million, at an average annual rate of 5.2 per cent. Over the MTEF period, transfers are expected to increase to R26.4 million, at an average annual rate of 6.3 per cent.

Expenditure increases from R19 million in 2007/08 to R27.4 million in 2013/14, at an average annual rate of 6.3 per cent. The increase over the seven-year period is attributable to inflation and the expansion of the board's mandate to include community reach-out campaigns.

Personnel information

The board has an establishment of 26 posts, of which 25 are funded. The number of posts filled fluctuated between 2007/08 and 2010/11 as the board was still being established. The number of posts is expected to increase to 34 over the MTEF period. This is as a result of the expanded mandate to regulate interactive gambling and the infrastructure required to provide the regulatory framework that includes developing a compliance monitoring system.

The board currently has 2 vacancies at middle management and semi skilled levels. The appointment of additional personnel will be implemented once the organisational process re-engineering is concluded in February 2011.

Table 36.36 National Gambling Board

	Post status as at 30 September 2010			Number of posts filled on funded establishment						
	Number of posts on approved establishment	Number of funded posts (establishment)	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
Executive management	3	3	–	3	3	3	3	3	3	3
Senior management	6	6	–	6	6	6	6	6	6	6
Middle management	10	9	1	9	8	7	10	15	15	15
Semi-skilled	6	6	1	6	6	5	5	7	7	7
Very low skilled	1	1	–	1	1	1	1	3	3	3
Total	26	25	2	25	24	22	25	34	34	34
Compensation (R thousand)				6 665	7 990	8 254	11 822	13 300	14 133	14 572
Unit cost (R thousand)				267	333	375	473	391	416	429

1. As at 30 September 2010.

National Lotteries Board

Strategic overview: 2007/08 – 2013/14

The National Lotteries Board was established in terms of the National Lotteries Act (1997) as amended. The board monitors and enforces the implementation of the national lottery and the establishment of private lotteries and promotional competitions. In addition, the board manages the National Lottery Distribution Trust Fund, which distributes proceeds from its share of the lottery sales to worthy causes.

The strategic focus over the medium term is primarily to improve the regulation of the lottery, build the capacity of the organisation and improve the overall distribution of the distribution trust fund.

Savings and cost effectiveness measures

The board continues to work towards more cost effective service delivery by improving the management of the National Lottery Distribution Trust Fund. A review of the turnaround time for processing payments for approval is still under way.

Selected performance indicators

Table 36.37 National Lotteries Board

Indicator	Programme/Activity	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/2012	2012/13	2013/14
Value of operator ticket sales per year	National Lottery Regulation	R2bn	R3.5bn	R4.41bn	R4.6bn	R4.6bn	R4.6bn	R4.7bn
Value of contribution to the National Lotteries Distribution Trust Fund per year	National Lottery Regulation	R690 00	R1.5bn	R1.5bn	R1.6bn	R1.6bn	R1.6bn	R1.6bn
Value of National Lotteries Distribution Trust Fund grant commitments per year	National Lottery Distribution	R860m	R1.4bn	R3.3bn	R2.4bn	R2.5bn	R2.7bn	R2.3bn
Value of actual cash disbursed per year	National Lottery Distribution	R630m	R950m	R1.9bn	R3.6bn	R2.9bn	R2.7bn	R2.3bn
Number of site visits to distribution agents per year ¹	National Lottery Distribution	50	234	-	-	-	-	-

1. Minimum requested by the Distributing Agencies.

Details of programmes/activities/objectives

The board ensures adequate protection for national lottery participants and improves distributions through the National Lottery Distribution Trust Fund. This entails improving the regulation of the national lottery by increasing the board's capacity and the fund's distribution capacity. The board has a total budget of R96.2 million, of which 51 per cent is used for personnel costs. Proactive use will also be made of the miscellaneous fund at no additional cost other than time spent on adjudication by board members.

Expenditure estimates

Table 36.38 National Lotteries Board

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome			2010/11	2011/12	2012/13	2013/14
	2007/08	2008/09	2009/10				
Revenue							
Non-tax revenue	1 030	1 959	1 643	1 592	1 560	1 686	1 716
<i>Other non-tax revenue</i>	1 030	1 959	1 643	1 592	1 560	1 686	1 716
Transfers received	33 109	47 634	63 733	94 575	125 951	136 040	149 177
Total revenue	34 139	49 593	65 376	96 167	127 511	137 726	150 893
Expenses							
Current expense	34 139	49 593	65 376	96 167	127 511	137 726	150 893
Compensation of employees	14 253	22 637	33 922	47 264	69 463	76 384	84 028
Goods and services	19 462	25 110	29 495	46 343	55 288	58 542	63 865
Depreciation	424	1 846	1 959	2 560	2 760	2 800	3 000
Total expenses	34 139	49 593	65 376	96 167	127 511	137 726	150 893
Surplus / (Deficit)	-	-	-	-	-	-	-
Statement of financial position							
Carrying value of assets	5 163	8 075	7 530	7 270	7 035	6 835	6 435
<i>of which: Acquisition of assets</i>	4 886	4 777	1 414	2 300	2 525	2 600	2 600
Receivables and prepayments	3 430	3 718	3 648	3 600	3 600	3 600	3 600
Cash and cash equivalents	4 972	3 616	5 803	5 244	4 171	3 063	2 155
Total assets	13 565	15 409	16 981	16 114	14 806	13 498	12 190
Trade and other payables	4 219	7 371	10 251	10 692	10 692	10 692	10 692
Liabilities not classified elsewhere	9 346	8 038	6 730	5 422	4 114	2 806	1 498
Total equity and liabilities	13 565	15 409	16 981	16 114	14 806	13 498	12 190

Expenditure trends

The board's spending focus over the medium term is to cover all operational costs.

The operations of the board are funded from the National Lottery Distribution Trust Fund. The board does not receive any funding from the department. The board also generates revenue from interest earned on funds received from license holders.

Transfers to the board increased significantly from R33.1 million in 2007/08 to R94.6 million in 2010/11, at an average annual rate of 41.9 per cent, to cover operational costs. Over the medium term, transfers are expected to grow to R149.2 million, at an average annual rate of 16.4 per cent. This is due to increasing operational costs.

Expenditure increased significantly from R34.1 million in 2007/08 to R96.2 million in 2010/13, at an average annual rate of 41.3 per cent, and is expected to increase to R150.9 million in 2013/14, at an average annual rate of 16.2 per cent. The increase over the seven-year period mainly provides for increased capacity.

Personnel information

The board has an establishment of 153 posts, of which 10 are additional to the approved establishment. The number of posts filled increased from 67 in 2007/08 to 153 in 2010/11 and is expected to grow to 181 over the medium term.

National Metrology Institute of South Africa

Strategic overview: 2007/08 – 2013/14

The National Metrology Institute of South Africa is mandated by the Measurement Unit and Measurement Standards Act (2006) to maintain the international system of units and ensure that South African measurements, standards and units are internationally comparable and scientifically valid. This role is important for local industry as it provides the technical expertise for other regulatory bodies, allowing for the production of internationally acceptable products. For example, in the health sector, it ensures correct diagnosis and dosage, and in relation to food, it allows for the detection of toxic compounds. Scientific development and applied research also require modern measurement systems and techniques, which are provided by the institute. The institute also facilitates environmental monitoring and law enforcement.

The institute is the key provider of internationally equivalent, traceable measurement standards in the SADC region. This role has expanded to most other regions in Africa since the establishment of the intra-African metrology system, and the institute is now the leading organisation of its kind on the continent.

Over the medium term, the institute will focus on providing measurement traceability and advanced measurement assistance to specific industry sectors in accordance with government priorities, including sectors identified in the industrial policy action plan. This entails providing purpose specific and modernised national measurement standards and rightsizing the institution. The institute will be relocating to new premises to improve the conditions for service delivery. The institute will also assist SMMEs directly with implementing accurate measurement systems, train analytical staff from accredited testing and calibration laboratories, and provide advanced analysis for industry and government.

Savings and cost effectiveness measures

The institute has implemented savings and cost effectiveness measures, including a rigorous monitoring programme to check service delivery and turnaround times on calibration services. Substantial savings have been achieved through budget and expenditure control measures over the following operating costs: subsistence rates, travelling costs, communication costs, laboratory environmental control, and stationery costs.

Selected performance indicators

Table 36.39 National Metrology Institute of South Africa

Indicator	Programme/Activity	Past			Current 2010/11	Projections		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Total number of gazetted national standards maintained	Upkeep of national measurement standards	–	42	44	46	49	52	52
Number of international comparisons per year	Proof of equivalence of measurements	–	25	27	29	31	33	35
Total number of accredited laboratories to maintain accreditation	Proof of competence of National Metrology Institute of South Africa and acceptance of calibration and measurement capabilities	–	19	20	21	21	21	21
Total number of interns at the institute per year, including metrologists trained from SADC	Human capital development	–	8	8	10	54	64	31 ¹
Number of reference materials per year disseminated for the gas industry	Dissemination of national measuring standards to industry	–	6	7	10	12	14	16
Total number of official memberships of the 10 international consultative committees	International recognition of South African measurement capability	–	9	9	9	9	9	9
Total number of measurement traceability provided to SMMEs ²	Dissemination of traceability to SMMEs	–	12	–	–	–	–	–

1. The SADC project will end, hence numbers decrease.

2. The measure of the traceability provided to SMMEs has changed since the 2010 Estimates of National Expenditure. The information on the new measure will have to be pulled through from the financial system after consultation with the institute's board.

Details of programmes/activities/objectives

The institute has a total budget of R63.9 million, of which 85 per cent is used for the maintenance and development of the national measurement standards needed for trade and health measurements, law enforcement and environmental monitoring. The salary component of the institute is 60 per cent of total turnover. The second largest portion of the budget is used for technical equipment and consumables, to maintain the existing gazetted national measurement standards. In 2010/11, the institute successfully conducted a project to technically prepare 7 additional countries in the SADC region to obtain international accreditation. By the end of 2010/11, the institute trained over 40 individuals from the region in various fields of metrology. This project was funded through donor funding from the Physikalisch-Technische Bundesanstalt, Germany's national metrology institute.

Expenditure estimates

Table 36.40 National Metrology Institute of South Africa

Statement of financial performance				Revised estimate 2010/11	Medium-term estimate		
R thousand	Audited outcome				2011/12	2012/13	2013/14
	2007/08	2008/09	2009/10				
Revenue							
Non-tax revenue	15 596	8 387	7 712	8 608	10 425	13 773	14 599
Other non-tax revenue	15 596	8 387	7 712	8 608	10 425	13 773	14 599
Transfers received	46 768	54 999	54 806	55 266	62 581	76 221	83 533
Total revenue	62 364	63 386	62 518	63 874	73 006	89 994	98 132
Expenses							
Current expense	42 672	54 161	59 782	63 082	73 006	89 994	98 132
Compensation of employees	24 341	30 050	33 701	38 082	42 187	48 131	50 821
Goods and services	17 783	21 958	22 917	20 750	25 335	34 955	37 531
Depreciation	548	2 153	3 164	4 250	5 484	6 908	9 780
Total expenses	42 672	54 161	59 782	63 082	73 006	89 994	98 132
Surplus / (Deficit)	19 692	9 225	2 736	792	–	–	–

Table 36.40 National Metrology Institute of South Africa (continued)

Statement of financial position	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand							
Carrying value of assets	7 982	20 701	24 920	24 867	25 197	33 653	45 420
<i>of which: Acquisition of assets</i>	8 530	14 872	7 666	4 197	5 814	15 364	21 547
Inventory	–	209	–	–	–	–	–
Receivables and prepayments	4 986	4 984	3 603	3 800	4 000	4 100	4 346
Cash and cash equivalents	13 055	9 505	8 446	9 500	9 810	9 837	10 427
Total assets	26 023	35 399	36 969	38 167	39 007	47 590	60 193
Accumulated surplus/deficit	19 692	28 917	31 653	32 867	33 535	42 011	54 286
Trade and other payables	6 003	6 146	5 288	5 300	5 472	5 579	5 907
Liabilities not classified elsewhere	329	336	30	–	–	–	–
Total equity and liabilities	26 024	35 399	36 971	38 167	39 007	47 590	60 193

Expenditure trends

The spending focus over the MTEF period will be on providing metrology and advanced measurement assistance to specific industry sectors and building capacity in the institution.

Revenue is generated mainly from transfers from the department. Transfers increased from R46.8 million in 2007/08 to R63.1 million in 2010/11, at an average annual rate of 13.9 per cent. Over the medium term, transfers are expected to grow to R83.5 million, at an average annual rate of 14.7 per cent.

Expenditure increased from R42.7 million in 2007/08 to R63.1 million in 2010/11, at an average annual rate of 13.9 per cent. This was due to capital equipment and technical machinery sourced from international suppliers. Additional funding of R4 million, R16 million and R20 million has been allocated over the MTEF period for capacity building.

Personnel information

The institute has a funded establishment of 122 posts, of which 3 are interns on a 12-month training contract. The number of posts filled increased from 96 in 2007/08 to 116 in 2010/11 and is expected to grow to 122 over the medium term as key appointments will be made.

Retention of staff remains a challenge as metrologists are offered higher salary packages in the private sector. There are presently 2 budgeted vacancies, and 10 technical vacancies that cannot fit into the present budget. The ratio of support staff to line staff is approximately 1:3.8. Some technical staff also do administration work, such as the metrology group leaders.

Table 36.41 National Metrology Institute of South Africa

	Post status as at 30 September 2010			Number of posts filled on funded establishment						
	Number of posts on approved establishment	Number of funded posts (establishment)	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
Board members	–	11	–	–	10	9	10	12	10	10
Executive management	–	3	–	1	2	1	1	3	3	3
Senior management	–	8	–	4	5	5	8	8	8	9
Middle management	–	8	–	6	6	6	8	8	9	9
Professionals	–	68	–	63	59	64	66	67	68	68
Semi-skilled	–	22	–	20	22	17	21	21	21	21
Very low skilled	–	2.0	–	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Total	–	122	–	96	106	104	116	121	121	122
Compensation (R thousand)				24 341	30 050	33 701	38 082	42 187	48 131	50 821
Unit cost (R thousand)				254	283	324	328	349	398	417

1. As at 30 September 2010.

National Regulator for Compulsory Specifications

Strategic overview: 2008/09 – 2013/14

The National Regulator for Compulsory Specifications was established in September 2008 in terms of the National Regulator for Compulsory Specifications Act (2008). It regulates the adherence to compulsory specifications and technical regulations in South Africa. This function addresses flaws in the market system where businesses may produce, import or sell products or provide services that may harm consumers and/or the environment, or may fall short of what is promised in terms of quantity or safety. The regulator is mindful of the need to balance the burden of over-regulation with the benefits of pragmatic, focused regulation.

In line with the South African trade policy and strategy framework, the regulator aims to become more proactive in its activities, establish productive relationships with other organisations and use its resources optimally. These principles support both the lock out of unsafe and inferior imports and the lock in of access to increasingly demanding export markets.

While consumer protection is central to the regulator's activities it will, over the medium term, employ strategies that enhance the competitiveness of the South African economy in terms of the cost and quality of its goods and services. It also needs to guarantee that they are safe to consume and use. The regulator's technological capacity will be enhanced by a significant upgrade in IT infrastructure to mine data and inform its activities.

Savings and cost effectiveness measures

The regulator is embarking on cost savings measures, including outsourcing the payroll function, leasing of office equipment and reducing telephone and travel expenses.

Selected performance indicators

Table 36.42 National Regulator for Compulsory Specifications

Indicator	Programme/Activity	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of inspections conducted per year	Administration, and monitoring compliance with compulsory specifications through market surveillance	-	27 227	55 252	52 940	56 618	64 886	71 375
Maximum number of days to issue approvals and homologations	Ensuring pre-market compliance with compulsory specifications	-	33	21	21	21	21	21
Number of new and amended compulsory specifications developed per year	Maintaining and making recommendations to the minister on compulsory specifications and technical regulations	-	9	8	8	11	12	12
Number of audits conducted per year	Auditing of levy payers	-	-	-	120	135	140	155

Details of programmes/activities/objectives

Table 36.43 National Regulator for Compulsory Specifications

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Actively access and build new markets	-	64 455	120 519	130 165	125 815	165 928	185 388
Develop and improve enforcement of Sanctions	-	-	277	310	347	389	436
Achieve and maintain Accreditation	-	-	308	344	507	581	627
Enhance customer education and public awareness	-	-	1 018	1 500	150	173	187
Improve Brand awareness	-	829	583	652	705	808	873
Other objectives	-	13 320	28 685	27 939	55 097	63 498	68 505
Total expense	-	78 604	151 390	160 910	182 621	231 377	256 015

The total budget allocated to the regulator for 2010/11 was R160.9 million.

Automotive protects consumers by ensuring that new vehicles, tyres and certain components meet requirements as set out in compulsory specifications.

Chemical, Mechanical and Materials regulates products in 6 industry categories: personal protective equipment; firearms and associated industries, focusing on safety of firearms for personal use and at shooting ranges; health related products; environmental protection, focusing on preventing damage to the environment caused by plastic carrier bags and flat bags; flame producing devices; and construction materials such as cement.

Electrotechnical and Gaming provides regulation on: appliances, electrical power tools, electronic equipment, sound and communications equipment, IT equipment, lighting equipment components and lamp control gear, components of appliances, electric products, components of low-voltage fixed wiring installations including circuit breakers and earth leakage protection, and gaming machines and gambling equipment.

Food and Associated Industries protects consumers by regulating frozen and canned fish and fishery products.

Legal Metrology protects consumers by ensuring that they receive the amounts or quantities declared on the packaging of goods offered for sale. This entails verifying the accuracy and validity of the measuring instruments that manufacturers and suppliers use, and conducting inspections to ensure that products are not incorrectly measured.

Expenditure estimates

Table 36.44 National Regulator for Compulsory Specifications

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome			2010/11	2011/12	2012/13	2013/14
	2007/08	2008/09	2009/10				
Revenue							
Non-tax revenue	–	62 044	122 118	133 768	145 448	152 208	172 620
Sale of goods and services other than capital assets	–	57 211	111 283	117 658	133 036	142 062	171 781
<i>of which:</i>							
<i>Sales by market establishments</i>	–	57 211	111 283	117 658	133 036	142 062	171 781
<i>Other non-tax revenue</i>	–	4 833	10 835	16 110	12 412	10 146	839
Transfers received	–	17 495	35 933	27 142	37 173	79 170	100 829
Total revenue	–	79 539	158 051	160 910	182 621	231 378	273 449
Expenses							
Current expense	–	78 604	151 390	160 910	182 621	231 378	256 016
Compensation of employees	–	49 356	95 281	106 999	114 553	151 664	166 830
Goods and services	–	27 496	50 401	48 416	62 675	74 978	82 552
Depreciation	–	1 588	5 167	5 093	5 274	4 724	6 632
Interest, dividends and rent on land	–	164	541	402	119	11	1
Total expenses	–	78 604	151 390	160 910	182 621	231 378	256 016
Surplus / (Deficit)	–	935	6 661	–	–	–	17 433
Statement of financial position							
Carrying value of assets	–	11 407	10 523	15 757	16 084	36 860	48 728
<i>of which: Acquisition of assets</i>	–	16 932	3 245	7 546	5 601	25 500	18 500
Receivables and prepayments	–	7 568	7 303	13 054	12 591	9 852	14 588
Cash and cash equivalents	–	17 142	30 617	29 305	24 651	9 056	19 233
Assets not classified elsewhere	–	312	322	322	322	322	322
Total assets	–	36 429	48 765	58 438	53 648	56 090	82 871

Table 36.44 National Regulator for Compulsory Specifications (continued)

Statement of financial performance	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand							
Accumulated surplus/deficit	-	935	7 597	4 327	3 643	2 564	764
Borrowings	-	-	-	1 626	106	17	-
Post-retirement benefits	-	11 632	13 803	15 147	16 583	17 910	19 343
Trade and other payables	-	19 417	24 095	22 051	15 860	17 446	42 796
Provisions	-	-	-	15 287	17 456	18 153	19 968
Liabilities not classified elsewhere	-	4 445	3 270	-	-	-	-
Total equity and liabilities	-	36 429	48 765	58 438	53 648	56 090	82 871

Expenditure trends

Spending over the MTEF period will focus on enhancing the regulator's regulatory function. Additional funding of R217.2 million has been allocated over the MTEF period for capacity building.

The regulator receives annual transfer payments from the Department of Trade and Industry and generates other revenue from levies received from industries, tests and services performed. Total revenue increases from R79.5 million in 2008/09 to R273.4 million in 2013/14, at an average annual rate of 28 per cent. This is mainly due to increased transfers from the department over the medium term.

Expenditure is anticipated to rise from R160.9 million in 2010/11 to R256 million in 2013/14, at an average annual rate of 16.7 per cent, to provide for increased capacity for the regulator's enforcement and compliance functions.

Personnel information

The regulator has an approved and funded establishment of 291 posts, and 7 posts are additional to the approved establishment. The number of posts filled increased from 94 in 2007/08 to 306 in 2009/10 and is expected to decrease to 291 as the entity will lose some of its key metrologists due to career advancement or retirement. A retention strategy has been put in place to counter these effects.

Table 36.45 National Regulator for Compulsory Specifications

	Post status as at 30 September 2010			Number of posts filled on funded establishment						
	Number of posts on approved establishment	Number of funded posts (establishment)	Number of vacant posts	Actual		Mid-year ¹	Medium-term estimate			
				2007/08	2008/09		2009/10	2010/11	2011/12	2012/13
Board members	7	7	-	-	-	7	7	-	-	
Executive management	9	9	-	-	-	10	9	9	-	
Senior management	7	7	-	-	-	6	7	7	-	
Middle management	48	48	-	-	-	49	48	49	-	
Semi-skilled	220	220	-	-	-	234	220	220	-	
Total	291	291	-	-	-	306	291	292	-	
Compensation (R thousand)				-	49 356	95 281	106 999	114 553	151 664	166 830
Unit cost (R thousand)				-	-	311	368	392	-	-

1. As at 30 September 2010.

Small Enterprise Development Agency

Strategic overview: 2007/08 – 2013/14

The Small Enterprise Development Agency provides non-financial business development and support services for small enterprises in partnership with other role players. Its mission is to develop, support and promote small enterprises to ensure their growth and sustainability. It aims to enhance the competitiveness and capabilities of small enterprises through coordinated services, programmes and projects and to ensure equitable access to business support services. The agency's expected impact is the increased contribution of small enterprises to the

South African economy, and the promotion of economic growth, job creation and equity. This impact is measured through periodic evaluations.

Through its offerings and partnerships with other role players, the agency contributes mostly to the Department of Trade and Industry's strategic objective of promoting broader participation, equity and redress in the economy. The objective forms the basis of the agency's strategic goal of ensuring that the small enterprise sector grows and increases its contribution to sustainable and equitable social and economic development, employment and wealth creation.

In terms of the industrial policy action plan, the agency is expected to contribute to four action programmes prioritised by the department over the medium term: providing accessibility to financing for the national tooling initiative; mentoring small to medium component manufacturers; participating in the skills transfer and technology upgrading programme for small scale saw millers; developing and establishing business management structures; and providing training to charcoal manufacturing enterprises and cooperatives in communities showing interest in charcoal production.

Savings and cost effectiveness measures

The following measures were put in place to ensure savings and cost effectiveness: budgets are linked to performance management; the importance of budget planning is highlighted to prevent fiscal dumping; critical percentages are monitored, such as compensation of employees as a percentage of total expenditure and per client served; catering, telephone, travelling, accommodation, internet and other operational costs are monitored monthly; and preventative spending measures have been put in place.

Selected performance indicators

Table 36.46 Small Enterprise Development Agency

Indicator	Programme/Activity	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of new clients attracted per year ¹	Support Services	186 195	199 830	112 386	60 000	90 000	94 500	99 225
Number of existing and prospective entrepreneurs trained per year	Training	22 893	15 000	18 271	–	–	–	–
Number of unique website visits per year	Information	514 594	300 000	450 653	–	–	–	–
Percentage of clients satisfied with quality of agency services ²	Support Services	–	–	–	80% (800)	80% (800)	80% (800)	80% (800)
Percentage of surveyed SMME clients whose turnover has increased ²	Support Services	–	–	–	35% (350)	35% (350)	35% (350)	35% (350)
Percentage of surveyed SMME clients whose number of employees has increased ²	Support Services	–	–	–	25% (250)	25% (250)	25% (250)	25% (250)
Number of clients the agency is working with per year	Support Services	–	–	–	22 500	25 000	26 250	27 563
Number of adopted enterprises under the community public private partnership per year	Support Services	–	–	–	18	20	22	24
Value of service provision costs covered by partners per year	Partnerships	–	–	–	R10m	R7.6m	R5.9m	R5m
Number of partnerships operational per year	Partnerships	–	–	–	30	30	30	30
Positive to negative publicity ratio	Marketing and Communications	–	–	–	5:1	5:1	5:1	5:1
Percentage of direct service delivery versus total costs	Financial Management	–	–	–	56%	58%	60%	62%
Percentage of deviation of actual expenditure from approved budget	Financial Management	–	–	–	5%	5%	5%	5%

1. 2007/08 to 2009/10: all clients accessing Small Enterprise Development Agency services; 2010/11 to 2013/14: only new clients

2. During the fourth quarter, two independent surveys are conducted to assess the satisfaction levels of assisted clients and the business improvement levels of qualifying clients.

Details of programmes/activities/objectives

Table 36.47 Small Enterprise Development Agency

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Enhance competitiveness and capabilities of small enterprises through coordinated services, programmes and projects	101 523	88 560	108 705	131 437	147 837	155 201	164 320
Ensure equitable access to business support services	97 442	97 118	119 110	124 850	133 317	139 486	149 250
Strengthen the organization to deliver on its mission	164 544	175 273	193 981	200 605	182 323	143 933	144 763
Seda Technology Programme assisting SMMEs with technology	84 720	121 268	99 632	78 007	109 954	112 919	120 824
Total expense	448 229	482 219	521 428	534 899	573 431	551 539	579 156

The agency fosters long term relationships with its clients by assessing needs based on outcomes and development plans. The agency's service delivery network consists of delivery points located in all 9 provincial offices, 42 district branches, 4 mobile units, 58 enterprise information centres and 30 business incubators.

Expenditure estimates

Table 36.48 Small Enterprise Development Agency

Statement of financial performance

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Revenue							
Non-tax revenue	36 098	74 647	75 254	51 908	42 571	9 908	8 000
<i>Other non-tax revenue</i>	36 098	74 647	75 254	51 908	42 571	9 908	8 000
Transfers received	348 751	484 770	409 497	482 991	530 860	541 631	571 156
Total revenue	384 849	559 417	484 751	534 899	573 431	551 539	579 156
Expenses							
Current expense	447 405	482 219	521 428	534 899	573 431	551 539	579 156
Compensation of employees	148 461	165 899	169 603	211 600	226 914	243 787	260 898
Goods and services	286 807	302 508	339 106	311 509	333 150	294 055	304 087
Depreciation	9 472	9 602	10 512	9 490	10 867	11 197	11 534
Interest, dividends and rent on land	2 665	4 210	2 207	2 300	2 500	2 500	2 638
Total expenses	448 229	482 219	521 428	534 899	573 431	551 539	579 156
Surplus / (Deficit)	(63 380)	77 198	(36 677)	-	-	-	-

Statement of financial position

Carrying value of assets	29 905	35 371	44 982	45 692	40 686	34 439	28 004
<i>of which: Acquisition of assets</i>	9 851	7 425	20 865	10 200	5 861	4 950	5 099
Inventory	383	330	399	300	300	300	300
Receivables and prepayments	45 913	4 996	6 416	5 500	5 500	5 000	5 000
Cash and cash equivalents	82 685	206 450	162 082	122 292	95 590	101 717	108 990
Total assets	158 886	247 147	213 879	173 784	142 076	141 456	142 294
Accumulated surplus/deficit	30 924	108 121	71 444	33 288	908	-	-
Trade and other payables	115 586	107 175	109 478	105 000	105 000	105 000	105 000
Provisions	407	12 137	13 144	15 996	17 168	18 456	19 794
Liabilities not classified elsewhere	11 969	19 714	19 813	19 500	19 000	18 000	17 500
Total equity and liabilities	158 886	247 147	213 879	173 784	142 076	141 456	142 294

Expenditure trends

The spending focus over the MTEF period will be a continuation of the development, support and promotion of small enterprises to ensure their growth and sustainability through non-financial small business services.

Revenue is dominated by transfers from the Department of Trade and Industry and local government. Transfers received increased from R348.8 million in 2007/08 to R483 million in 2010/11, at an average annual rate of 11.5 per cent. Over the MTEF period, departmental transfers to the agency and the technology programme are expected to increase to R571.2 million over the medium term, at an average annual rate of 5.7 per cent.

Expenditure increased from R448.2 million in 2007/08 to R534.9 million in 2010/11, at an average annual rate of 6.1 per cent. Over the medium term, expenditure is expected to increase to R579.2 million, at an average annual rate of 2.7 per cent, mainly due to increases in spending in compensation of employees as a result of the filling of funded vacancies. Expenditure on goods and services is expected to decrease from R311.5 million in 2010/11 to R304.1 million in 2013/14, at an average annual rate of 0.8 per cent.

Personnel information

The agency has an approved and funded establishment of 716 posts. The number of posts filled increased from 555 in 2007/08 to 587 in 2010/11, and is expected to increase to 716 over the medium term. This is as a result of increased service deliverables.

There are 129 vacancies, of which 88 are at the professional level, 17 at the middle management level and 13 at the semi-skilled level.

The ratio of support staff to line function staff is 1:3.5.

Table 36.49 Small Enterprise Development Agency

	Post status as at 30 September 2010			Number of posts filled on funded establishment						
	Number of posts on approved establishment	Number of funded posts (establishment)	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Board members	1	1	-	1	1	1	1	1	1	1
Executive management	5	5	2	4	4	5	3	5	5	5
Senior management	28	28	4	27	23	24	24	28	28	28
Middle management	305	305	17	154	273	282	288	305	305	305
Professionals	307	307	88	306	184	190	219	307	307	307
Semi-skilled	60	60	13	63	60	64	47	60	60	60
Very low skilled	10	10	5	-	14	7	5	10	10	10
Total	716	716	129	555	559	573	587	716	716	716
Compensation (R thousand)				148 461	165 899	169 603	211 600	226 914	243 787	260 898
Unit cost (R thousand)				267	297	296	360	317	340	364

1. As at 30 September 2010.

South African Bureau of Standards

Strategic overview: 2007/08 – 2013/14

The South African Bureau of Standards provides standardisation and conformity assessment services aimed at protecting the integrity of the South African market, protecting consumers, creating a competitive advantage for the South African industry, and facilitating access by South Africans to local and international markets. Regulatory functions have been transferred to the National Regulator for Compulsory Specifications. The bureau's work forms part of South Africa's standardisation, quality assurance, accreditation and metrology technical infrastructure.

The Department of Trade and Industry has identified several key action programmes under the industrial policy action plan, which are supported by the bureau. These are: strengthening the enforcement of technical regulations to exclude unsafe products from the South African economy; developing industrial capacity in South Africa; and promoting exports from South Africa and the SADC region.

Over the medium term, the bureau will focus on: developing market relevant standards that support the requirements of the South African economy; partnering with national higher education bodies to promote the uptake of standards in the industrial sector; and providing services that will enable the development of industrial capacity in South Africa (or reindustrialisation), including increased support to SMMEs.

Savings and cost effectiveness measures

The bureau has embarked on a major review of its capacity to ensure that it can deliver on expectations. Part of this review involves upgrading human capital resources to match needs in the market. In addition, the bureau has embarked on cost containment measures, which include requiring auditors to travel on low cost airlines and book trips in advance to save on airfares. The procurement process is being streamlined and enhanced to ensure favourable prices and terms from suppliers.

Selected performance indicators

Table 36.50 South African Bureau of Standards

Indicator	Programme/Activity	Past			Current	Projected		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of national standards developed per year	Development of standards	611	634	857	650	1 000	1 000	1 100
Number of days taken to produce a standard	Development of standards	220	330	241	300	300	300	300
Value of sales of standards per year	Development of standards	R13.9m	R15.3m	R16.8m	R16.6m	R23.1m	R27.7m	R33.3m
Value of revenue from products and systems certification per year	Testing and conformity assessments	R134.6m	R156.1m	R173.8m	R184.1m	R 231.1m	R263.6m	R299.6m
Number of test reports completed per year	Testing and conformity assessments	326 823	391 886	527 983	575 000	596 165	670 538	791 974
Number of certification certificates issued per year	Testing and conformity assessments	–	–	9 628	10 356	11 178	12 607	15 128

Details of programmes/activities/objectives

The South African Bureau of Standards develops and maintains a pool of competencies for the standardisation and conformity assessment of services, and provides training to benefit the industry and the technical infrastructure institutions.

Expenditure estimates

Table 36.51 South African Bureau of Standards

Statement of financial performance				Revised estimate 2010/11	Medium-term estimate		
R thousand	Audited outcome				2011/12	2012/13	2013/14
	2007/08	2008/09	2009/10				
Revenue							
Non-tax revenue	352 745	397 461	448 883	425 181	471 647	541 180	620 033
Sale of goods and services other than capital assets	318 350	358 509	390 743	393 036	458 337	521 747	598 840
<i>of which:</i>							
<i>Sales by market establishments</i>	318 350	358 509	390 743	393 036	458 337	521 747	598 840
<i>Other non-tax revenue</i>	34 395	38 952	58 140	32 145	13 310	19 433	21 193
Transfers received	119 320	126 148	138 090	357 399	290 780	245 588	201 883
Total revenue	472 065	523 609	586 973	782 580	762 427	786 768	821 916
Expenses							
Current expense	427 907	487 321	533 239	557 744	643 888	709 527	785 197
Compensation of employees	260 504	272 362	291 912	320 530	359 921	392 100	427 033
Goods and services	140 248	186 942	208 673	198 727	235 398	264 963	300 453
Depreciation	24 609	25 341	31 147	36 407	47 695	52 464	57 711
Interest, dividends and rent on land	2 546	2 676	1 507	2 080	874	–	–
Transfers and subsidies	6 340	7 186	7 089	8 265	8 266	8 762	9 287
Total expenses	437 022	492 860	540 155	566 009	652 154	718 289	794 484
Surplus / (Deficit)	35 043	30 749	46 818	216 571	110 273	68 479	27 432

Table 36.51 South African Bureau of Standards (continued)

R thousand	Audited outcome			Revised estimate 2010/11	Medium-term estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Statement of financial position							
Carrying value of assets	178 302	200 679	198 780	317 155	393 685	440 330	439 905
<i>of which: Acquisition of assets</i>	48 765	50 736	30 185	154 784	124 225	99 109	57 286
Investments	289 144	250 088	201 465	289 532	306 112	384 622	414 978
Inventory	374	829	520	1 000	1 000	1 000	1 000
Receivables and prepayments	63 835	66 630	52 448	68 182	78 410	90 171	103 697
Cash and cash equivalents	2 480	7 565	122 162	279 468	378 326	374 060	380 656
Assets not classified elsewhere	37 758	26 074	25 799	26 912	23 905	23 905	23 905
Total assets	571 893	551 865	601 174	982 250	1 181 437	1 314 088	1 364 141
Accumulated surplus/deficit	245 961	276 710	323 528	540 099	650 372	718 852	746 283
Capital and reserves	93 893	70 610	61 151	67 066	84 946	104 256	125 112
Borrowings	28 271	18 441	15 703	14 358	-	-	-
Post-retirement benefits	90 842	93 432	94 386	96 017	97 778	99 680	101 735
Trade and other payables	69 652	66 872	90 193	99 212	109 134	120 047	132 052
Liabilities not classified elsewhere	43 274	25 800	16 213	165 497	239 208	271 253	258 960
Total equity and liabilities	571 893	551 865	601 174	982 250	1 181 437	1 314 088	1 364 141

Expenditure trends

The entity's spending focus over the MTEF period is on strengthening the enforcement of technical regulation functions.

Revenue is derived mainly from fees for services provided, such as certification and testing. Between 2007/08 and 2010/11, revenue increased from R472.1 million to R782.6 million, at an average rate of 18.4 per cent. Over the medium term, revenue is expected to grow to R821.9 million in 2013/14, at an average annual rate of 1.6 per cent. This is driven mainly by growth in the certification business as improvements in the economic outlook should reduce the number of customers cancelling their listing or permits. Above average growth in test volumes is expected in the laboratories owing to investment in new buildings and equipment. The web store upgrade project was completed in 2010/11 and should lead to improvements in revenue generated from the sale of standards. The research grant from the Department of Trade and Industry amounts to R167.4 million in 2010/11, R181.5 million in 2011/12, R186.4 million in 2012/13 and R197.6 million in 2013/14.

Expenses are projected to increase from R566 million in 2010/11 to R794.5 million in 2013/14, at an average annual rate of 12 per cent. The projected increase in expenses over the medium term is due to capacity building. The increase in costs will be driven mainly by the expansion of human resources capacity and the cost of living adjustments for staff, the impact of expected increases in electricity tariffs and additional depreciation charges associated with the new laboratory buildings. The growth in all other expenses will reflect price adjustments due to inflation as well as currency fluctuations for cost items denominated in foreign currency or linked to exchange rate movements.

R93 million and R48 million will be spent on a major infrastructure project in 2011/12 and 2012/13. The aim of the project is to relocate approximately 6 000 m² of chemical, biological and physical testing laboratories into newly built laboratories and, if possible, refurbish the vacated laboratory space.

Personnel information

The bureau has an approved and funded establishment of 1 302 posts. The number of posts filled decreased from 1 502 in 2007/08 to 1 117 in 2010/11 as part of the arrangement to transfer staff to the newly established National Regulator for Compulsory Specifications. The number of posts is expected to further decrease to 1 095 over the medium term.

Table 36.52 South African Bureau of Standards

	Post status as at 30 September 2010			Number of posts filled on funded establishment						
	Number of posts on approved establishment	Number of funded posts (establishment)	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Board members	8	8	–	11	8	8	8	8	8	8
Executive management	6	6	1	6	7	5	5	7	7	7
Senior management	27	27	3	25	29	22	24	28	33	37
Middle management	83	83	18	107	106	68	65	84	84	84
Professionals	148	148	25	151	169	126	123	185	188	213
Semi-skilled	879	879	109	1 006	1 005	773	770	620	626	640
Very low skilled	151	151	29	196	216	173	122	74	80	106
Total	1 302	1 302	185	1 502	1 540	1 175	1 117	1 006	1 026	1 095
Compensation (R thousand)				260 504	272 362	291 912	320 530	359 921	392 100	427 033
Unit cost (R thousand)				173	177	248	287	358	382	390

1. As at 30 September 2010.

South African National Accreditation System

Strategic overview: 2007/08 – 2013/14

The South African National Accreditation System is mandated through the Accreditation for Conformity Assessment, Calibration and Good Laboratory Practice Act (2006) to achieve the following objectives: accrediting or monitoring for compliance purposes; promoting accreditation as a means of facilitating international trade and enhancing South Africa's economic performance and transformation; promoting the competence and equivalence of accredited bodies; and promoting the competence and equivalence of facilities compliant to the act.

In support of government's objective of regional integration, the entity plays an important role in SADC by hosting the SADC accreditation secretariat and holding the regional coordinator position. The institution is currently assisting the newly established SADC accreditation system by training assessors and partnering with that body. The entity was also recently elected to host the secretariat for the newly established African Accreditation Cooperation, launched in support of an African technical infrastructure under NEPAD.

Internationally, the entity holds signatory status to the International Laboratory Accreditation Cooperation's mutual recognition arrangement and the International Accreditation Forum's multilateral arrangement, key agents for facilitating international trade and enhancing South Africa's economic performance.

Over the medium term, the entity will continue to provide training in South Africa and the region, and promote the use of accreditation as a tool for fostering international trade and the protection of health, safety and the environment. The entity also intends to increase international recognition for its inspection functions under its current bilateral arrangement with the European Cooperation for Accreditation. The mutual recognition agreement for inspection, falling under the umbrella of the International Laboratory Accreditation Cooperation, is planned to be signed by all parties in November 2011.

Savings and cost effectiveness measures

The entity has embarked on a review of its processes and outsourced services. The entity has realised savings of 30 per cent on legal costs by appointing a full time legal resource, which has also increased the efficiency of legal processes. There have also been cost savings in previous years in shared resources in knowledge transfer. However, parking space remains a challenge that may impact on cost savings in the future.

Selected performance indicators

Table 36.53 South African National Accreditation System

Indicator	Programme/Activity	Past			Current 2010/11	Projections		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Number of government departments assisted on conformity assessments per year	Accreditation Provision	4	5	8	12	14	15	15
Number of training courses provided for certification bodies per year	Research and Development	45	60	60	60	60	60	60
Number of regional meetings organised or attended representing SADC accreditation per year	Research and Development	16	16	15	15	15	15	15
Percentage compliance with international requirements for standardisation standards for assessment bodies	Accreditation Provision	100%	100%	100%	100%	100%	100%	100%
Number of candidates trained to certify laboratories and inspection bodies per year	Research and Development	-	-	-	300	500	600	600

Details of programmes/activities/objectives

Table 36.54 South African National Accreditation System

R thousand	Audited outcome			Revised estimate 2010/11	Medium-term estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Provision of accreditation services	8 198	9 486	11 217	24 308	29 530	31 108	32 974
International, Regional and National responsibilities	2 705	2 726	1 110	1 803	2 687	2 840	3 010
New programme development projects and related activities	2 048	766	1 178	3 051	5 459	5 946	5 736
Restructuring/Capacity building	-	-	-	5 771	7 113	7 553	8 006
Other Objectives	19 118	24 369	25 547	12 135	15 453	16 280	17 287
Total expense	32 069	37 347	39 052	47 068	60 242	63 727	67 013

Total budget in 2010/11 was R48.2 million, of which 51 per cent was used in the accreditation programme, which is the main focus of the entity.

Administration provides strategic support and policy development to the entity to ensure effective leadership, management, and legal and administrative support. This programme has a total budget of R14.2 million, of which 55 per cent is used for staff costs.

Corporate Services provides comprehensive legal services, and ICT, marketing and communication, and facility management. Due to the increased involvement of the entity in legal matters, it has acquired these competencies in-house to respond to any legal issues that might arise. This programme has a total budget of R2.5 million, of which 68 per cent is used for marketing and communication.

Research and Development provides effective leadership in developing new fields of accreditation, project development, knowledge transfer and driving government's sub-regional, regional and international objectives pertaining to industrial policy action plan projects and supporting regional integration in accreditation development within the SADC and Africa. This programme has a total budget of R6.2 million, of which 22 per cent is used for project development and 31 per cent is used for regional and international objectives.

Accreditation Provision provides, manages and maintains accreditation services to new and existing clients in both the voluntary and regulatory domain to effectively manage the accreditation of new and existing clients. This programme has a total budget of R24 million of which 46 per cent is used for direct costs associated with providing accreditation services. In 2011, a team of international peer evaluators will review the South African National Accreditation System's continued compliance with international requirements for its continued status

as a signatory to the International Laboratory Accreditation Cooperation and the International Accreditation Forum's mutual recognition and multilateral arrangements.

Expenditure estimates

Table 36.55 South African National Accreditation System

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome				2010/11	2011/12	2012/13
	2007/08	2008/09	2009/10				
Revenue							
Non-tax revenue	20 358	26 273	28 624	29 939	40 603	39 252	39 789
Sale of goods and services other than capital assets	16 153	20 210	23 192	23 741	28 428	30 048	31 851
<i>of which:</i>							
Admin fees	16 153	20 210	23 192	23 741	28 428	30 048	31 851
Other non-tax revenue	4 205	6 063	5 432	6 198	12 175	9 204	7 938
Transfers received	12 500	13 750	14 707	18 239	20 623	29 427	31 660
Total revenue	32 858	40 023	43 331	48 178	61 226	68 679	71 449
Expenses							
Current expense	31 737	36 992	38 669	46 662	59 812	63 272	66 531
Compensation of employees	11 395	15 600	18 387	23 558	27 543	29 113	30 860
Goods and services	19 328	20 258	19 787	22 439	31 380	33 087	34 505
Depreciation	959	1 046	378	512	705	877	959
Interest, dividends and rent on land	55	88	117	153	184	195	207
Transfers and subsidies	332	355	383	406	430	455	482
Total expenses	32 069	37 347	39 052	47 068	60 242	63 727	67 013
Surplus / (Deficit)	789	2 676	4 279	1 110	984	4 952	4 436
Statement of financial position							
Carrying value of assets	2 954	2 358	2 152	2 342	5 097	7 982	8 093
<i>of which: Acquisition of assets</i>	208	109	176	743	3 460	3 762	1 070
Receivables and prepayments	656	728	991	850	800	820	800
Cash and cash equivalents	14 410	18 587	27 248	27 555	22 082	18 192	17 688
Total assets	18 020	21 673	30 391	30 747	27 979	26 994	26 581
Accumulated surplus/deficit	11 704	13 759	18 037	19 147	16 642	15 463	14 958
Borrowings	-	-	-	1 136	985	844	713
Trade and other payables	1 880	2 924	4 836	3 693	2 750	2 800	2 800
Provisions	872	1 002	1 099	1 500	1 550	1 600	1 650
Liabilities not classified elsewhere	3 564	3 988	6 419	5 271	6 052	6 287	6 460
Total equity and liabilities	18 020	21 673	30 391	30 747	27 979	26 994	26 581

Expenditure trends

The spending focus over the MTEF period will be on providing training in South Africa and the region, and promoting the use of accreditation as a tool for fostering international trade and the protection of health, safety and the environment.

The entity's three main sources of revenue are administrative fees charged to accredited facilities serving various industries, training and transfers received from the Department of Trade and Industry. Total revenue increased from R32.9 million in 2007/08 to R48.2 million in 2010/11, at an average annual rate of 13.6 per cent, and is expected to increase to R71.4 million in 2013/14. The increase in both periods is as a result of rapid growth in of the accreditation of facilities.

Expenditure increased from R32.1 million in 2007/08 to R47.1 million in 2010/11, at an average annual rate of 13.6 per cent, and is expected to grow to R67 million over the medium term, at an average annual rate of 12.5 per cent. The increase in expenditure in both periods is mainly due to rightsizing the staff complement after extensive international benchmarking. Over the medium term, transfers from the department for operational

expenses are expected to increase from R18.2 million to R31.7 million, at an average annual rate of 20.3 per cent.

Personnel information

The entity has an approved and funded establishment of 80 posts. The number of posts filled increased from 53 in 2007/08 to 62 in 2010/11, and is expected to grow to 80 over the medium term. The growth is due to increased demand for the entity's services, necessitating increasing staff numbers. There are 18 vacancies and the entity expects to fill these over the medium term.

Table 36.56 South African National Accreditation System

	Post status as at 30 September 2010			Number of posts filled on funded establishment						
	Number of posts on approved establishment	Number of funded posts (establishment)	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
Board members	10	10	–	10	10	10	10	10	10	10
Executive management	2	2	1	1	1	1	1	2	2	2
Senior management	4	4	1	3	3	3	3	4	4	4
Middle management	15	15	2	13	13	13	14	15	15	15
Professionals	13	13	4	8	8	8	9	12	13	13
Semi-skilled	35	35	10	17	16	23	24	32	35	35
Very low skilled	1	1	–	1	1	1	1	1	1	1
Total	80	80	18	53	52	59	62	76	80	80
Compensation (R thousand)				11 395	15 600	18 387	23 558	27 543	29 113	30 860
Unit cost (R thousand)				215	300	312	380	362	364	386

¹. As at 30 September 2010.

Additional tables

Table 36.A Summary of expenditure trends and estimates per programme and economic classification

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
R thousand	2009/10		2009/10	2010/11			2010/11
Administration	420 858	468 136	406 817	448 543	(5 292)	443 251	432 851
International Trade and Economic Development	112 656	130 406	122 402	131 138	(6 050)	125 088	115 088
Empowerment and Enterprise Development	1 157 026	1 173 856	1 161 561	768 294	23 740	792 034	787 295
Industrial Development	414 586	426 917	413 060	1 061 625	75 336	1 136 961	1 131 961
Consumer and Corporate Regulation	157 834	165 510	133 824	191 531	4 000	195 531	182 531
The Enterprise Organisation	3 439 983	3 356 884	3 343 575	3 175 296	(89 444)	3 085 852	3 030 852
Trade and Investment South Africa	283 051	294 051	298 979	291 447	60 029	351 476	347 476
Communication and Marketing	65 724	70 124	43 092	82 234	(18 219)	64 015	47 415
Total	6 051 718	6 085 884	5 923 310	6 150 108	44 100	6 194 208	6 075 469

Economic classification							
Current payments	979 792	1 132 145	935 076	1 142 874	1 078	1 143 952	1 073 213
Compensation of employees	450 481	513 018	437 711	557 843	12 006	569 849	533 310
Goods and services	529 311	619 127	497 365	585 031	(10 928)	574 103	539 903
Transfers and subsidies	5 037 384	4 916 752	4 961 921	4 992 556	40 206	5 032 762	4 984 762
Departmental agencies and accounts	1 178 645	1 197 316	1 200 886	844 109	15 500	859 609	849 609
Universities and technikons	-	3 000	15 500	4	2 294	2 298	2 298
Foreign governments and international organisations	37 589	34 022	31 402	37 584	1 500	39 084	39 084
Public corporations and private enterprises	3 817 128	3 671 919	3 703 958	4 095 914	382	4 096 296	4 058 296
Non-profit institutions	2 597	7 597	7 597	12 500	20 500	33 000	33 000
Households	1 425	2 898	2 578	2 445	30	2 475	2 475
Payments for capital assets	34 542	36 987	23 160	14 678	2 816	17 494	17 494
Machinery and equipment	33 885	32 467	20 440	10 665	2 299	12 964	12 964
Software and other intangible assets	657	4 520	2 720	4 013	517	4 530	4 530
Payments for financial assets	-	-	3 153	-	-	-	-
Total	6 051 718	6 085 884	5 923 310	6 150 108	44 100	6 194 208	6 075 469

Table 36.B Detail of approved establishment and personnel numbers according to salary level ¹

	Personnel post status as at 30 September 2010			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of posts additional to the establishment	Actual			Mid-year ²	Medium-term estimate		
				2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Department	1 395	1 395	104	890	1 006	1 140	1 129	1 257	1 320	1 320
Salary level 1 – 6	162	162	88	107	171	207	144	228	240	240
Salary level 7 – 10	627	627	13	401	440	495	514	546	573	573
Salary level 11 – 12	376	376	3	216	222	271	288	299	314	314
Salary level 13 – 16	230	230	-	166	173	167	183	184	193	193
Administration	394	394	48	252	291	321	330	354	372	372
Salary level 1 – 6	79	79	38	69	92	95	70	105	110	110
Salary level 7 – 10	157	157	7	97	106	117	123	129	135	135
Salary level 11 – 12	112	112	3	53	58	76	98	84	88	88
Salary level 13 – 16	46	46	-	33	34	33	39	36	38	38
International Trade and Economic Development	158	158	1	101	106	111	118	122	128	128
Salary level 1 – 6	2	2	1	1	1	3	1	3	3	3
Salary level 7 – 10	72	72	-	36	38	51	56	56	59	59
Salary level 11 – 12	48	48	-	35	36	28	30	31	32	32
Salary level 13 – 16	36	36	-	29	31	29	31	32	34	34

Table 36.B Detail of approved establishment and personnel numbers according to salary level¹ (continued)

	Personnel post status as at 30 September 2010			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of posts additional to the establishment	Actual			Mid-year ²	Medium-term estimate		
				2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Empowerment and Enterprise Development	108	108	6	69	74	86	88	95	100	100
Salary level 1 – 6	1	1	6	2	2	4	1	4	5	5
Salary level 7 – 10	46	46	–	34	36	34	40	37	39	39
Salary level 11 – 12	29	29	–	12	13	22	21	24	25	25
Salary level 13 – 16	32	32	–	21	22	26	26	29	30	30
Industrial Development	148	148	14	98	106	107	107	118	124	124
Salary level 1 – 6	1	1	10	3	4	11	1	12	13	13
Salary level 7 – 10	56	56	4	46	48	39	42	43	45	45
Salary level 11 – 12	45	45	–	24	27	29	31	32	34	34
Salary level 13 – 16	46	46	–	25	28	28	33	31	32	32
Consumer and Corporate Regulation	116	116	4	90	90	96	92	106	111	111
Salary level 1 – 6	1	1	4	3	4	5	1	6	6	6
Salary level 7 – 10	56	56	–	40	40	47	48	52	54	54
Salary level 11 – 12	29	29	–	29	29	27	22	30	31	31
Salary level 13 – 16	30	30	–	17	17	17	21	19	20	20
The Enterprise Organisation	241	241	12	138	161	214	209	236	248	248
Salary level 1 – 6	16	16	12	6	6	22	15	24	25	25
Salary level 7 – 10	153	153	–	90	109	133	136	147	154	154
Salary level 11 – 12	51	51	–	22	24	41	39	45	47	47
Salary level 13 – 16	21	21	–	21	22	18	19	20	21	21
Trade and Investment South Africa	133	133	19	106	96	126	108	139	146	146
Salary level 1 – 6	17	17	17	8	8	27	15	30	31	31
Salary level 7 – 10	52	52	2	41	41	47	43	52	54	54
Salary level 11 – 12	51	51	–	38	31	41	39	45	47	47
Salary level 13 – 16	13	13	–	19	16	11	11	12	13	13
Communication and Marketing	97	97	–	36	81	79	77	87	91	91
Salary level 1 – 6	45	45	–	15	55	40	40	44	46	46
Salary level 7 – 10	35	35	–	16	21	27	26	30	31	31
Salary level 11 – 12	11	11	–	3	3	7	8	8	8	8
Salary level 13 – 16	6	6	–	2	2	5	3	6	6	6

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

2. As at 30 September 2010.

Table 36.C Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Compensation of employees (R thousand)	327 488	383 077	437 711	533 310	602 237	644 161	676 425
Training expenditure (R thousand)	963	2 524	9 297	11 000	13 397	14 138	14 919
Training as percentage of compensation	0.3%	0.7%	2.1%	2.1%	2.2%	2.2%	2.2%
Total number trained in department (head count)	545	–	1 627	–			
<i>of which:</i>							
<i>Employees receiving bursaries (head count)</i>	105	–	150	–			
<i>Learnerships trained (head count)</i>	20	–	10	–			
<i>Internships trained (head count)</i>	–	–	34	–			
Households receiving bursaries (R thousand)	780	1 200	1 425	1 514	1 590	1 600	1 700
Households receiving bursaries (head count)	13	–	42	–			

Table 36.D Summary of departmental public private partnership (PPP) projects

Project description: Department of Trade and Industry Campus project	Project annual unitary fee at time of contract	Budgeted expenditure	Medium-term expenditure estimate		
			2010/11	2011/12	2012/13
R thousand					
Projects signed in terms of Treasury Regulation 16	-	154 725	156 304	171 527	180 961
PPP unitary charge	-	153 734	155 932	171 136	180 548
Project monitoring cost	-	991	372	391	413
Total	-	154 725	156 304	171 527	180 961

Disclosure notes for projects signed in terms of Treasury Regulation 16

Project name	Department of Trade and Industry Public Private Partnership campus
Brief description	Department of Trade and Industry Public Private Partnership campus Meintjies Street, Pretoria. Design, construct and facility management Services over period of 25 years
Date PPP agreement was signed	1 August 2003
Duration of PPP agreement	25 years
Escalation index for unitary fee	CPIX linked - July every year on anniversary
Variations / amendments to PPP agreement	Variation orders as per allowed schedules - but no formal amendment to date was signed on the Public Private Partnership Agreement
Cost implications of variations/amendments	Costed per each variation order. Strategic space strategy will inform over the medium term the quantum of variation orders to be executed.
Significant contingent fiscal obligations including termination payments, guarantees, warranties and indemnities and maximum estimated value of such liabilities	The outstanding debt amount as per financial model

Table 36.E Summary of departmental public private partnership (PPP) projects

Project description: National Fleet project	Project annual unitary fee at time of contract	Budgeted expenditure	Medium-term expenditure estimate		
			2010/11	2011/12	2012/13
R thousand					
Projects signed in terms of Treasury Regulation 16	-	3 598	3 796	4 005	4 225
PPP unitary charge ¹	-	3 598	3 796	4 005	4 225
Total	-	3 598	3 796	4 005	4 225

1. Phavis fleet services public private partnership. Disclosure notes for this project can be viewed in the public private partnership table of the Department of Transport's chapter.

Table 36.F Summary of donor funding

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
						2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand												
Foreign												
In cash												
European Union	Sector wide enterprise employment and equity programme	Industrial Development	450 000	Public corporations and private enterprises	Increase employment and facilitate greater social and economic equity and integration	100 417	197 816	-	-	-	-	-
European Union	Risk capital facility programme	Empowerment and Enterprise Development	450 000	Public corporations and private enterprises	Facilitate BEE in SME sector	-	182 387	-	130 000	-	-	-
European Union	Employment creation, sector policy support to the economic cluster's programme of action (4 departmental projects implemented)	Empowerment and Enterprise Development	62 827	Public corporations and private enterprises	Create long term sustainable employment and contribute to the national target of halving unemployment and poverty by 2014	-	-	-	62 827	-	-	-
Department of International Development, United Kingdom	Employment creation, sector policy support to the economic cluster's programme of action (3 departmental projects implemented)	Empowerment and Enterprise Development	13 250	Public corporations and private enterprises	Create long term sustainable employment and contribute to the national target of halving unemployment and poverty by 2014	-	-	-	13 250	-	-	-
Finland	SMME development programme	Industrial Development	44 722	Departmental agencies and accounts	Support development of SMMEs through technical support by Small Enterprise Development Agency	10 063	-	18 598	2 699	-	-	-
Sweden	Economic development support	Industrial Development	37 183	Departmental agencies and accounts	Provide business linkages training and skills development for BEE, and programmes for women's empowerment	30 000	7 183	-	-	-	-	-

Table 36.F Summary of donor funding (continued)

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
						2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand In kind												
United States Agency for International Development	Economic growth support	Industrial Development	151 121	Departmental agencies and accounts	Provide technical support to financial sector and private sector, and for competitiveness. Support department's regulatory policy, its research and legislative review process, and its participation in a technical evaluation	54 139	42 000	54 982	-	-	-	-
Total			1 209 103			194 619	429 386	73 580	208 776	-	-	-

Table 36.G Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand										
Infrastructure transfers to other spheres, agencies and departments										
Coega Development Corporation	Infrastructure developments to enable investment in the zone	Various	5 689 043	725 963	718 425	859 889	714 000	383 718	417 858	308 195
East London industrial development zone	Infrastructure developments to enable investment in the zone	Various	1 817 535	124 850	154 030	373 373	198 000	171 282	150 000	100 000
Critical infrastructure programme	Infrastructure projects supporting investment in mining, tourism, manufacturing and services	Various	1 473 171	60 215	75 051	105 601	80 680	118 540	181 742	191 738
Richards Bay industrial development zone	Infrastructure developments to enable investment in the zone	Various	672 018	-	-	68 423	20 000	60 682	42 018	30 000
Centurion Aerospace Village	Establishment of aero-mechanical manufacturing abilities. Establishment of an aerospace supplier park.	Various	407 279	-	20 000	-	37 454	-	-	-
South African Bureau of Standards	New building to house the South African Bureau of Standards	Construction	315 420	-	-	-	174 240	93 180	48 000	-
Total			10 374 466	911 028	967 506	1 407 286	1 224 374	827 402	839 618	629 933



**ESTIMATES
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