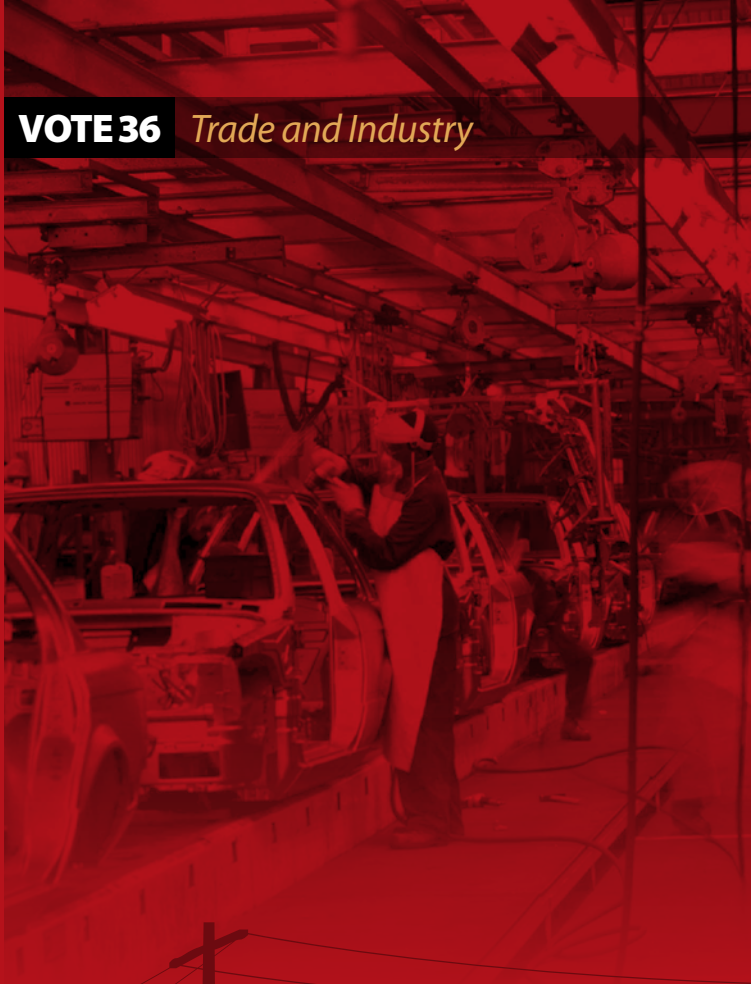


VOTE 36 *Trade and Industry*



National Treasury

BUDGET 2012

ESTIMATES OF NATIONAL EXPENDITURE



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Estimates of National Expenditure 2012

National Treasury

Republic of South Africa

22 February 2012



ISBN: 978-0-621-40578-1

RP: 01/2012

The Estimates of National Expenditure 2012 e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za.

Compared to the abridged version of the Estimates of National Expenditure, these publications contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included containing information on the main and adjusted appropriation, with revised spending estimates for the current financial year, on skills training, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

Foreword

The current global economic context is characterised by high levels of uncertainty. Against this backdrop, South Africa's development depends largely on government improving its level and quality of service delivery in support of the inclusive and equitable economic roadmap, as contained in the new growth path. The 2012 Budget is an important tool of government for giving effect to these objectives, and this Budget allocates resources to specific interventions that will be actioned over the period of the medium term expenditure framework (MTEF). Growth in spending focuses particularly on infrastructure development, job creation, enterprise support and the enhancement of local government delivery.

South Africa's fiscal stance and public spending programmes are focused on long term structural transformation. Over the next three years of the MTEF period, government priorities will continue to be realised within a sustainable fiscal trajectory, which balances current needs with intergenerational equity. In line with this, spending baselines have undergone rigorous review, areas of inefficiency and lower priority have been identified, and funds have been redirected towards government's key priorities, both new and existing. This has been done in recognition of the relationship between the composition of spending and fiscal sustainability over the long term. Here, the balance between consumption and investment is extremely important. Even the distribution of consumption spending between wages, goods and services and transfers is significant, as is the balance between the functional categories expenditure (such as education, health and economic services). Underspensing on key priorities undermines the aims of the spending proposed within MTEF Budgets.

Since introducing the functional approach to budget decision-making in 2009, transparency and coordination in budgeting has been enhanced, largely due to the participation by the stakeholders responsible for delivery across all spheres of government. South African budget reforms, especially the intensified focus on budget trade-offs and the composition of expenditure, will lead to greater accountability and improved control.

It is not enough to demonstrate a change in the composition of budgeted expenditure; nor is it enough to pinpoint the specific actions required and proposed within the Budget. Success will only be achieved when we can demonstrate that a shift in the composition of actual expenditure has taken place, together with the achievement of improved delivery targets.

This year, the layout of this publication has been altered substantially. The focus is on linking more closely expenditure planned with targeted performance. Specific focus is on the outcomes to which institutions contribute and the output and other performance measures supporting them. The sections covering employee numbers, personnel budgets and the purpose and key activities of each subprogramme within a vote are now more prominent, giving expression to the budget and service delivery. This publication still indicates details per vote of the allocation of new monies, monies reprioritised between or within budget programmes, and Cabinet approved budget reductions over the period ahead. 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, and public entities. Additional tables are included, containing information on: the main and adjusted appropriation, with revised spending estimates for the current financial year; skills training; conditional grants to provinces and municipalities; public private partnerships; and donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

The expenditure estimates of departments are the outcome of a rigorous administrative and executive process. Treasury budget analysts, under the guidance of the Ministers' Committee on the Budget, follow a wide-ranging intergovernmental consultative process, working closely with the policy and budget teams of departments and entities to ensure that government priorities are appropriately funded within the available resource envelope. The Treasury is grateful for the contribution of these teams. Appreciation is also due to the people in the Treasury team, who worked with great diligence to produce a high quality document that provides a comprehensive account of government's spending and performance plans.



Lungisa Fuzile
Director General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure publications are important accountability documents, which set out the details in relation to planned expenditure and planned performance at the time of the tabling of the Budget. Estimates of National Expenditure publications continue to make a significant contribution to the changes relating to budgeting by programme. As part of these ongoing efforts, several changes have been made to the 2012 Estimates of National Expenditure publications. Departments still provide information on the key objectives of each subprogramme within a programme, and note the activities carried out, the number of personnel responsible for undertaking these activities and the funding allocations supporting this. This year in the 2012 publications, information on expenditure and performance is more closely linked under the 'expenditure trends' section, with a brief discussion on the impact of budget allocations on the achievement of outputs over the seven-year period. In addition, an explanation of the personnel trends, per programme by salary level, over the seven years in relation to compensation of employees has also been included. Finally, information on Cabinet approved cost reduction measures and other budget reprioritisation has been included per programme.

The 2012 abridged Estimates of National Expenditure publication, and the separate Estimates of National Expenditure e-publications for each vote are the product of an extensive consultative review process of budgets and policy, and policy implementation by programme, and include the latest improvements in non-financial performance information. These publications provide the details of the spending estimates for the next three financial years (2012/13 to 2014/15), expenditure outcomes for the past three years (2008/09 to 2010/11) and revised estimates for the current financial year (2011/12). Information is provided on performance targets over the seven year period as well as changes in these, as they relate to trends in planned expenditure.

The e-publications for individual votes contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included containing information on: the main and adjusted appropriation, with revised spending estimates for the current financial year; skills training; conditional grants to provinces and municipalities; public private partnerships; and donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

A consolidated account, summarising the Estimates of National Expenditure publication information across votes, is provided in the form of a narrative and summary tables in the Introduction chapter, which is included in the front pages of the abridged version of the Estimates of National Expenditure. A write-up containing the explanation of the information that is contained in each section of the publications has also been included in the abridged version of the Estimates of National Expenditure. Like the separate Estimates of National Expenditure e-publications for each vote, the abridged Estimates of National Expenditure publication is also available on www.treasury.gov.za.

Trade and Industry

**National Treasury
Republic of South Africa**



Contents

Budget summary	1
Aim	1
Programme purposes	1
Strategic overview: 2008/09 – 2014/15	2
Selected performance indicators	4
Expenditure estimates	6
Expenditure trends	7
Personnel information	9
Departmental receipts	10
Programme 1: Administration	11
Programme 2: International Trade and Economic Development	13
Programme 3: Broadening Participation	15
Programme 4: Industrial Development: Policy Development	19
Programme 5: Consumer and Corporate Regulation	22
Programme 6: Industrial Development: Incentive Administration	25
Programme 7: Trade and Investment South Africa	29
Public entities and other agencies	32
Additional tables	77

Vote 36

Trade and Industry

Budget summary

R thousand	2012/13				2013/14	2014/15
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	608 742	597 405	1 927	9 410	690 473	722 213
International Trade and Economic Development	133 462	97 762	35 400	300	137 804	149 851
Broadening Participation	879 891	89 913	789 398	580	928 362	985 588
Industrial Development: Policy Development	1 482 856	105 915	1 376 221	720	1 535 873	1 673 178
Consumer and Corporate Regulation	244 713	70 653	173 360	700	259 580	248 490
Industrial Development: Incentive Administration	5 437 565	158 196	5 278 319	1 050	6 472 083	6 960 512
Trade and Investment South Africa	304 826	183 522	119 954	1 350	328 173	378 302
Total expenditure estimates	9 092 055	1 303 366	7 774 579	14 110	10 352 348	11 118 134
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 to 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: Provide strategic leadership to the department and its entities, to ensure the successful implementation of the department's mandate through sustainable and integrated resource solutions and services that are customer driven.

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 regional and continental integration and development cooperation in line with the New Partnership for Africa's Development.

Programme 3: Broadening Participation

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: Policy Development

Purpose: Design and implement policies, strategies and programmes to develop manufacturing and related sectors of the economy; in order to contribute to the creation of decent jobs, value addition and 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: Industrial Development: Incentive Administration

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.

Strategic overview: 2008/09 – 2014/15

The scope of the Department of Trade and Industry's mandate is governed by a broad legislative framework that includes: the Broad-Based Black Economic Empowerment Act, (2003); the Companies Act, (2008), the Consumer Protection Act, (2008), the National Small Enterprise Act, (1996), and the Small Business Development Act, (1981).

The department strives to contribute to a dynamic and globally competitive industrial economy, that is characterised by inclusive growth and development, together with decent employment and equity, built on the full potential of all citizens. The department contributes to realising this vision by promoting structural transformation, through the provision of a predictable, competitive, equitable and socially responsible environment, which is conducive to investment, trade and enterprise development. The department will also broaden participation in the economy to strengthen economic development, and continually improve its internal skills and capabilities to effectively deliver on its mandate, and respond to the needs of South Africa's economic citizens.

The department has 15 listed public entities that report to the minister.

The department's strategic objectives are to: facilitate the transformation of the economy to promote industrial development, investment, competitiveness and employment creation; build mutually beneficial regional and global relations to advance South Africa's trade, industrial policy, and economic development objectives; facilitate broad based economic participation through targeted interventions to achieve more inclusive growth; create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner; and promote a professional, ethical, dynamic, competitive and customer focused working environment that ensures effective and efficient service delivery.

Strategic priorities over the medium term

The department will build on its industrial development efforts through the industrial policy action plan and the new growth path. The action plans take forward government interventions in support of industrial development and employment creation. In some cases, other actions and programmes have been transferred to departments best suited to undertake these responsibilities. These include functions that will fall under the departments of tourism, science and technology, and agriculture, forestry and fishing. Plans for skills development, innovation and technology, have been added. Sector specific programmes on boatbuilding, oil and gas, and green industries, have been introduced.

As part of an economic competitiveness and support package that was announced in the Medium-term Budget Policy Statement, R8 billion over the medium term has been allocated to the Department of Trade and Industry to stimulate the economy in two main areas:

- The manufacturing competitiveness enhancement programme
- The department's proposed manufacturing competitiveness enhancement programme receives R5.8 billion that is earmarked for manufacturers that are in distress from the effects of the financial crisis.
- Due to thinner export markets and other adverse conditions arising from the financial crisis, this may take the form of: production support mechanisms, loans, equity injection, working capital support, restructuring assistance, support for the acquisition of fixed assets, and investment initiatives to enable the firms to address improved sales, job preservation and expansion, income support to employees, layoffs support, and similar measures.
- The manufacturing competitiveness enhancement programme aims to provide a credible support package to stabilise and grow output, employment and confidence in the manufacturing sector in the face of uncertain local and export market conditions arising from the global economic crisis. The programme seeks to encourage firms to innovate and invest in activities that will enhance their productivity and bolster their competitiveness. It will target firms in downstream manufacturing sectors that are characterised by high employment intensity and exposure to intense international competition.
- *Industrial development zones and proposed special economic zones*
- Over the medium term, R2.3 billion has been allocated to the industrial development zones and proposed special economic zones. The department has undertaken a comprehensive review of the zones with a view to improving the infrastructure in the zones, attracting foreign and domestic investors, developing structured financing products and incentive measures to achieve the outcomes of the industrial policy action plan and the new growth path. The draft strategy and draft bill have been published for public comment, for which the deadline is late March 2012.

The South African renewables initiative shall examine low interest loans and guarantee instruments. Funding shall be sourced from international and domestic sources. The initiative aims to assist in meeting the emissions reductions targets of 34 per cent below business as usual by 2020, and to 42 per cent by 2025. It further aims to establish the financing arrangements, optimise job creation and expand South Africa's manufacturing base.

Broadening participation in the economy

In broadening participation in the economy, the focus will be on the amendment of the Cooperative Act (2005) to enable the establishment of the Cooperatives Agency, an institution that will provide adequate financial and non-financial support to cooperatives, to ensure that they are sustainable and self-sufficient. Cabinet has approved the Cooperatives Amendment Bill and strategy for public comment.

Refining the legislative and regulatory environment

The Consumer Protection Act (2008) came into effect in April 2011. The act aims to improve consumer confidence levels in the South African market by providing consumers with protection on issues such as agreements, product quality, rights to refund and repairs. This will complement the National Credit Act (2005), which has made good progress in curbing reckless lending and spending. The National Consumer Commission has been established to protect consumers.

- The Companies Act (2008), which came into effect on 1 May 2011, simplifies business registration processes, reduces red tape and enhances the transparency of companies. It establishes the following institutions: the Companies and Intellectual Property Commission, to enforce company and intellectual property legislation; the Companies Tribunal, providing for dispute resolution and reviews of administrative decisions made by the Companies and Intellectual Property Commission; the Take-Over Regulation Panel, prescribing regulations on company takeovers; and the Financial Reporting Standards Council, which advises the minister on regulations on financial reporting standards, and companies' financial records and statements.

Selected performance indicators

Table 36.1 Trade and Industry

Indicator	Programme	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Total number of projects implemented under the national industrial participation programme since its inception ¹	Industrial Development: Policy Development	225	250	275	290	0	0	0
Total value of investment and export credits under the national industrial participation programme since its inception ¹	Industrial Development: Policy Development	US\$13bn	US\$14bn	US\$15.4bn	US\$16bn	0	0	0
Total number of direct jobs created under the national industrial participation programme since its inception ¹	Industrial Development: Policy Development	17 500	18 500	19 000	20 000	0	0	0
Number of projects supported under the support programme for industrial innovation per year	Broadening Participation	85	100	110	20	20	20	25
Value of support for industrial innovation projects per year	Broadening Participation	R120m	R160m	R110m	R20m	R20m	R20m	R22m
Number of technology incubators supported per year	Broadening Participation	29	29	34	39	44	49	49
Number of technology transfer interventions supported per year	Broadening Participation	30	40	40	40	40	40	40
Number of students supported by the technology and human resources for industry programme per year	Broadening Participation	2 500	2 500	2 000	2100	2200	2200	2200
Number of researchers supported by technology and human resources for industry programme per year	Broadening Participation	730	750	798	700	700	700	700
Number of companies financially assisted per year through:	Industrial Development: Incentive Administration							
- export market and investment assistance		1 203	1 500	1 753	664	870	909	1 120
- black business supplier development programme		1 320	1 600	1 104	1 086	1 600	1 760	1 930
- enterprise development programme		3 200	1 800	600	300	200	120	100
- enterprise investment programme		50	300	759	530	750	296	315
- cooperatives		150	220	232	115	135	145	145
Number of film and television productions assisted per year	Industrial Development: Incentive Administration	60	80	49	40	63	70	73
Number of bilateral and regional trade and investment agreements signed per year	International Trade and Economic Development	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	23	15	15	15	15
Number of government-to-government platforms per year	International Trade and Economic Development	18	18	18	18	18	18	-

Table 36.1 Trade and Industry (continued)

Indicator	Programme	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Number of target internal and external events and exhibitions per year	Administration	50	100	68	150	60	60	60
Key performance indicators for Coega industrial development zone:	Industrial Development: Incentive Administration							
- total value of investment per year		R22.07bn	R800m	R402m	R3bn	R800m	R1bn	R1.5bn
- number of jobs facilitated per year		4 906	2 775	193	1 200	800	1 000	1 200
- number of further investors expected per year		2	4	6	6	5	6	7
Key performance indicators for East London industrial development zone:	Industrial Development: Incentive Administration							
- number of foreign investors per year		7	4	7	2	3	3	3
- value of investments per year		R347m	R96m	R531m	R350m	R500m	R750m	R750m
- number of jobs facilitated per year		525	192	521	700	100	400	400
Key performance indicators for Richards Bay industrial development zone:	Industrial Development: Incentive Administration							
- number of foreign investors per year		-	4	1	2	1	1	2
- value of investments per year		-	R1.9bn	R250m	R300m	R200m	R200m	R400m
- number of jobs facilitated per year		140	375	150	100	200	200	300
Key performance indicators for the critical infrastructure programme:	Industrial Development: Incentive Administration							
- number of new projects per year		5	12	12	6	12	13	13
- value of investments per year		R12bn	R6bn	R34.7bn	R4bn	R6bn	R6.5bn	R6.5bn
- number of jobs facilitated per year		3 910	2 510	9 271	3 520	3 600	4 000	4 000
Number of direct jobs facilitated per year	Industrial Development: Incentive Administration							
- enterprise investment programme		-	1 025	15 018	6 875	11 582	9 417	9 417
- business process services and off-shoring		5 950	2 340	806	800	6 000	7 000	10 000
Number of quarterly reports on industrial policy action plan tabled at Cabinet	Industrial Development: Policy Development	-	-	4	4	4	4	4
Number of templates submitted to National Treasury for designation of sectors or sub-sectors per year ²	Industrial Development: Policy Development	-	-	-	6	3	3	3
Number of students enrolled in the tool making apprenticeship programme per year ²	Industrial Development: Policy Development	-	-	-	150	420	490	150
Number of workers trained through the industrial skills upgrading programme per year ²	Industrial Development: Policy Development	-	-	-	150	200	300	350

1. Indicators have been revised as a result of the shift in focus of programmes.

2. New indicators introduced.

Expenditure estimates

Table 36.2 Trade and Industry

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
R thousand								
Administration	421 721	443 203	479 989	659 286	641 586	608 742	690 473	722 213
International Trade and Economic Development	108 573	122 998	106 949	144 805	144 805	133 462	137 804	149 851
Broadening Participation	1 065 127	1 160 601	798 077	865 695	885 695	879 891	928 362	985 588
Industrial Development: Policy Development	418 740	425 470	1 145 129	1 311 047	1 369 747	1 482 856	1 535 873	1 673 178
Consumer and Corporate Regulation	111 610	133 825	145 021	229 671	231 671	244 713	259 580	248 490
Industrial Development: Incentive Administration	2 400 699	3 338 234	2 792 994	3 320 862	3 250 862	5 437 565	6 472 083	6 960 512
Trade and Investment South Africa	310 233	298 979	328 582	345 147	352 147	304 826	328 173	378 302
Total	4 836 703	5 923 310	5 796 741	6 876 513	6 876 513	9 092 055	10 352 348	11 118 134
Change to 2011 Budget estimate				89 617	89 617	1 725 151	2 779 911	3 091 351

Economic classification

	907 178	935 076	990 040	1 299 193	1 292 493	1 303 366	1 433 085	1 512 866
Current payments								
Compensation of employees	383 077	437 710	514 935	621 344	621 344	713 995	798 624	825 321
Goods and services	524 101	497 366	474 830	677 849	671 149	589 371	634 461	687 545
of which:								
Administrative fees	3 549	5 060	3 139	6 939	6 939	5 683	3 852	4 105
Advertising	23 783	15 478	14 276	30 196	35 196	25 206	32 291	34 143
Assets less than the capitalisation threshold	2 025	903	818	1 606	1 606	1 057	1 205	1 223
Audit cost: External	4 751	7 639	8 641	7 787	7 787	5 257	9 875	8 348
Bursaries: Employees	587	1 078	1 353	2 485	2 485	1 424	1 477	1 566
Catering: Departmental activities	3 762	2 814	3 108	6 540	6 540	5 377	5 455	5 799
Communication	15 732	18 737	11 602	13 396	13 396	17 905	20 974	22 777
Computer services	10 951	14 474	13 973	17 973	17 973	17 654	16 997	18 016
Consultants and professional services: Business and advisory services	55 598	39 754	39 872	93 473	93 473	87 693	87 201	99 678
Consultants and professional services: Infrastructure and planning	114	43	-	-	-	-	-	-
Consultants and professional services: Infrastructure and planning	24 320	26 767	11 303	8 744	8 744	7 540	7 855	8 237
Legal costs								
Contractors	19 045	8 308	7 508	12 093	12 093	13 089	13 661	15 295
Agency and support / outsourced services	2 243	9 624	4 727	7 308	7 308	3 874	1 702	1 804
Entertainment	1 091	1 002	1 101	2 022	2 022	5 024	5 097	5 404
Fleet services (including government motor transport)	-	-	245	303	303	590	764	820
Inventory: Fuel, oil and gas	-	-	-	95	95	210	261	276
Inventory: Learner and teacher support material	63	-	92	-	-	-	-	-
Inventory: Materials and supplies	23	115	544	206	206	560	630	678
Inventory: Medical supplies	-	-	-	1	1	-	-	-
Inventory: Medicine	-	-	55	-	-	-	-	-
Inventory: Other consumables	29	381	416	744	744	654	801	691
Inventory: Stationery and printing	9 504	10 549	12 929	15 856	15 856	13 236	14 380	16 283
Lease payments	157 695	179 400	191 423	206 971	192 971	171 884	189 804	202 121
Property payments	8 825	14 372	16 556	36 428	36 428	23 388	24 470	24 828
Transport provided: Departmental activity	-	-	-	20	20	100	-	-
Travel and subsistence	99 696	74 749	78 749	121 307	121 307	109 709	114 282	128 764
Training and development	3 592	8 927	9 371	13 608	15 908	13 971	13 566	14 063
Operating expenditure	22 208	15 436	16 794	23 807	23 807	20 099	26 193	29 700
Venues and facilities	54 915	41 756	26 235	47 941	47 941	38 187	41 668	42 926
Interest and rent on land	-	-	275	-	-	-	-	-
Transfers and subsidies	3 903 542	4 961 921	4 789 206	5 533 381	5 551 081	7 774 579	8 908 954	9 594 654
Departmental agencies and accounts	1 117 238	1 200 886	838 980	1 004 125	1 026 125	1 060 178	1 190 526	1 281 173
Higher education institutions	10 500	15 500	14 793	3 504	3 504	10 004	12 834	15 751
Foreign governments and international organisations	34 169	31 402	36 642	40 420	40 420	37 038	39 020	41 228
Public corporations and private enterprises	2 730 360	3 703 958	3 859 334	4 470 245	4 458 945	6 648 182	7 646 189	8 198 077
Non-profit institutions	6 075	7 597	37 800	14 700	21 700	17 900	18 885	56 835
Households	5 200	2 578	1 657	387	387	1 277	1 500	1 590

Table 36.2 Trade and Industry (continued)

R thousand	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
Economic classification								
Payments for capital assets	22 077	23 160	15 189	43 939	32 939	14 110	10 309	10 614
Machinery and equipment	14 847	20 440	12 875	25 315	14 315	11 422	10 110	10 368
Software and other intangible assets	7 230	2 720	2 314	18 624	18 624	2 688	199	246
Payments for financial assets	3 906	3 153	2 306	–	–	–	–	–
Total	4 836 703	5 923 310	5 796 741	6 876 513	6 876 513	9 092 055	10 352 348	11 118 134

Expenditure trends

The spending focus over the MTEF period will be on designing and implementing policies, strategies and programmes to promote industrial development and broadening participation. This will include providing incentives that will create an enabling environment to attract investment and stimulate the development of sustainable, competitive enterprises. This contributes directly to decent employment through inclusive economic growth (outcome 4).

Expenditure increased from R4.8 billion in 2008/09 to R6.9 billion in 2011/12, at an average annual rate of 12.4 per cent. Spending in the *Industrial Development: Policy Development* and *Industrial Development: Incentive Administration* programmes grew between 2008/09 and 2011/12, due to the introduction of incentive support programmes for the clothing and textile, and automotive sectors. The incentives increased expenditure in the *Industrial Development: Policy Development* programme from R418.7 million in 2008/09 to R1.3 billion in 2011/12, at an average annual rate of 46.3 per cent, and in the *Industrial Development: Incentive Administration* programme from R2.4 billion in 2008/09 to R3.3 billion in 2011/12, at an average annual rate of 11.4 per cent.

Over the medium term, expenditure is expected to grow to R11.1 billion, at an average annual rate of 17.4 per cent, mainly as a result of additional allocations for the economic support and competitive package (R5.8 billion to the manufacturing competitiveness enhancement programme and R2.3 billion for the special economic zones) which are classified under transfer payments.

In addition, the 2012 Budget sets out additional allocations of:

- R42.9 million for improved conditions of service in the department (R12.9 million in 2012/13, R14.2 million in 2013/14, and R15.8 million in 2014/15)
- R14.2 million for the improved conditions of services in public entities (R4.5 million in 2012/13, R4.7 million in 2013/14, and R5 million in 2014/15)
- R150 million for the National Metrology Institute of South Africa for capital infrastructure (R50 million in 2013/14 and R100 million in 2014/15).

Spending on consultants and professional services is expected to increase from R102.2 million in 2011/12 to R107.9 million in 2014/15, at an average annual rate of 1.8 per cent. Consultants are appointed to provide legal services for contracts and industrial research, and incentive reviews.

Infrastructure spending

Spending relates primarily to the critical infrastructure programme and the industrial development zones. Contributions through the critical infrastructure programme have generated R56.9 billion of investments. Between 2002 and 2010, these contributions have supported more than 69 424 direct job opportunities in infrastructure construction and operations. The number of direct job opportunities supported is lower than the 74 000 initially reported in 2009, due to the economic recession and cancellation of some projects.

R4.8 billion has been allocated to the three industrial development zones between 2002 and 2010. R3.5 billion of this was allocated to the Coega industrial development zone; the East London industrial development zone received R1.2 billion; and the Richards Bay industrial development zone received R88.4 million. Since the inception of the industrial development zones programme in 2001, 38 investors have invested R12.8 billion and are on site in the three industrial development zones, and 41 451 jobs have been created. R1.1 billion in funding has been allocated to the three industrial development zones over the medium term: Coega will receive R726.1 million, East London R250 million and Richards Bay R72 million.

The department, together with National Treasury and the Development Bank of Southern Africa, is considering incentive measures and financial instruments for the zones.

Mega projects

The **Coega industrial development zone** was designated in 2001. The greenfield site near Port Elizabeth consists of 11 500ha of land and is adjacent to the Ngqura deep water port. Some of the key sectors at Coega include agro-processing, general manufacturing, business process services, energy, automotives and petrochemicals. Infrastructure programmes include road construction, earthworks, electricity, water, sewerage, factories and office buildings.

Coega was designed to attract private sector investment in export orientated industries. Its aims are to create jobs in the industrial development zone, to promote the growth of domestic industries outside Coega, and boost growth through increased exports, technology transfer and increased employment. 12 private investors have moved into the zone since inception. Another 13 private investors have committed about R9 billion, which could create approximately 3 000 jobs. Coega is in discussions with a further seven investors.

The Coega Development Corporation's expenditure increased from R718.4 million in 2008/09 to R859.9 million in 2009/10, and decreased to R714 million in 2010/11 and R383.7 million in 2011/12. The 2012 Budget allocates R726.1 million to the corporation. Coega's expenditure is expected to be R417.9 million in 2012/13 and R308.2 million in 2013/14.

The **East London industrial development zone** was designated in 2001. Its key focus sectors are: automotive, marine aquaculture, agro-processing (bio-fuels, food and timber processing), pharmaceutical industry, ICT and electronics, business process services, and the automotive supplier park. The automotive supplier park supports the main component suppliers for the Mercedes Benz C-class export programme.

Since 2002, 23 investors invested R1.1 billion and are operational on site. The investment has created 1 240 direct jobs and approximately 11 300 construction jobs. The Sunningdale Dairy and Matla Diamond Works were completed in 2009/10. The East London industrial development zone is set to attract another nine investors with an estimated investment value of R900 million, and with the potential to create 900 jobs over the medium term. The industrial development zone received R154 million in 2008/09, R373.4 million in 2009/10, and R198 million in 2010/11. Over the MTEF period, it is allocated R171.3 million, R150 million and R100 million.

Between 2002/03 and 2010/11, the **critical infrastructure development programme** received R1.7 billion, of which R1.1 billion was spent on leveraged investment projects with an estimated value of R88.4 billion. The projects have created over 69 000 jobs; of which 59.4 per cent were permanent jobs and 40.6 per cent construction jobs. *Over this period*, the programme managed to provide infrastructure support to 42 investment projects at various locations across the country. 23.8 per cent of these were in KwaZulu-Natal, 21.4 per cent in Gauteng and 14.3 per cent in North West. 45.2 per cent of the projects supported were in the mining sector, 14.3 per cent in manufacturing, and 8.3 per cent in tourism and chemicals.

The critical infrastructure development programme projects have committed to support upstream and downstream industries to produce value added products in line with national industrial policy. The budget allocation in 2011/12 was R118.5 million. Expenditure is set to increase to R182 million in 2012/13, R190 million in 2013/14 and R203 million in 2014/15.

Large project

The National Metrology Institute of South Africa establishes and manages an internationally accepted measurement system for South Africa. The institute is seeking a means to upgrade the national measurement standards by building a fit for purpose facility, and modernising the equipment that makes up the national measurement standards.

The institute's measurement infrastructure and equipment is fast becoming outdated. The institute is currently unable to provide an accurate measurement system in line with its legislated mandate and has begun discussions with National Treasury regarding a feasibility study for a new building. The pre-feasibility study has been completed. Funding of R25 million in 2011/12, R50 million in 2013/14 and R100 million in 2014/15 has been allocated for new equipment and to fund the feasibility study.

Small project

The **Richards Bay industrial development zone** is located in KwaZulu-Natal. The industrial development zone is in the process of developing infrastructure to attract investors. Its key strategic industrial clusters include aluminium clustering, and wood, chemicals, and mineral beneficiation. The industrial development zone has in 2009/10 and 2010/11 attracted investments worth R650 million from Tata Steel. Three investors have moved on site and another four worth R800 million are set to be secured. This has the potential to create 700 jobs over the medium term. The industrial development zone received R60.7 million in 2011/12, and has been allocated R42 million in 2012/13 and R30 million in 2013/14.

Personnel information**Table 36.3 Details of approved establishment and personnel numbers according to salary level¹**

	Personnel post status as at 30 September 2011			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		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Department	1 298	1 298	104	1 006	1 140	1 150	1 264	1 441	1 441	1 441
Salary level 1 – 6	117	117	88	157	207	207	190	212	212	212
Salary level 7 – 10	592	592	13	448	495	504	562	635	635	635
Salary level 11 – 12	365	365	3	225	271	270	310	360	360	360
Salary level 13 – 16	224	224	–	176	167	169	202	234	234	234
Administration	394	394	48	372	400	410	480	526	526	526
Salary level 1 – 6	79	79	38	132	135	135	124	134	134	134
Salary level 7 – 10	157	157	7	135	144	153	193	215	215	215
Salary level 11 – 12	112	112	3	65	83	82	107	117	117	117
Salary level 13 – 16	46	46	–	39	38	40	56	60	60	60
International Trade and Economic Development	158	158	1	106	111	111	133	152	152	152
Salary level 1 – 6	2	2	1	1	3	3	1	1	1	1
Salary level 7 – 10	72	72	–	38	51	51	60	68	68	68
Salary level 11 – 12	48	48	–	36	28	28	40	48	48	48
Salary level 13 – 16	36	36	–	31	29	29	32	35	35	35
Broadening Participation	108	108	6	74	86	86	105	121	121	121
Salary level 1 – 6	1	1	6	2	4	4	4	9	9	9
Salary level 7 – 10	46	46	–	36	34	34	41	46	46	46
Salary level 11 – 12	29	29	–	13	22	22	29	33	33	33
Salary level 13 – 16	32	32	–	22	26	26	31	33	33	33
Industrial Development: Policy Development	148	148	14	106	107	107	124	158	158	158
Salary level 1 – 6	1	1	10	4	11	11	7	7	7	7
Salary level 7 – 10	56	56	4	48	39	39	46	61	61	61
Salary level 11 – 12	45	45	–	27	29	29	35	44	44	44
Salary level 13 – 16	46	46	–	28	28	28	36	46	46	46
Consumer and Corporate Regulation	116	116	4	90	96	96	55	64	64	64
Salary level 1 – 6	1	1	4	4	5	5	2	3	3	3
Salary level 7 – 10	56	56	–	40	47	47	26	29	29	29
Salary level 11 – 12	29	29	–	29	27	27	13	16	16	16
Salary level 13 – 16	30	30	–	17	17	17	14	16	16	16

Table 36.3 Detail of approved establishment and personnel numbers according to salary level¹ (continued)

	Personnel post status as at 30 September 2011			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		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Industrial Development: Incentive Administration	241	241	12	161	214	214	227	258	258	258
Salary level 1 – 6	16	16	12	6	22	22	23	25	25	25
Salary level 7 – 10	153	153	–	109	133	133	139	152	152	152
Salary level 11 – 12	51	51	–	24	41	41	45	52	52	52
Salary level 13 – 16	21	21	–	22	18	18	20	29	29	29
Trade and Investment South Africa	133	133	19	96	126	126	140	162	162	162
Salary level 1 – 6	17	17	17	8	27	27	29	33	33	33
Salary level 7 – 10	52	52	2	41	47	47	57	64	64	64
Salary level 11 – 12	51	51	–	31	41	41	41	50	50	50
Salary level 13 – 16	13	13	–	16	11	11	13	15	15	15

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

2. As at 30 September 2011.

Between 2009/10 and 2010/11, the approved establishment increased from 1 140 to 1 150 posts. Of these, 198 were vacant as at 31 March 2011. It is expected that filled posts will increase to 1 441 in 2012/13 and stay constant until 2014/15. The ratio of support staff to line staff is 2.1. The percentage of consultants used in relation to the total number of personnel is 9.1 per cent. Between 2008/09 and 2014/15, the number of posts increased by 435 posts, due to the implementation of the industrial policy action plan, the refocusing of gender issues and cooperatives; participation in the Brazil-Russia-India-China-South Africa group of countries partnership; refocusing marketing needs and strengthening governance of the department's public entities; investment and export promotion; capacity building in ICT, as well as the provision for the administration of new incentive schemes.

Departmental receipts

Table 36.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2008/09	2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
R thousand								
Departmental receipts	64 931	52 570	35 630	116 921	43 021	47 321	48 804	51 380
Tax receipts	3 064	3 008	3 161	3 900	2 555	5 000	5 200	5 300
Sales of goods and services produced by department	–	–	213	275	260	320	335	357
Sales by market establishments	–	–	213	100	100	120	125	127
<i>of which:</i>								
Rental of parking	–	–	213	100	100	120	125	127
Other sales	–	–	–	175	160	200	210	230
<i>of which:</i>								
Commission on insurance and garnishee orders	–	–	–	175	160	200	210	230
Sales of scrap, waste, arms and other used current goods	–	–	–	–	1	1	1	1
<i>of which:</i>								
Waste paper: Recycling of paper - Mondi	–	–	–	–	1	1	1	1
Fines, penalties and forfeits	–	–	14	150	–	–	–	–
Interest, dividends and rent on land	1 912	1 950	513	20 596	200	25 000	25 032	26 000
Interest	1 912	1 950	513	20 596	200	25 000	25 032	26 000
Sales of capital assets	110	2	93	–	5	–	–	200
Transactions in financial assets and liabilities	59 845	47 610	31 636	92 000	40 000	17 000	18 236	19 522
Total	64 931	52 570	35 630	116 921	43 021	47 321	48 804	51 380

Revenue is mainly generated from financial transactions in assets and liabilities, including recovered debts, interest from debts and bank deposits, cash receipts for senior management parking, recycling of papers, and liquor licences. Receipts decreased from R64.9 million in 2008/09 to R43 million in 2011/12, at an average annual rate of 12.8 per cent, and are expected to increase to R51.4 million in 2014/15, at an average annual rate of 6.1 per cent. The adjustment to departmental receipts in 2011/12, down to R43 million, is mainly attributable to a lowering of the amount anticipated in respect of interest.

Programme 1: Administration

The former *Communication and Marketing* programme has been shifted to this programme under the two new subprogrammes, *Media Relations* and *Public Relations and Communications* to better align the department's activities and programmes.

Expenditure estimates

Table 36.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
Ministry	29 910	27 561	30 031	40 357	37 358	39 407	41 783
Office of the Director General	33 788	39 866	49 641	81 348	87 030	83 263	94 870
Corporate Services	245 552	293 006	313 247	408 157	354 509	376 238	402 530
Office Accommodation	6 462	7 110	7 821	8 292	8 708	9 187	9 738
Financial Management	29 885	32 568	35 075	41 691	44 892	93 477	76 161
Media Relations and Public Relations	22 613	3 490	4 622	7 560	10 984	14 089	18 283
Communications	53 511	39 602	39 552	71 881	65 261	74 812	78 848
Total	421 721	443 203	479 989	659 286	608 742	690 473	722 213
Change to 2011 Budget estimate				115 575	25 242	42 877	35 761

Economic classification

	403 292	419 531	464 233	615 896	597 405	681 847	713 772
Current payments							
Compensation of employees	103 888	122 114	152 021	198 973	224 904	275 053	273 183
Goods and services	299 404	297 417	311 937	416 923	372 501	406 794	440 589
of which:							
Administrative fees	2 268	3 222	2 281	5 206	4 807	2 919	3 138
Advertising	18 191	12 277	10 833	28 060	24 517	31 874	33 701
Assets less than the capitalisation threshold	1 526	551	369	597	443	446	486
Audit cost: External	4 751	7 639	8 641	7 787	5 257	9 875	8 348
Bursaries: Employees	130	1 078	1 353	2 485	1 424	1 477	1 566
Catering: Departmental activities	2 052	974	1 235	3 264	2 510	2 651	2 810
Communication	10 473	14 412	7 100	7 466	12 156	14 833	16 284
Computer services	9 167	13 457	12 276	16 938	16 987	16 333	17 298
Consultants and professional services: Business and advisory services	20 639	12 888	14 627	38 165	36 538	30 564	37 127
Consultants and professional services: Infrastructure and planning	114	43	–	–	–	–	–
Consultants and professional services: Legal costs	6 472	2 675	5 541	1 876	1 745	1 627	1 725
Contractors	14 515	5 506	4 982	8 057	10 529	11 181	12 655
Agency and support / outsourced services	1 300	4 776	2 800	4 012	2 999	719	761
Entertainment	39	29	16	255	3 595	3 614	3 832
Fleet services (including government motor transport)	–	–	43	111	215	366	399
Inventory: Fuel, oil and gas	–	–	–	95	210	261	276
Inventory: Learner and teacher support material	63	–	90	–	–	–	–

Table 36.5 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Economic classification							
Inventory: Materials and supplies	23	114	537	200	550	620	667
Inventory: Medicine	–	–	55	–	–	–	–
Inventory: Other consumables	23	176	298	176	73	247	103
Inventory: Stationery and printing	3 673	5 145	7 579	8 923	5 459	6 088	6 535
Lease payments	146 646	165 847	175 304	191 204	161 681	179 287	190 981
Property payments	6 952	13 441	15 431	33 291	22 624	23 666	23 976
Travel and subsistence	22 688	13 905	17 173	24 347	26 521	28 402	34 290
Training and development	2 330	8 921	8 717	12 743	13 901	13 539	14 031
Operating expenditure	9 621	4 840	8 084	10 997	8 347	13 386	16 211
Venues and facilities	15 748	5 501	6 572	10 668	9 413	12 819	13 389
Interest and rent on land	–	–	275	–	–	–	–
Transfers and subsidies	1 834	2 751	3 549	4 862	1 927	2 186	2 317
Public corporations and private enterprises	523	596	2 600	4 630	650	686	727
Households	1 311	2 155	949	232	1 277	1 500	1 590
Payments for capital assets	14 615	18 319	9 923	38 528	9 410	6 440	6 124
Machinery and equipment	11 210	16 603	7 653	19 929	6 722	6 241	5 913
Software and other intangible assets	3 405	1 716	2 270	18 599	2 688	199	211
Payments for financial assets	1 980	2 602	2 284	–	–	–	–
Total	421 721	443 203	479 989	659 286	608 742	690 473	722 213

Details of transfers and subsidies

Households							
Social benefits							
Current	1 275	1 804	805	181	1 277	1 500	1 590
Gifts, donations and sponsorships	257	214	246	–	–	–	–
Employee social benefits	–	777	–	–	–	–	–
Bursaries non-employees	1 018	813	559	181	1 277	1 500	1 590
Households							
Other transfers to households							
Current	36	351	144	51	–	–	–
Gifts, donations and sponsorships	36	351	144	–	–	–	–
Employee social benefits	–	–	–	51	–	–	–
Public corporations and private enterprises							
Public corporations							
Other transfers to public corporations							
Current	523	596	2 600	4 630	650	686	727
Industrial Development Corporation: Fund for research into industrial development, growth and equity	523	596	2 600	4 630	650	686	727

Expenditure trends

Expenditure increased from R421.7 million in 2008/09 to R659.3 million in 2011/12, at an average annual rate of 16.1 per cent and is expected to increase to R722.2 million in 2014/15, at an average annual rate of 3.1 per cent. The increases in both periods are mainly due to organisational development, increasing staff capacity and the re-engineering of the department's processes.

The largest allocation goes to the *Corporate Services* subprogramme, which accounts for on average 60.3 per cent of the programme's total budget over the seven-year period. Expenditure in this subprogramme increased from R245.6 million in 2008/09 to R408.2 million in 2011/12, at an average rate of 18.5 per cent, and

is expected to decrease to R402.5 million over the medium term, at an average annual rate of 0.5 per cent. The main cost drivers are compensation of employees and goods and services, such as advertising costs, consultants and professional services, and lease payments.

As the activities of the *Communication and Marketing* programme will be incorporated into this programme over the MTEF period, funding will be directed at increased coverage and promotion of the department's activities and services offered, and extensive coverage of international missions in both domestic and international media.

Programme 2: International Trade and Economic Development

Objectives and measures

- Promote African economic integration and development at the bilateral, regional and continental levels by
- consolidating the Southern African Customs Union and SADC free trade area and launching the SADC East Africa community common market by 2014.
- Build mutually beneficial economic relations with key economies in order to 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 consultation as a basis for agreed national policy positions by 2014.

Subprogrammes

- *International Trade Development* facilitates bilateral and multilateral trade relations and agreements. Transfer payments are made to: the Organisation for the Prohibition of Chemical Weapons, as South Africa's contribution to the convention against the use of chemical weapons; ProTechnik Laboratories, as South Africa's contribution to international non-proliferation treaties and regimes; and the World Trade Organisation, as South Africa's membership fee. Total transfers in this subprogramme in 2010/11 amounted to R14 million for international membership fees, which is 9.7 per cent of the total programme budget. This subprogramme had a staff complement of 91 and a total budget of R75.1 million in 2011/12, of which 55.9 per cent was used for compensation of employees.
- *African Economic Development* facilitates bilateral and multilateral African trade relations aimed at deepening regional integration. Transfer payments are made to the Development Bank of Southern Africa for regional spatial development initiatives, aimed at accelerating sustainable socioeconomic development. This subprogramme had a staff complement of 62 and a total budget of R69.7 million in 2011/12, of which 32 per cent was used for compensation of employees. Total transfers in this subprogramme in 2010/11 amounted to R17.5 million, which is 12 per cent of the total programme budget.

Expenditure estimates

Table 36.6 International Trade and Economic Development

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
R thousand							
International Trade Development	68 832	80 159	63 595	75 063	82 406	84 344	91 882
African Economic Development	39 741	42 839	43 354	69 742	51 056	53 460	57 969
Total	108 573	122 998	106 949	144 805	133 462	137 804	149 851
Change to 2011 Budget estimate				15 126	867	(2 130)	1 521

Table 36.6 International Trade and Economic Development (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Economic classification							
Current payments	80 187	88 831	75 772	111 855	97 762	101 019	109 502
Compensation of employees	40 306	47 201	53 459	64 622	74 510	76 416	81 046
Goods and services	39 881	41 630	22 313	47 233	23 252	24 603	28 456
<i>of which:</i>							
Administrative fees	100	48	1	2	20	20	21
Advertising	265	212	208	600	–	–	–
Assets less than the capitalisation threshold	46	–	15	100	40	40	42
Bursaries: Employees	74	–	–	–	–	–	–
Catering: Departmental activities	212	172	83	464	520	520	551
Communication	1 069	992	876	1 079	1 055	1 055	1 119
Computer services	–	14	–	–	–	–	–
Consultants and professional services: Business and advisory services	582	1 300	894	1 399	1 000	1 100	1 166
Consultants and professional services: Legal costs	15 325	20 567	3 773	1 000	500	500	530
Contractors	45	92	81	911	100	50	53
Agency and support / outsourced services	8	10	58	25	–	–	–
Entertainment	–	5	8	85	96	96	102
Fleet services (including government motor transport)	–	–	1	5	–	–	–
Inventory: Materials and supplies	–	–	1	–	–	–	–
Inventory: Other consumables	–	63	2	–	4	4	4
Inventory: Stationery and printing	473	925	424	798	796	796	844
Lease payments	–	63	77	49	–	–	–
Property payments	–	–	30	16	4	4	4
Travel and subsistence	18 361	15 573	14 645	28 953	17 616	18 597	23 398
Training and development	49	–	–	–	–	–	–
Operating expenditure	225	155	144	401	221	237	251
Venues and facilities	3 047	1 439	992	11 346	1 280	1 584	371
Transfers and subsidies	27 994	33 594	30 636	32 450	35 400	36 435	39 588
Foreign governments and international organisations	10 639	10 312	10 832	11 600	13 500	14 243	15 097
Public corporations and private enterprises	17 110	23 282	19 747	20 850	21 900	22 192	24 491
Households	245	–	57	–	–	–	–
Payments for capital assets	364	573	541	500	300	350	761
Machinery and equipment	364	573	541	500	300	350	726
Software and other intangible assets	–	–	–	–	–	–	35
Payments for financial assets	28	–	–	–	–	–	–
Total	108 573	122 998	106 949	144 805	133 462	137 804	149 851

Details of transfers and subsidies

Foreign governments and international organisations							
Current	10 639	10 312	10 832	11 600	13 500	14 243	15 097
Organisation for the prohibition of chemical weapons	2 300	2 596	2 312	3 000	4 000	4 220	4 473
World Trade Organisation	8 339	7 716	8 520	8 600	9 500	10 023	10 624

Table 36.6 International Trade and Economic Development

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Details of transfers and subsidies							
Households							
Social benefits							
Current	245	-	57	-	-	-	-
Employee social benefits	245	-	57	-	-	-	-
Public corporations and private enterprises							
Public corporations							
Other transfers to public corporations							
Current	16 849	18 001	18 747	19 850	20 900	21 137	23 373
Protechnik Laboratories	1 621	2 130	2 247	2 350	2 400	2 532	2 684
Development Bank of Southern Africa: Regional spatial development initiatives	15 228	15 871	16 500	17 500	18 500	18 605	20 689
Capital	261	5 281	1 000	1 000	1 000	1 055	1 118
Protechnik Laboratories	261	5 281	1 000	1 000	1 000	1 055	1 118

Expenditure trends

Expenditure increased from R108.6 million in 2008/09 to R144.8 million in 2011/12, at an average annual rate of 10.1 per cent, mainly as a result of increased spending on goods and services, due to international legal proceedings, and compensation of employees, due to expanded capacity. These two items combined increased current payments from R80.2 million in 2008/09 to R111.9 million in 2011/12, at an average annual rate of 11.7 per cent.

Over the medium term, expenditure is expected to increase to R149.9 million, at an average annual rate of 1.1 per cent. The 26.8 per cent decrease in expenditure in the *African Economic Development* subprogramme in 2012/13 is because there will be no Tripartite Summit of the Common Market for East and Southern Africa, the East African Community and the Southern Africa Development Community in that year, as it was held in 2011/12.

Allocations to this programme over the seven-year period are used to implement the trade policy and strategy framework, and the policy framework on bilateral investment treaties that were implemented in 2011. The allocations also allow the department to provide the economic content for state visits to foreign countries, to increase South Africa's value added exports, and encourage investments in South Africa. As chair of the Southern African Customs Union, South Africa, through the interventions of this programme, has assisted in forging a consensus on a focused work programme on industrialisation, infrastructure development, trade facilitation, revenue sharing and a unified engagement in trade negotiations for the region.

Programme 3: Broadening Participation

Objectives and measures

- Foster the growth of small medium and micro enterprises (SMMEs) and cooperatives by:
 - facilitating the provision of business development support to increase the current number of SMMEs (estimated at 5 million and increasing to 8 million) and contributions to GDP, from 2010/11 (estimated at 40 per cent to 45 per cent) by 2014
 - assisting in the establishment of 300 small scale cooperatives to contribute to cooperative growth, employment creation and poverty reduction over the next 3 years, resulting in 1 500 new jobs or memberships
 - facilitating access to procurement opportunities for SMMEs and cooperatives to increase the share of SMMEs and cooperatives in government's and state owned companies' procurement by 2014/15
 - integrating entrepreneurship into the curriculum and research activities of 4 universities and 2 further education and training colleges over the MTEF period
 - strengthening and up scaling the incubator programme to generate 600 new enterprises with 5 000 jobs by 2014

- aligning broad based black economic empowerment with industrial policy, to facilitate increased participation by blacks and by women in priority sectors by 2013
- supporting 60 innovative projects with at least 6 000 students participating in the development of new technologies over the MTEF period
- supporting the development of at least 3 underdeveloped municipal district areas through targeted interventions by 2014
- improving the competitiveness of at least 120 companies through the workplace challenge programme by 2013.

Subprogrammes

- *Enterprise Development* creates an enabling environment that is conducive to the development and growth SMMEs and cooperative enterprises, and provides a broad range of business development support services. Transfer payments are made to the Small Enterprise Development Agency, which provides non-financial business development and support services for small enterprises. This subprogramme had a staff complement of 31 and a total budget of R439.7 million in 2011/12, the bulk of which was spent on the transfer to the Small Enterprise Development Agency.
- *Equity and Empowerment* promotes BEE and women's empowerment. Transfer payments are made to: the South African Women Entrepreneurs' Network (R7.7 million in 2011/12), currently administered by Khula Enterprise Finance, which supports and grows women's entrepreneurship through networking facilities; and the Industrial Development Corporation's Isivande Women's Fund (R10.7 million in 2011/12), which provides financial support for women entrepreneurs to grow their businesses. This subprogramme had a staff complement of 26 and a total budget of R41.4 million, the bulk of which was spent on transfer payments to organisations.
- *Regional Economic Development* promotes spatially balanced economic development and productivity improvements by crafting policies, strategies and programmes that focus on underdeveloped regions. Transfer payments are made to: the National Research Foundation's technology and human resources for industry programme (R155 million in 2011/12), which supports research and technology development by strengthening the number and skills of appropriately trained people; Productivity South Africa's Workplace Challenge programme (R8 million in 2011/12), 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 (R59.8 million in 2011/12), which enables private sector enterprises to develop new products and services; the Small Enterprise Development Agency technology programme (R120 million in 2011/12), which finances and supports early, seed and start up technology ventures aimed at increasing South Africa's competitiveness through technology incubation, technology transfer and quality services; and the Wits Business School's Centre for Entrepreneurship, which combines technical graduate training and entrepreneurialism in the higher education curriculum, thus empowering emerging entrepreneurs and unemployed graduates. This subprogramme had a staff complement of 62 and a total budget of R384.6 million in 2011/12, the bulk of which was spent on transfer payments.

Expenditure estimates

Table 36.7 Broadening Participation

Subprogramme	Audited outcome			Adjusted appropriation 2011/12	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
R thousand							
Enterprise Development	431 596	348 848	419 170	439 700	454 136	478 658	506 819
Equity and Empowerment	353 858	461 601	39 547	41 421	43 094	45 331	48 059
Regional Economic Development	279 673	350 152	339 360	384 574	382 661	404 373	430 710
Total	1 065 127	1 160 601	798 077	865 695	879 891	928 362	985 588
Change to 2011 Budget estimate				26 000	16 767	19 013	21 678

Table 36.7 Broadening Participation (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Economic classification							
Current payments	43 891	63 423	62 046	85 246	89 913	94 655	100 368
Compensation of employees	29 199	35 709	40 989	52 738	53 377	56 292	59 703
Goods and services	14 692	27 714	21 057	32 508	36 536	38 363	40 665
<i>of which:</i>							
<i>Administrative fees</i>	130	422	160	101	155	154	163
<i>Advertising</i>	363	848	869	184	109	115	122
<i>Assets less than the capitalisation threshold</i>	19	5	16	44	27	7	7
<i>Catering: Departmental activities</i>	860	784	510	780	650	671	712
<i>Communication</i>	166	277	337	390	457	460	487
<i>Computer services</i>	–	–	647	–	50	–	–
<i>Consultants and professional services: Business and advisory services</i>	3 789	10 572	6 470	12 126	14 756	17 156	18 186
<i>Consultants and professional services: Legal costs</i>	2	150	–	2 126	1 635	1 717	1 820
<i>Contractors</i>	264	318	509	367	557	585	620
<i>Agency and support / outsourced services</i>	73	3 043	419	2 100	485	595	631
<i>Entertainment</i>	13	4	4	20	23	24	25
<i>Fleet services (including government motor transport)</i>	–	–	4	9	–	–	–
<i>Inventory: Medical supplies</i>	–	–	–	1	–	–	–
<i>Inventory: Other consumables</i>	–	6	10	4	–	–	–
<i>Inventory: Stationery and printing</i>	530	459	722	837	1 007	1 014	1 075
<i>Lease payments</i>	–	86	166	280	352	370	392
<i>Property payments</i>	–	–	2	–	–	–	–
<i>Travel and subsistence</i>	5 450	8 036	7 047	9 359	12 791	12 028	12 749
<i>Training and development</i>	194	–	594	200	–	–	–
<i>Operating expenditure</i>	717	359	620	313	438	460	488
<i>Venues and facilities</i>	2 122	2 345	1 951	3 267	3 044	3 007	3 188
Transfers and subsidies	1 021 156	1 096 766	735 528	779 632	789 398	833 127	884 605
Departmental agencies and accounts	973 944	1 012 492	640 121	696 290	705 855	744 099	788 178
Higher education institutions	2 000	11 500	–	1	10 001	12 831	15 748
Public corporations and private enterprises	39 137	65 060	85 000	75 491	65 642	67 862	71 844
Non-profit institutions	6 075	7 597	10 300	7 700	7 900	8 335	8 835
Households	–	117	107	150	–	–	–
Payments for capital assets	80	412	503	817	580	580	615
Machinery and equipment	80	412	503	792	580	580	615
Software and other intangible assets	–	–	–	25	–	–	–
Total	1 065 127	1 160 601	798 077	865 695	879 891	928 362	985 588
Details of transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	661 012	700 850	640 121	696 290	705 855	744 099	788 178
Small Enterprise Development Agency	413 631	331 177	401 621	413 290	427 655	450 598	477 067
National Empowerment Fund	–	116 000	–	–	–	–	–
Small Enterprise Development Agency Technology Programme	76 739	78 320	76 000	120 000	113 000	119 215	126 368

Table 36.7 Broadening Participation (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Economic classification							
National Research Foundation: Technology and human resources for industry programme.	161 982	163 823	151 000	155 000	157 000	165 635	175 573
National Productivity Institute: Workplace Challenge	8 660	11 530	11 500	8 000	8 200	8 651	9 170
Capital	312 932	311 642	-	-	-	-	-
National Empowerment Fund	312 932	311 642	-	-	-	-	-
Non-profit institutions							
Current	6 075	7 597	10 300	7 700	7 900	8 335	8 835
South African Women Entrepreneurs Network	6 075	7 597	10 300	7 700	7 900	8 335	8 835
Households							
Social benefits							
Current	-	100	57	-	-	-	-
Bursaries: non-employees	-	100	57	-	-	-	-
Households							
Other transfers to households							
Current	-	17	50	150	-	-	-
Gifts, donations and sponsorships	-	17	50	150	-	-	-
Public corporations and private enterprises							
Public corporations							
Other transfers to public corporations							
Current	19 000	9 930	10 500	10 700	10 900	11 500	12 190
Industrial Development Corporation: Isivande Women's Fund	19 000	9 930	10 500	10 700	10 900	11 500	12 190
Capital	6 001	53 130	74 500	64 790	52 741	54 861	58 153
Industrial Development Corporation: Support programme for industrial innovation	-	47 661	74 500	59 789	52 740	54 860	58 152
Industrial Development Corporation: Technology venture capital	6 001	5 469	-	5 001	1	1	1
Higher education institutions							
Current	2 000	11 500	-	1	10 001	12 831	15 748
University of Johannesburg: Capacity building programme for economic development	-	5 000	-	-	10 000	12 830	15 747
Wits 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	14 136	2 000	-	1	2 001	1 501	1 501
Council for Scientific and Industrial Research: Fibre and Textile Centre of Excellence	3 000	2 000	-	1	2 001	1 501	1 501
South African Bureau of Standards: Trade Metrology	11 136	-	-	-	-	-	-

Expenditure trends

The bulk of this programme's expenditure is on transfer payments, which are made to the Small Enterprise Development Agency and its technology programme, and the National Research Foundation for the technology for human resources for industry programme.

Expenditure decreased from R1.1 billion in 2008/09 to R865.7 million in 2011/12, at an average annual rate of 6.7 per cent, due to the discontinuation of transfer payments to the National Empowerment Fund in 2010/11. Expenditure is expected to increase to R985.6 million in 2014/15, at an average annual rate of 4.4 per cent, in line with inflation projections.

R16.4 million in 2012/13, R18.9 million in 2013/14, and R20 million in 2014/15 is allocated for spending on consultants. Consultants are used mainly to assist with policy frameworks and strategy solutions for small enterprise development, such as cooperatives, and black economic empowerment.

Over the seven-year period, allocations to this programme are used to support increasing the number of small enterprises and cooperatives. The operations of the SMME payment hotline centre provides a recourse mechanism for SMME service providers to receive payments from government departments within 30 days. Since the inception of the codes of good practice for broad based black economic empowerment in 2003, this programme focused on building capacity in and harmonising the verification industry, and setting standards for BEE verifications.

Programme 4: Industrial Development: Policy Development

Objectives and measures

- Contribute to the direct and indirect creation of decent jobs, added value and competitiveness in both domestic and export markets by developing policies, strategies and programmes for the manufacturing sector and related sectors, through the three-year rolling industrial policy action plan. Implement the three-year industrial policy action plan by 2013/14.
- Ensure, through regulatory institutions including standards, quality assurance, accreditation and metrology institutions, that technical infrastructure policies and institutions support industrial policy.
- Support industrial upgrading by:
- facilitating the development of 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 from 2010/11 to 2013/14.
- Leverage the economic benefits and development support of South African industries through government procurement, thus creating or retaining 20 000 direct jobs by 2013.
- Optimise the economic benefits and development support of government procurement, to promote industrial development and create or retain 20 000 direct jobs by 2013.
- Respond to the growing imperatives of climate change and environmental concerns and opportunities through the promotion of green industries and resource efficiency in the economy, on an ongoing basis.
- Leverage large public procurements to promote industrial development, through the reorientation of the national industrial participation programme and by actively engaging with the large fleet procurements of public entities over the MTEF period.

Subprogrammes

- 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. Transfer payments are made to the South African Bureau of Standards, the National Metrology Institute of South Africa, the National Regulator for Compulsory Specifications and the South African National Accreditation System. Funds have been reprioritised within the programme and no savings over the MTEF period have been identified.
- 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. Transfer payments are made to: the Industrial Development Corporation's customised sector programme, the Council for Scientific and Industrial Research's aerospace industry programme, the Council for Scientific and Industrial Research's national cleaner production centre, the Council for Scientific and Industrial Research's national foundry technology network, the Intsimbi national tooling initiative and the UN Industrial Development Organisation's automotive component supplier development programme. The

subprogramme's budget in 2011/12 was R806.4 million. Funds have been reprioritised within the programme and no savings over the MTEF period were identified.

Expenditure estimates

Table 36.8 Industrial Development: Policy Development

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
Industrial Competitiveness	303 737	323 629	538 952	504 660	500 196	537 696	615 895
Customised Sector Programmes	115 003	101 841	606 177	806 387	982 660	998 177	1 057 283
Total	418 740	425 470	1 145 129	1 311 047	1 482 856	1 535 873	1 673 178
Change to 2011 Budget estimate				44 152	(4 338)	44 899	92 746
Economic classification							
Current payments	89 030	62 385	69 794	96 272	105 915	111 927	118 830
Compensation of employees	42 958	45 053	54 046	66 105	74 019	77 904	82 523
Goods and services	46 072	17 332	15 748	30 167	31 896	34 023	36 307
<i>of which:</i>							
Administrative fees	395	217	30	311	200	220	240
Advertising	1 988	328	584	–	–	–	–
Assets less than the capitalisation threshold	44	9	15	108	70	72	80
Bursaries: Employees	100	–	–	–	–	–	–
Catering: Departmental activities	182	196	311	415	390	400	439
Communication	687	420	463	609	802	854	894
Computer services	–	–	31	–	67	80	90
Consultants and professional services: Business and advisory services	11 870	6 386	3 363	13 350	12 907	13 690	14 697
Consultants and professional services: Legal costs	57	56	–	220	–	–	–
Contractors	719	78	15	350	100	100	117
Agency and support / outsourced services	–	118	203	202	170	176	187
Entertainment	11	3	5	37	52	55	58
Fleet services (including government motor transport)	–	–	2	2	–	–	–
Inventory: Learner and teacher support material	–	–	1	–	–	–	–
Inventory: Materials and supplies	–	–	–	3	10	10	11
Inventory: Other consumables	2	2	9	23	30	30	33
Inventory: Stationery and printing	790	647	765	1 163	1 288	1 378	1 481
Lease payments	2	91	99	86	130	137	145
Property payments	–	–	2	–	–	–	–
Travel and subsistence	18 813	7 270	7 399	9 927	11 122	11 894	12 544
Training and development	228	–	6	–	20	27	32
Operating expenditure	1 632	723	1 113	1 441	1 743	1 876	1 979
Venues and facilities	8 552	788	1 332	1 920	2 795	3 024	3 280
Transfers and subsidies	326 162	362 792	1 074 809	1 213 731	1 376 221	1 423 321	1 553 687
Departmental agencies and accounts	80 546	105 446	108 800	145 377	184 963	266 196	328 659
Higher education institutions	8 500	4 000	14 793	3 503	3	3	3
Foreign governments and international organisations	10 545	8 069	12 096	14 152	7 200	7 475	7 792
Public corporations and private enterprises	223 247	245 277	938 903	1 050 694	1 184 055	1 149 647	1 217 233
Households	3 324	–	217	5	–	–	–
Payments for capital assets	3 548	293	526	1 044	720	625	661
Machinery and equipment	730	293	526	1 044	720	625	661
Software and other intangible assets	2 818	–	–	–	–	–	–
Total	418 740	425 470	1 145 129	1 311 047	1 482 856	1 535 873	1 673 178

Table 36.8 Industrial Development: Policy Development (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Details of transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	80 546	105 446	108 800	120 377	184 963	216 196	228 659
South African National Accreditation System	13 750	14 707	18 239	20 623	30 327	32 615	34 560
National Metrology Institute of South Africa	54 999	54 806	57 519	62 581	76 521	84 438	89 545
National Regulator for Compulsory Specifications	11 797	35 933	33 042	37 173	78 115	99 143	104 554
Capital	–	–	–	25 000	–	50 000	100 000
National Metrology Institute of South Africa: Infrastructure	–	–	–	25 000	–	50 000	100 000
Foreign governments and international organisations							
Current	10 545	8 069	12 096	14 152	7 200	7 475	7 792
United Nations Industrial Development Organisation	3 492	3 069	3 096	4 800	5 000	5 275	5 592
United Nations Industrial Development Organisation: Automotive component supplier development programme	4 553	5 000	7 000	7 152	–	–	–
French Institute of South Africa: African programme on rethinking development economics	2 500	–	2 000	2 200	2 200	2 200	2 200
Households							
Social benefits							
Current	–	–	150	5	–	–	–
Employee social benefits	–	–	150	5	–	–	–
Households							
Other transfers to households							
Current	3 324	–	67	–	–	–	–
Gifts, donations and sponsorships	144	–	67	–	–	–	–
Technology for Women in Business: Sponsorship	180	–	–	–	–	–	–
Umsobomvu Youth Fund: Sponsorship	3 000	–	–	–	–	–	–
Public corporations and private enterprises							
Public corporations							
Other transfers to public corporations							
Current	193 247	227 896	669 908	887 223	1 050 535	1 058 187	1 120 285
Council for Mineral Technology and Research: Customised sector programmes	1 000	–	400	–	–	–	–
Industrial Development Corporation: Customised sector programmes	39 000	48 657	51 092	57 427	56 471	57 041	60 465
Council for Scientific and Industrial Research: National cleaner production centre	9 800	18 966	32 000	40 141	41 225	41 678	44 179
South African Bureau of Standards: Research contribution	142 144	153 731	178 845	181 496	180 538	181 711	191 272
South African Bureau of Standards: Small business technical consulting	1 303	1 201	1 071	1 158	1 300	1 312	1 381
Nuclear Energy Corporation of South Africa: Nuclear skills development	–	5 341	–	–	–	–	–
Industrial Development Corporation: Clothing and textile production incentive	–	–	400 000	600 000	750 000	758 250	803 744
Council for Scientific and Industrial Research: National Foundry Technology Network: Metals	–	–	6 500	7 000	21 000	18 194	19 243
Council for Scientific and Industrial Research: Maritime industry project	–	–	–	1	1	1	1

Table 36.8 Industrial Development: Policy Development (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Details of transfers and subsidies							
Capital	10 000	9 931	184 141	117 471	69 352	21 226	22 500
Council for Scientific and Industrial Research: Aerospace industry	10 000	9 931	9 901	17 291	21 352	21 226	22 500
South African Bureau of Standards: Upgrading of vehicle testing facility	-	-	-	7 000	-	-	-
South African Bureau of Standards: Infrastructure	-	-	174 240	93 180	48 000	-	-
Public corporations and private enterprises							
Private enterprises							
Other transfers to private enterprises							
Current	20 000	7 450	52 400	46 000	64 168	70 234	74 448
Intsimbi National Tooling Initiative	-	7 450	47 400	36 000	49 168	54 434	57 700
Centurion Aerospace Village	20 000	-	5 000	10 000	15 000	15 800	16 748
Capital	-	-	32 454	-	-	-	-
Centurion Aerospace Village	-	-	32 454	-	-	-	-
Higher education institutions							
Current	8 500	4 000	14 793	3 503	3	3	3
University of the Witwatersrand: National aerospace skills sector support centre	3 000	4 000	9 000	1	1	1	1
University of the North West: Advanced manufacturing skills sector support programme	3 000	-	5 793	3 501	1	1	1
University of Pretoria: Advanced Engineering Centre of Excellence	2 500	-	-	1	1	1	1

Expenditure trends

Expenditure increased from R418.7 million in 2008/09 to R1.3 billion in 2011/12, at an average annual rate of 46.3 per cent, mostly due to the introduction of the customised sector programmes, and the clothing and textile production incentive schemes, which are administered by the Industrial Development Corporation. As a result of the introduction of the programmes and schemes, transfer payments increased from R326.2 million in 2008/09 to R1.2 billion in 2011/12, at an average annual rate of 55 per cent.

Over the medium term, expenditure is expected to increase to R1.7 billion, at an average annual rate of 8.5 per cent, as a result of the provision for the equipment and the feasibility study for a new building for the National Metrology Institute of South Africa. Of the R4.7 billion budget over the MTEF period, the production incentive for the clothing and textile industry receives 48.9 per cent (R2.3 billion). The clothing, textile, footwear and leather industry is labour intensive and employs approximately 260 000 people in total. Support for the industry is directly linked to the government priority of the creation of decent employment through inclusive economic growth (outcome 4). Expenditure in the *Customised Sector Programmes* subprogramme is expected to increase from R806.4 million in 2011/12 to R1.1 billion in 2014/15, at an average annual rate of 9.5 per cent, due to additional funding provided to the Intsimbi national tooling initiative pre-apprenticeship programme. This programme supports the manufacturing sector, which, as a whole, contributes 18 per cent to GDP.

Programme 5: Consumer and Corporate Regulation

Objectives and measures

- Increase access to economic opportunities for small businesses and historically disadvantaged citizens through enhancing business confidence and certainty of South African business regulation.
- Align laws, policies and their implementation.
- Review liquor legislation and conduct the liquor Impact assessment policy in 2012/13.

- Review the National Credit Act (2005) and propose any amendments in 2012/13; publish regulations by 2014/15.
- Review the consumer protection legislation and assess the provisions on accreditation, exemptions and compliance from 2011/12 until 2015/16.
- Conduct market surveys, trends analyses and impact assessments annually.
- Foster better regulatory practice by 2014/15.
- Amend the Lotteries Act (1997) by the end of 2012/13.
- Review the forthcoming report by the Gambling Commission and propose a gambling sector strategy by the end of 2012/13.
- Draft the intellectual property law amendment regulations by the end of 2012/13.
- Finalise the policy on intellectual property by the second quarter of 2012/13.
- Review the recommendations by the consumer and corporate regulation project in 2012/13.
- Undertake a business registration reform project in 2012/13.
- Begin the regulatory impact assessment on all policies and bills with policy and legislation from 2011/12 to 2015/16.
- Increase investor confidence in South Africa by implementing an effective regulatory framework to reduce the burden on business.
- Promote competitive, fair and efficient markets through business and consumer research.
- Exchange regulatory experiences through participation in the World Intellectual Property Organisation and the World Trade Organisation.

Subprogrammes

- *Policy and Legislative Development* develops regulatory solutions, including legislative reviews. This subprogramme had a staff complement of 18 and a total budget of R22.1 million in 2011/12, of which 48.4 per cent was used for compensation of employees.
- *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. Amendment of the Liquor Act (2003) will be tabled in Parliament in 2013 after a regulatory impact assessment on liquor policy in 2012/13 has been done. This subprogramme had a staff complement of 26 and a total budget of R23.9 million in 2011/12, of which 68.8 per cent was used for compensation of employees.
- *Regulatory Services* monitors and funds a number of regulatory agencies, including: the National Consumer Tribunal, which received R28.8 million in 2011/12, which adjudicates on credit and consumer matters to ensure equity in the credit market, and balances the rights and responsibilities of credit providers and consumers; the National Credit Regulator, which received R53 million in 2011/12, and which regulates the consumer credit industry to improve consumer protection in the end user credit market, provides effective debt counselling, and review mechanisms; the National Gambling Board, which received R23.6 million in 2011/12, and which provides a regulatory framework for gambling practices and monitors the socioeconomic effects of gambling on citizens; the National Consumer Commission, which received R33 million in 2011/12, and which ensures well functioning markets that are fair, competitive and responsible to consumers; the Companies and Intellectual Property Commission, which received R14 million in 2011/12, and which deals with the registration of companies, adherence to financial standards, the provision of business rescue interventions and enforcement of non-compliance; and the Companies Tribunal, which received R10 million in 2011/12, and which is responsible for adjudicating matters arising in terms of the Companies Act (1973); and a transfer to the World Intellectual Property Organisation for membership fees, and which received R2.9 million in 2011/12. The subprogramme also monitors the activities of the Estate Agency Affairs Board, the National Lotteries Board, the Takeover Regulation Panel and the Financial Reporting Standards Council. This subprogramme had a staff complement of 19 and a total budget of R183.6 million in 2011/12, of which 4.9 per cent was used for compensation of employees.

Expenditure estimates

Table 36.9 Consumer and Corporate Regulation

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
Policy and Legislative Development	12 155	10 131	9 637	22 138	23 165	24 386	25 892
Enforcement and Compliance	29 844	32 948	36 348	23 935	36 363	40 132	42 536
Regulatory Services	69 611	90 746	99 036	183 598	185 185	195 062	180 062
Total	111 610	133 825	145 021	229 671	244 713	259 580	248 490
Change to 2011 Budget estimate				(2 000)	2 604	2 868	(23 625)

Economic classification

	44 880	48 051	51 830	63 495	70 653	75 129	79 681
Current payments							
Compensation of employees	31 736	36 395	39 711	36 352	51 909	55 432	57 465
Goods and services	13 144	11 656	12 119	27 143	18 744	19 697	22 216
<i>of which:</i>							
Administrative fees	13	42	–	22	40	65	40
Advertising	595	540	193	22	405	–	–
Assets less than the capitalisation threshold	69	2	6	14	24	81	16
Bursaries: Employees	88	–	–	–	–	–	–
Catering: Departmental activities	98	394	372	546	646	636	675
Communication	236	222	223	267	309	456	482
Computer services	–	3	–	–	–	14	24
Consultants and professional services: Business and advisory services	4 808	2 804	4 258	14 031	5 061	6 460	8 263
Consultants and professional services: Legal costs	774	1 257	386	1 183	500	500	500
Contractors	21	132	60	71	122	5	6
Agency and support / outsourced services	–	413	32	250	–	–	–
Entertainment	2	1	5	25	10	–	–
Fleet services (including government motor transport)	–	–	1	2	–	–	–
Inventory: Materials and supplies	–	–	–	1	–	–	–
Inventory: Other consumables	–	8	1	6	–	3	3
Inventory: Stationery and printing	623	569	486	890	736	784	828
Lease payments	–	85	175	97	55	36	31
Travel and subsistence	3 948	3 039	4 730	6 021	7 609	7 452	7 778
Training and development	71	–	–	–	–	–	–
Operating expenditure	160	1 201	325	1 918	1 450	1 786	1 815
Venues and facilities	1 638	944	866	1 777	1 777	1 419	1 755
Transfers and subsidies	66 132	85 513	92 908	165 376	173 360	184 451	168 809
Departmental agencies and accounts	62 748	82 948	90 059	162 458	169 360	180 231	164 336
Foreign governments and international organisations	3 074	2 565	2 630	2 918	4 000	4 220	4 473
Households	310	–	219	–	–	–	–
Payments for capital assets	594	261	283	800	700	–	–
Machinery and equipment	594	261	283	800	700	–	–
Payments for financial assets	4	–	–	–	–	–	–
Total	111 610	133 825	145 021	229 671	244 713	259 580	248 490

Table 36.9 Consumer and Corporate Regulation (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Details of transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	62 748	82 948	90 059	162 458	169 360	180 231	164 336
National Credit Regulator	34 082	43 859	46 000	53 042	54 690	58 870	57 400
National Gambling Board	17 274	21 570	22 000	23 605	25 900	27 330	26 700
National Consumer Tribunal	11 392	17 519	22 059	28 833	33 035	35 780	37 736
Companies and Intellectual Property Commission	–	–	–	13 990	4 158	4 387	–
National Consumer Commission	–	–	–	32 988	41 577	43 864	42 500
Companies Tribunal	–	–	–	10 000	10 000	10 000	–
Foreign governments and international organisations							
Current	3 074	2 565	2 630	2 918	4 000	4 220	4 473
World Intellectual Property Organisation	3 074	2 565	2 630	2 918	4 000	4 220	4 473
Households							
Social benefits							
Current	310	–	219	–	–	–	–
Employee social benefits	310	–	219	–	–	–	–

Expenditure trends

Expenditure increased from R111.6 million in 2008/09 to R229.7 million in 2011/12, at an average annual rate of 27.2 per cent, due to the establishment of new entities, including the National Consumer Commission, the Companies and Intellectual Property Commission and the Companies Tribunal. As a result, expenditure on transfers is expected to increase from R66.1 million in 2008/09 to R168.8 million in 2014/15, at an average annual rate of 16.9 per cent.

Over the medium term, total expenditure is expected to increase to R248.5 million, at an average growth rate of 2.7 per cent, mainly to provide for increased transfers to departmental agencies and accounts, and to fund the division's restructuring process.

Allocations over the seven-year period principally fund the operational expenditure of a number of regulatory institutions responsible for the effective implementation and enforcement of important regulatory legislation such as the Companies Amendment Act (2011), the Consumer Protection Act (2008), the Lotteries Act (1997), the National Gambling Act (2004), the Estate Agency Affairs Act (1976) and the National Credit Act (2005).

Programme 6: Industrial Development: Incentive Administration

Objectives and measures

- Design and implement programmes or incentives by March 2013 that support investment, competitiveness, employment creation and equity.
- Improve the impact of incentives programmes by implementing a monitoring and evaluation system by 2012/13.
- Improve the administrative requirements for incentives to make them more user friendly by implementing an electronic online application and claim system by March 2013.

Subprogrammes

- *Broadening Participation Incentives* provides incentive programmes that promote the broader participation in the mainstream economy of businesses owned by individuals from historically disadvantaged

communities and marginalised regions. Transfer payments make provision for the following incentive schemes: R64.1 million or 49 per cent of the total budget of the subprogramme to the black business supplier development programme for incentives to qualifying companies through which black business suppliers are supported; and R54.4 million or 46 per cent of the total budget of the subprogramme to the cooperatives incentive scheme for incentives to qualifying companies through which cooperative enterprises in the emerging economy acquire business development services. This subprogramme had a staff complement of 30 and a total budget of R129.9 million in 2011/12, of which 8 per cent was used for compensation of employees. No savings over the medium term have been identified in this subprogramme.

- *Manufacturing Investment Incentives* provides incentives to promote additional investment in the manufacturing sector. Transfer payments to various incentive schemes were made as follows: R649.5 million or 31 per cent of the total budget of the subprogramme for the enterprise investment programme for incentives to qualifying local and foreign owned manufacturing companies establishing new or expanding production facilities as from 2009/10; R241.2 million or 12 per cent of the total budget of the subprogramme for the small and medium enterprise development programme for incentives to qualifying companies starting or expanding current operations; R1 million or 0.4 per cent of the total budget of the subprogramme for the small and medium manufacturing development programme for incentives to qualifying companies starting or expanding current manufacturing operations; R947.5 million or 46 per cent of the total budget of the subprogramme for automotive production and development programmes for incentives to qualifying motor vehicle manufacturers in South Africa; R168.6 million or 8 per cent of the total budget of the subprogramme for export marketing and investment assistance for sector specific assistance schemes for capital project feasibility programmes and industrial competitiveness and upgrading programmes. This subprogramme had a staff complement of 147 and a total budget of R2.1 billion in 2011/12, of which 1.9 per cent was used for compensation of employees. No savings over the medium term have been identified in this subprogramme.
- *Service Investment Incentives* provides incentive programmes that promote increased investment and employment growth in the targeted subsectors. R143.1 million or 44 per cent of the total budget of the subprogramme was transferred for the business process services programme services, which is a dedicated investor friendly setup process, and is designed to improve industry service standards to position South Africa as a preferred location for business process services operations. The programme aims to attract investment and create employment in South Africa through off-shoring activities. R190.3 million or 55 per cent of the total budget of the subprogramme was transferred to the film and television production incentive scheme for incentives to qualifying companies to support film and television productions in South Africa. This subprogramme had a staff complement of 14 and a total budget of R345.6 million in 2011/12, of which 2.3 per cent was used for compensation of employees. R5.8 billion over the MTEF period in additional funding as part of the economic support package is allocated to the manufacturing competitiveness enhancement programme.
- *Infrastructure Development Support* leverages investments in the South African economy by providing infrastructure critical to industrial development, thereby increasing the export of value added commodities and creating employment opportunities. Transfer payments are made as follows: R383.7 million in 2011/12 or 52 per cent of the total budget of the subprogramme to the Coega Development Corporation for bulk infrastructure development in the industrial development zone; R171.3 million or 23 per cent of the total budget of the subprogramme to the East London industrial development zone for bulk infrastructure development in the industrial development zone; R60.7 million or 8 per cent of the total budget of the subprogramme to the Richards Bay industrial development zone for bulk infrastructure development in the industrial development zone; and R118.5 million or 16 per cent of the total budget of the subprogramme to the critical infrastructure programme for bulk infrastructure development in South Africa. This subprogramme had a staff complement of 15 and a total budget of R744.1 million in 2011/12, of which 1.2 per cent was used for compensation of employees. As part of the economic support package, additional funding of R2.2 billion over the MTEF period is allocated to the special economic zones programme.
- *Product and Systems Development* aims to develop, review, monitor and evaluate existing as well as new incentive programmes to: support the industrial policy framework and its action plan, develop sector strategies to address identified market failures, and develop a new tax incentive allowance that was

launched in 2010/11. The subprogramme also reviewed the business process services and off-shoring incentive, a revised version of which was launched in 2010/11, and the automotive investment scheme also in 2010/11. This subprogramme had a staff complement of 20 and a total budget of R9.7 million in 2011/12, of which 91.5 per cent was 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 learnt for improving old schemes or developing new ones. A customer satisfaction survey was completed, results analysed and a report presented to management in 2010/11. This subprogramme had a staff complement of 32 and a total budget of R17.2 million, of which 75 per cent was used for compensation of employees.

Expenditure estimates

Table 36.10 Industrial Development: Incentive Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
Broadening Participation Incentives	98 356	118 042	183 832	129 903	147 810	161 150	172 066
Manufacturing Investment Incentives	1 144 343	1 526 384	1 336 769	2 074 363	3 507 425	4 374 572	4 975 170
Services Investment Incentives	210 494	258 473	233 551	345 581	452 519	517 980	569 722
Infrastructure Development Support	947 506	1 418 673	1 020 607	744 131	1 302 632	1 389 567	1 215 091
Product and Systems Development	–	5 504	5 817	9 734	10 557	11 104	11 773
Business Development and After Care	–	11 158	12 418	17 150	16 622	17 710	16 690
Total	2 400 699	3 338 234	2 792 994	3 320 862	5 437 565	6 472 083	6 960 512
Change to 2011 Budget estimate				(148 252)	1 694 298	2 676 291	2 936 972

Economic classification

	70 391	88 650	99 115	122 799	158 196	175 510	185 972
Current payments							
Compensation of employees	49 092	67 677	73 536	90 244	117 995	133 699	139 981
Goods and services	21 299	20 973	25 579	32 555	40 201	41 811	45 991
<i>of which:</i>							
Administrative fees	42	66	180	425	50	53	56
Advertising	355	30	300	430	–	–	–
Assets less than the capitalisation threshold	147	72	118	115	210	222	235
Bursaries: Employees	176	–	–	–	–	–	–
Catering: Departmental activities	172	196	185	160	170	179	190
Communication	287	405	419	650	861	902	952
Computer services	1 018	688	355	–	–	–	–
Consultants and professional services: Business and advisory services	5 127	4 331	8 726	11 425	14 415	15 126	16 948
Consultants and professional services: Legal costs	1 167	1 477	1 438	2 103	3 000	3 117	3 244
Contractors	39	4	1	2	–	–	–
Agency and support / outsourced services	862	1 225	779	460	200	212	225
Entertainment	1	9	12	70	75	79	84
Fleet services (including government motor transport)	–	–	42	120	375	398	421
Inventory: Materials and supplies	–	–	2	2	–	–	–
Inventory: Other consumables	3	28	7	40	30	32	34
Inventory: Stationery and printing	1 302	1 832	1 577	1 289	2 700	2 809	3 918
Lease payments	–	961	962	150	–	–	–
Property payments	29	47	36	80	–	–	–
Travel and subsistence	8 124	8 770	9 078	12 999	15 150	15 609	16 487
Training and development	590	–	–	–	–	–	–
Operating expenditure	260	155	576	385	500	528	560
Venues and facilities	1 598	677	786	1 650	2 465	2 545	2 637

Table 36.10 Industrial Development: Incentive Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Economic classification							
Transfers and subsidies	2 326 705	3 247 549	2 692 604	3 197 063	5 278 319	6 295 509	6 773 412
Public corporations and private enterprises	2 326 695	3 247 343	2 692 596	3 197 063	5 278 319	6 295 509	6 773 412
Households	10	206	8	-	-	-	-
Payments for capital assets	1 757	1 800	1 274	1 000	1 050	1 064	1 128
Machinery and equipment	750	796	1 274	1 000	1 050	1 064	1 128
Software and other intangible assets	1 007	1 004	-	-	-	-	-
Payments for financial assets	1 846	235	1	-	-	-	-
Total	2 400 699	3 338 234	2 792 994	3 320 862	5 437 565	6 472 083	6 960 512

Details of transfers and subsidies

Households							
Social benefits							
Current	10	206	8	-	-	-	-
Employee social benefits	10	206	8	-	-	-	-
Public corporations and private enterprises							
Public corporations							
Other transfers to public corporations							
Capital	872 455	1 301 685	932 000	615 682	609 876	438 195	-
Coega Development Corporation	718 425	859 889	714 000	383 718	417 858	308 195	-
Richards Bay Industrial Development Zone Company	-	68 423	20 000	60 682	42 018	30 000	-
East London Industrial Development Zone	154 030	373 373	198 000	171 282	150 000	100 000	-
Public corporations and private enterprises							
Private enterprises							
Other transfers to private enterprises							
Current	148 777	230 676	308 911	287 116	317 000	336 000	355 000
Export Market and Investment Assistance	112 124	122 303	133 878	168 644	182 000	189 000	200 000
Broadening Participation Development Incentives	36 653	108 373	175 033	118 472	135 000	147 000	155 000
Capital	75 051	105 601	80 642	118 540	182 000	190 000	203 000
Critical Infrastructure Programme	75 051	105 601	80 642	118 540	182 000	190 000	203 000
Public corporations and private enterprises							
Private enterprises							
Private enterprises - subsidies on products and production							
Current	1 230 412	1 609 381	1 371 043	2 175 725	3 669 443	4 581 314	5 215 412
Manufacturing Development Incentives	1 019 442	1 350 631	1 144 261	1 839 247	3 227 079	4 074 001	4 657 001
Staple Food Fortification Programme	476	282	-	-	-	-	-
Services Sector Development Incentives	210 494	253 993	226 782	333 369	439 000	504 000	555 000
Industrial Development Zones: Other	-	4 475	-	1	-	-	-
Sector Development Programme	-	-	-	3 108	3 364	3 313	3 411
Capital	-	-	-	-	500 000	750 000	1 000 000
Special Economic Zones: Investment incentives	-	-	-	-	500 000	750 000	1 000 000

Expenditure trends

Expenditure increased from R2.4 billion in 2008/09 to R3.3 billion in 2011/12, at an average annual rate of 11.4 per cent, mainly due to the implementation of new schemes, such as the automotive incentives schemes and the enterprise investment programme. Over this period, the East London industrial development zone

received R896.7 million, the Richards Bay industrial development zone received R149.1 million and the Coega industrial development zone received R2.7 billion for infrastructure development.

Over the MTEF period, the expenditure is expected to increase to R7 billion, at an average annual rate of 28.5 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 services programme, which will attract more applications.

Allocations over the seven-year period provide incentive measures that support investment, job creation and regional economic development. A large portion of the funds is directed towards the funding of the automotive investment scheme, business process services programme, critical infrastructure programme, enterprise investment programme, film and television production incentive, three industrial development zones, and the export market and investment assistance scheme.

Programme 7: Trade and Investment South Africa

Objectives and measures

- Increase the quality and quantity of domestic and foreign direct investment by reviewing the investment strategies over the MTEF period.
- Review the export strategy over the MTEF period, in order to develop new and increase existing South African export capabilities.
- Promote South African products in targeted high growth markets through 6 international trade and investment initiatives and 54 pavilions, and by funding 129 trade missions, by March 2014.
- Facilitate markets for South African manufactured products and services by promoting and implementing export and investment projects in high yield targeted countries such as the Brazil-Russia-India-China-South Africa group of countries, the rest of Africa and other developing countries by March 2013.
- Enhance the promotion of exports and investment in targeted countries, through maintaining a footprint of 27 foreign based economic offices.

Subprogrammes

- *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. This entails promoting South Africa as an investment destination, with a target of R115 billion in investment over the 3 years to 2013/14 and R45 billion in investment for 2012/13. It is also responsible for organising an international investment conference annually. This subprogramme had a staff complement of 47 and a total budget of R43.3 million in 2011/12, of which 35 per cent was used for compensation of employees. In 2011/12, the subprogramme made a contribution of R7 million or 17.2 per cent of its total budget to the Proudly South African campaign and R11.8 million to the Export Consultancy Trust Fund for the International Bank for Reconstruction and Development and the International Finance Corporation. No savings over the medium term have been identified in this subprogramme.
- *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 to penetrate new high growth markets. Transfer payments are made to the Export Credit Insurance Corporation of South Africa, which facilitates and encourages South African export trade by underwriting export credit loans and investments outside South Africa's borders to allow South African contractors to win capital goods and services contracts in other countries. Allocations to the corporation vary due to the fluctuations in interest rates, world economic stability and the Eurozone economic crisis. This subprogramme had a staff complement of 78 and a total budget of R168.7 million in 2011/12, of which 12.3 per cent was used for compensation of employees and 73 per cent transferred to the Export Credit Insurance Corporation of South Africa for the interest make-up scheme. Trade and Investment South Africa participated in the 2010 Shanghai World Expo. In 2011, it conducted further expo promotions in China to highlight manufactured products and services in Beijing and Shanghai. This programme implements measures to assist businesses in securing market access opportunities and investments for South African

products and services. The programme has facilitated six international initiatives in investments and exports in the last quarter of 2011/12 to Zimbabwe, Brazil, Russia, the Democratic Republic of the Congo and India. No savings over the medium term have been identified in this subprogramme.

- *International Operations* manages and administers the department's foreign office network of 27 foreign economic representatives covering a footprint of 45 countries to promote trade and investment in South Africa. This subprogramme had a staff complement of 37 and a total budget of R133.2 million in 2011/12, of which 57.3 per cent was used for compensation of employees. No savings over the medium term have been identified in this subprogramme.

Expenditure estimates

Table 36.11 Trade and Investment South Africa

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
Investment Promotion and Facilitation	33 681	42 041	54 676	43 256	44 259	46 444	86 058
Export Development and Promotion	172 702	157 780	157 069	168 673	144 720	159 796	162 857
International Operations	103 850	99 158	116 837	133 218	115 847	121 933	129 387
Total	310 233	298 979	328 582	345 147	304 826	328 173	378 302
Change to 2011 Budget estimate				39 016	(10 289)	(3 907)	26 298

Economic classification

	175 507	164 205	167 250	203 630	183 522	192 998	204 741
Current payments							
Compensation of employees	85 898	83 561	101 173	112 310	117 281	123 828	131 420
Goods and services	89 609	80 644	66 077	91 320	66 241	69 170	73 321
<i>of which:</i>							
Administrative fees	601	1 043	487	872	411	421	447
Advertising	2 026	1 243	1 289	900	175	302	320
Assets less than the capitalisation threshold	174	264	279	628	243	337	357
Bursaries: Employees	19	–	–	–	–	–	–
Catering: Departmental activities	186	98	412	911	491	398	422
Communication	2 814	2 009	2 184	2 935	2 265	2 414	2 559
Computer services	766	312	664	1 035	550	570	604
Consultants and professional services: Business and advisory services	8 783	1 473	1 534	2 977	3 016	3 105	3 291
Consultants and professional services: Legal costs	523	585	165	236	160	394	418
Contractors	3 442	2 178	1 860	2 335	1 681	1 740	1 844
Agency and support / outsourced services	–	39	436	259	20	–	–
Entertainment	1 025	951	1 051	1 530	1 173	1 229	1 303
Fleet services (including government motor transport)	–	–	152	54	–	–	–
Inventory: Learner and teacher support material	–	–	1	–	–	–	–
Inventory: Materials and supplies	–	1	4	–	–	–	–
Inventory: Other consumables	1	98	89	495	517	485	514
Inventory: Stationery and printing	2 113	972	1 376	1 956	1 250	1 511	1 602
Lease payments	11 047	12 267	14 640	15 105	9 666	9 974	10 572
Property payments	1 844	884	1 055	3 041	760	800	848
Transport provided: Departmental activity	–	–	–	20	100	–	–
Travel and subsistence	22 312	18 156	18 677	29 701	18 900	20 300	21 518
Training and development	130	6	54	665	50	–	–
Operating expenditure	9 593	8 003	5 932	8 352	7 400	7 920	8 396
Venues and facilities	22 210	30 062	13 736	17 313	17 413	17 270	18 306

Table 36.11 Trade and Investment South Africa (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Economic classification							
Transfers and subsidies	133 559	132 956	159 172	140 267	119 954	133 925	172 236
Foreign governments and international organisations	9 911	10 456	11 084	11 750	12 338	13 082	13 866
Public corporations and private enterprises	123 648	122 400	120 488	121 517	97 616	110 293	110 370
Non-profit institutions	–	–	27 500	7 000	10 000	10 550	48 000
Households	–	100	100	–	–	–	–
Payments for capital assets	1 119	1 502	2 139	1 250	1 350	1 250	1 325
Machinery and equipment	1 119	1 502	2 095	1 250	1 350	1 250	1 325
Software and other intangible assets	–	–	44	–	–	–	–
Payments for financial assets	48	316	21	–	–	–	–
Total	310 233	298 979	328 582	345 147	304 826	328 173	378 302

Details of transfers and subsidies

Foreign governments and international organisations							
Current	9 911	10 456	11 084	11 750	12 338	13 082	13 866
Export consultancy trust funds: International Bank for Reconstruction and Development (World Bank)	4 956	5 228	5 542	5 875	6 169	6 541	6 933
Export consultancy trust funds: International Finance Corporation	4 955	5 228	5 542	5 875	6 169	6 541	6 933
Non-profit institutions							
Current	–	–	27 500	7 000	10 000	10 550	48 000
Proudly South African campaign	–	–	27 500	7 000	10 000	10 550	48 000
Households							
Social benefits							
Current	–	100	100	–	–	–	–
Gifts, donations and sponsorships	–	100	100	–	–	–	–
Public corporations and private enterprises							
Public corporations							
Other transfers to public corporations							
Current	123 648	122 400	120 488	121 517	97 616	110 293	110 370
Export Credit Insurance Corporation: Interest make-up scheme	123 648	122 400	120 488	121 517	97 616	110 293	110 370

Expenditure trends

Expenditure increased from R310.2 million in 2008/09 to R345.1 million in 2011/12, at an average annual rate of 3.6 per cent, and is expected to increase to R378.3 million over the medium term, at an average annual rate of 3.1 per cent. The trends in the *International Operations* subprogramme drive the changes in spending in both periods. Between 2008/09 and 2011/12, spending in this subprogramme, which includes expenses related to the trade missions abroad, increased from R103.9 million in 2008/09 to R133.2 million in 2011/12, at an average annual rate of 8.7 per cent, due to favourable exchange rates and vacancies in foreign offices. Over the medium term, the subprogramme's expenditure is expected to decrease to R129.4 million, at an average annual rate of 1 per cent, due to the non-recurrence of the expos in China.

Allocations over the seven-year period are mainly used for export development and promotion and transfers to the Export Credit and Insurance Corporation for the interest make-up scheme for exporters.

Public entities and other agencies

Companies and Intellectual Property Commission

Overview: 2008/09 – 2014/15

The Companies and Intellectual Property Commission, formerly the Companies and Intellectual Property Registration Office, became operational on 1 May 2011. Its strategic mandate derives from the legislation and regulations under which it has been established, primarily the Companies Act (2008) and legislation regulating trademarks, copyright and patents, as well as the policy framework of government.

The commission is mandated to register and protect companies and similar entities. The Companies Act (2008) aims to facilitate business transactions and enable a supportive environment for the growth of well governed, credible businesses.

The goals of the commission are to improve the competitiveness of the South African business environment; promote innovation, creativity and indigenous cultural expression through contributing to a knowledge based economy and competitive local industries; and promote broader formal economic participation through enhancing service delivery and extending the reach of the commission.

Key initiatives relate to the increase in the number of small businesses, the increase in the percentage of local internet protocol across all IP domains, record of indigenous knowledge and support a strong competitive South African creative industry that provides benefit to local artists and to implement measures to ensure increased data integrity. Such measures include the updating of records to ensure completeness and accuracy.

Performance

Since its inception in May 2011, the commission cleared backlogs in most areas of business registration, introduced service delivery standards, stabilised its IT systems by migrating back to Computron, and putting mechanisms in place to better address customer needs. The commission, as a new organisation, went through an extensive exercise to determine how best to capitalise on its new strategy, and to capture the economic value of the new mandate in terms of the Companies Act (2008). In the past registration, volumes used to be measured. However, the organisation has little control over the demand for certain services such as registration of companies, cooperatives, trademarks, patents and designs and copyright in films. Instead, greater value is derived from better service delivery such as turnaround time.

Selected performance indicators

Table 36.12 Companies and Intellectual Property Commission

Indicator	Programme/Activity/Objective/Project	Past ¹			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Turnaround time in days: Company registration	Registration of business entities and intellectual property	-	-	-	25	20	16	13
Turnaround time in days: Cooperative registration	Registration of business entities and intellectual property	-	-	-	15	12	10	8
Turnaround time in days: Patent registrations	Registration of business entities and intellectual property	-	-	-	60	60	55	55
Turnaround time in days: Design registrations	Registration of business entities and intellectual property	-	-	-	60	60	55	55
Turnaround time: Films registrations	Registration of business entities and intellectual property	-	-	-	88	88	120	120
Turnaround times: Counterfeit goods request for search and seizure processing	Regulations	-	-	-	7	6	4	4
Turnaround times: Licensing of business rescue practitioners	Regulations	-	-	-	3	2	2	2

1. No past data is available, as the commission only became operational in May 2011.

Programmes/activities/objectives

Table 36.13 Companies and Intellectual Property Commission

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Administration	833 824	422 602	231 552	218 113	379 394	364 919	346 602
Registration of business entities and intellectual property	59 261	184 563	82 298	124 741	220 994	188 329	193 813
Regulations	31 910	99 380	27 433	41 580	73 664	62 776	89 331
Total expense	924 995	706 545	341 283	384 434	674 052	616 024	629 746

The Companies and Intellectual Property Commission had a total budget of R384.4 million in 2011/12, of which 56.7 per cent was used on administration.

Savings and cost effectiveness measures

Over the MTEF period, the commission will consider implementing a cost recovery fee structure and implement cost cutting in non-core activities.

Expenditure estimates

Table 36.14 Companies and Intellectual Property Commission

Statement of financial performance							
R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Revenue							
Non-tax revenue	1 133 627	958 075	483 706	521 233	669 894	611 637	630 112
Sale of goods and services other than capital assets	954 819	851 189	414 491	414 683	429 024	444 137	459 682
<i>of which:</i>							
Administration fees	954 819	851 189	414 491	414 683	429 024	444 137	459 682
Other non-tax revenue	178 808	106 886	69 215	106 550	240 870	167 500	170 430
Transfers received	–	–	–	13 990	4 158	4 387	–
Total revenue	1 133 627	958 075	483 706	535 223	674 052	616 024	630 112
Expenses							
Current expenses	924 995	706 545	341 283	384 434	674 052	616 024	629 746
Compensation of employees	87 253	115 402	132 768	179 805	228 251	309 405	357 787
Goods and services	824 554	586 080	198 909	177 372	397 900	260 507	227 459
Depreciation	13 106	4 942	9 542	27 257	47 901	46 112	44 500
Interest, dividends and rent on land	82	121	64	–	–	–	–
Total expenses	924 995	706 545	341 283	384 434	674 052	616 024	629 746
Surplus / (Deficit)	208 632	251 530	142 423	150 789	–	–	366
Statement of financial position							
Carrying value of assets	76 642	122 049	21 593	15 372	197 471	211 359	206 859
<i>of which:</i>							
Acquisition of assets	64 837	50 422	11 135	21 036	230 000	60 000	40 000
Inventory	578	620	834	650	400	350	300
Receivables and prepayments	81 049	121 032	58 692	29 346	14 673	7 337	3 668
Cash and cash equivalents	519 579	644 501	956 489	1 033 246	840 485	818 506	790 833
Total assets	677 848	888 202	1 037 608	1 078 614	1 053 029	1 037 552	1 001 660
Accumulated surplus / (deficit)	552 347	803 878	946 301	1 038 441	1 010 171	992 198	981 840
Finance lease	1 190	699	–	–	–	–	–
Trade and other payables	114 375	71 877	78 458	25 000	25 967	27 196	300
Provisions	9 936	11 748	12 849	15 173	16 891	18 158	19 520
Total equity and liabilities	677 848	888 202	1 037 608	1 078 614	1 053 029	1 037 552	1 001 660

Expenditure trends

The commission generates revenue mainly from registration fees and annual returns. Revenue decreased from R1.1 billion in 2008/09 to R535.2 million in 2011/12, at an average annual rate of 22.1 per cent, due to the deregistration of non-compliant companies, which resulted in fewer annual returns being filed. Over the medium term, revenue is expected to increase to R630.1 million, at an average annual rate of 5.6 per cent, due to the planned revision of the fee structure.

Expenditure decreased from R925 million in 2008/09 to R384.4 million in 2011/12, at an average annual rate of 25.4 per cent, mainly due to lower expenditure on goods and services over the period as a result of a decrease in financing costs. Over the medium term, expenditure is expected to increase to R629.7 million, at an average annual rate of 17.9 per cent. Spending on compensation of employees is expected to increase from R87.3 million in 2008/09 to R357.8 million in 2014/15, at an average annual rate of 26.5 per cent, due to the implementation of the corporation's new structure and function.

The commission receives additional funding of R13.9 million in 2012/13, R4.1 million in 2013/14 and R4.3 million in 2014/15 for its expanded mandate. Expenditure on goods and services is expected to increase from R177.4 million in 2011/12 to R227.5 million in 2014/15, at an average annual rate of 8.6 per cent, due to the implementation of special projects relating to the enhancement of ICT systems, the move to the new building and the implementation of a new service delivery model.

Personnel information

Table 36.15 Companies and Intellectual Property Commission

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of vacant posts	Actual			Mid- year ¹	Medium-term estimate		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Executive management	9	9	2	6	5	5	7	12	18	18
Senior management	55	55	–	14	22	22	55	38	62	62
Middle management	69	69	10	41	53	53	59	68	112	126
Skilled	134	134	3	87	115	116	131	132	157	239
Semi-skilled	329	329	27	295	306	306	302	421	421	425
Total	596	596	42	443	501	502	554	671	770	870
Compensation (R thousand)				87 253	115 402	132 768	179 805	228 251	309 405	357 787
Unit cost (R thousand)				197	230	264	325	340	402	411

1. As at 30 September 2011.

As at 30 September 2011, the commission had an establishment of 596 funded posts. The number of posts filled increased from 443 in 2008/09 to 554 in 2011/12 and is expected to grow to 870 posts over the medium term. This is as a result of the expanded mandate of the new entity.

The commission had 42 vacancies as at 30 September 2011, 2 of which were at the senior management level. The ratio of support staff to line staff is 0.37:1.

Companies Tribunal

Overview: 2008/09 – 2014/15

The Companies Tribunal mandate is derived from the Companies Act (2008) and government policy. The tribunal becomes operational from 2012/13.

The tribunal's mandate is to adjudicate any application made to it in terms of the act, assist in the resolution of disputes as contemplated by the act and perform any other function assigned to it by or in terms of the act, or any law mentioned in the act. The tribunal's establishment and operations are expected to: reduce compliance regulatory costs; provide quick redress and easy access to stakeholders, particularly small businesses; and provide mediation where required or deemed necessary. The act seeks, among other aims, to facilitate ease of

doing business in South Africa, and create the formalisation of corporate entities and an environment that is supportive to the efficient growth of well governed, credible businesses.

As the implementing arm of the department, the tribunal contributes to the following outcomes and outputs: creating a better South Africa and contributing to a better and safer Africa in a better world (outcome 11); enhanced trade and investment (output 4); an efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship (outcome 12); service delivery quality and access (output 1).

Performance

Over the medium term, the tribunal will focus on building capacity and dealing with appeal cases referred by the Companies and Intellectual Property Commission.

Selected performance indicators

Table 36.16 Companies Tribunal

Indicator	Activity/ Objective/ Programme	Past ¹			Current	Projected		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Turnaround time in days of cases and complaints heard	To hear cases and facilitate access to participation in formal economy	–	–	–	–	25	25	20
Number of cases and complaints heard per year	To hear cases and facilitate access to participation in formal economy	–	–	–	–	15	20	30
Turnaround time in days of dispute resolution cases	To mediate and provide quicker solutions/cheaper solutions	–	–	–	–	20	20	15
Number of dispute resolution cases per year	To mediate and provide quicker solutions/cheaper solutions	–	–	–	–	5	10	15
Turnaround time in days of compliance notices reviewed	To conduct hearings and confirm/review/set aside compliance notices and monitor adherence	–	–	–	–	5	5	5
Number of compliance notices reviewed per year	To conduct hearings and confirm/review/set aside compliance notices and monitor adherence	–	–	–	–	10	10	10
Number of targeted stakeholder groups reached per year	To engage on tribunal processes and educate stakeholders	–	–	–	–	4	4	5
Percentage of implementation of case management system and monitoring	To ensure reliable, effective and efficient data management and workflow systems	–	–	–	–	60%	75%	80%

1. No past data is available, as the Tribunal becomes operational in 2012/13.

Savings and cost effectiveness measures

No savings were effected. However, the tribunal will continuously monitor expenditure on a monthly basis to identify costs that can be reduced.

Expenditure estimates

The tribunal generates revenue from transfers from the department and interest on savings.

Spending on compensation of employees is estimated at R68.5 million over the MTEF period, due to the adoption and implementation of the structure and appointment of tribunal members. Spending on goods and services is projected to be R15 million over the medium term, due to the acquisition and implementation of ICT systems, capacity building and accommodation.

Personnel information

Table 36.17 Companies Tribunal

	Posts status as 30 November 2011			Number of posts filled/planned for on funded establishment			
	Number of posts on approved establishment	Number of funded posts	Number of vacant posts	Current as at 1 January 2012	Medium term estimate		
				2011/12	2012/13	2013/14	2014/15
Tribunal Members	14	14	14	11	11	14	14
Senior Management	6	–	6	1	6	6	6
Middle Management	12	–	12	1	12	12	12
Professionals	7	–	7	1	7	7	7
Skilled	1	–	1	1	1	1	1
Total	40	14	40	14	37	40	40

The tribunal had an establishment of 40 posts, 14 of which will be funded. 11 tribunal members had been approved for appointment by 30 September 2011 and are expected to increase to 14 over the MTEF period. The tribunal expects to fill all 40 posts on its establishment over the MTEF period.

The Estate Agency Affairs Board

Overview: 2008/09 – 2014/15

The Estate Agency Affairs Board was established by the Estate Agency Affairs Act (1976); the board 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 make annual contributions. The board provides services to estate agents, and administers the qualifying examination for estate agents.

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 awareness among estate agents of the benefits of being a registered member of the board. The aim of these initiatives is to enhance compliance with legislation and coverage in the industry.

Performance

Averaging 14 days from the date of receipt of applications, the turnaround time on the issue of fidelity fund certificates has been on target since 2008/09. The turnaround time in addressing customer queries is expected to improve from an average of six days in 2010/11 to 5 days from date of receipt over the medium term. Annual inspections are expected to increase from 66 in 2010/11 to 1800 in 2012/13.

The period within which appeals are resolved has been 3 months since 2008/09; this target is expected to be maintained. The board shall conduct annual customer surveys. Recoveries of debtors will be maintained at 60 days due to the legal processes imposed by governing legislation in the recoveries process. At least 20 per cent of the registered estate agents are expected to sit for and pass the professional designation examination.

The board's achievements in 2010/11 include issuing fidelity fund certificates to the 49 980 registered estate agents, and resolving and finalising 758 of the 1 597 complaints received. 839 of these complaints are being investigated further and 172 matters were referred to committees of inquiry of the board for adjudication. The board projects that these figures will increase in 2011/12. The board conducted 66 inspections in Gauteng, KwaZulu-Natal and Western Cape to address the issue of unregistered estate agents and illegal operators.

The board is committed to intensifying its inspectorate programme by establishing internal personnel and a resourced inspectorate, with clear targets and milestones. In 2010/11, over 8 000 estate agents qualified to write the professional designation examination for both principal and non-principal estate agents, after having been certificated against levels four and five of the national qualifications framework.

Selected performance indicators

Table 36.18 Estate Agency Affairs Board

Indicator	Programme/Activity/ Objective/ Project	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Turnaround time in days on the issue of the fidelity fund certificate	Compliance	14	14	14	14	14	14	14
Turnaround time in days to addressing customer queries	Compliance	6	5	6	5	5	5	5
Number of inspections performed per year	Inspectorate	8	16	66	1 200	1 800	2 400	2 400
Time in months taken to deal with appeals	Compliance	3	3	3	3	3	3	3
Number of surveys conducted on customer satisfaction per year	Corporate services	–	1	1	1	1	1	1
Number of days to recover claims	Compliance	–	–	60	60	60	60	60
Number of days to collect all debtors	Corporate services	60	60	60	60	60	60	60
Percentage of new interns qualified by end of financial year	Education and training	–	–	–	20% (6 298)	80 (24 60)	100% (31 200)	100% (31 500)

Programmes/activities/objectives

Table 36.19 Estate Agency Affairs Board

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Governance and strategy	4 271	5 579	5 915	9 063	10 496	11 259	12 047
Compliance	2 855	8 937	13 050	15 738	27 890	29 842	31 931
Education and training	1 613	2 832	4 700	7 779	6 047	6 470	6 923
Corporate services	45 225	24 200	28 925	28 108	38 680	41 207	44 093
Total expense	53 964	41 548	52 590	60 688	83 113	88 779	94 994

The Estate Agency Affairs Board had a total budget of R60.7 million in 2011/12, of which 49.9 per cent was used for compensation of employees and 47.9 per cent for goods and services.

Savings and cost effectiveness measures

Although the board will be expanding to improve capacity, significant savings are expected as follows: R500 000 from consulting fees due to improved in-house capacity, R3.6 million in fruitless expenditure from insurance policies, and a R200 000 reduction in audit fees due to improved internal control systems.

Expenditure estimates

Table 36.20 Estate Agency Affairs Board

Statement of financial performance		Audited outcome			Revised estimate	Medium-term estimate		
R thousand		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Revenue								
Non-tax revenue								
		53 838	55 728	60 610	59 712	83 625	88 998	95 228
Sale of goods and services other than capital assets		45 466	46 162	47 476	51 437	74 446	79 657	85 233
<i>of which:</i>								
<i>Sales by market establishments</i>		45 466	46 162	47 476	51 437	74 446	79 657	85 233
<i>Other non-tax revenue</i>		8 372	9 566	13 134	8 275	9 179	9 341	9 995
Total revenue		53 838	55 728	60 610	59 712	83 625	88 998	95 228
Expenses								
Current expenses								
		49 780	40 253	52 387	60 688	83 113	88 779	94 994
Compensation of employees		24 038	20 533	31 871	30 281	51 206	54 790	58 626
Goods and services		24 251	17 652	18 453	29 065	30 213	32 328	34 591

Table 36.20 Estate Agency Affairs Board (continued)

Statement of financial performance	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
R thousand							
Depreciation	1 491	1 722	1 979	1 342	1 694	1 660	1 777
Interest, dividends and rent on land	–	346	84	–	–	–	–
Transfers and subsidies	4 184	1 295	203	–	–	–	–
Total expenses	53 964	41 548	52 590	60 688	83 113	88 779	94 994
Surplus / (Deficit)	(126)	14 180	8 020	(976)	512	219	234
Statement of financial position							
Carrying value of assets	23 698	23 486	3 353	3 020	3 668	2 811	1 893
<i>of which:</i>							
<i>Acquisition of assets</i>							
Investments	1 515	1 548	685	1 009	2 342	803	859
Inventory	73 326	71 710	74 838	76 273	81 823	78 614	69 785
Receivables and prepayments	357	706	223	506	541	541	563
Cash and cash equivalents	617	1 259	1 976	13 633	11 328	11 220	11 104
Defined benefit plan assets	4 176	15 502	4 490	28 459	25 556	30 654	41 483
	843	5 280	39 063	2 369	2 369	2 535	2 712
Total assets	103 017	117 943	123 943	124 260	125 285	126 375	127 540
Accumulated surplus / (deficit)	81 795	86 177	94 196	93 221	93 731	93 950	94 184
Capital and reserves	–	9 775	9 775	9 775	9 775	9 775	9 775
Finance lease	–	455	286	171	–	–	–
Trade and other payables	10 049	9 119	6 254	7 104	7 601	7 479	7 349
Provisions	11 173	12 417	13 432	13 989	14 178	15 170	16 232
Total equity and liabilities	103 017	117 943	123 943	124 260	125 285	126 374	127 541

Expenditure trends

The Estate Agency Affairs Board generates revenue from fees and contributions from registered estate agents. It does not receive any transfers from government. Revenue increased from R53.8 million in 2008/09 to R59.7 million in 2011/12, at an average annual rate of 3.5 per cent, due to increases in the number of estate agents and recovery in the real estate market. Over the medium term, revenue is expected to increase to R95.2 million, at an average annual rate of 16.8 per cent, due to increased management fees charged for managing the fidelity fund.

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

Expenditure increased from R54 million in 2008/09 to R60.7 million in 2011/12, at an average annual rate of 4 per cent, due to adjustments for inflation. Over the medium term, expenditure is expected to increase to R95 million, at an average annual rate of 16.1 per cent, due to the enhancement of the board's operational capacity, which includes the establishment of the inspectorate division in 2012/13, at an estimated cost of R6.3 million.

The board investigates high level cases. Inspections will have increased from 66 in 2010/11 to 1 200 in 2011/12, and are projected to double to 2 400 in 2014/15. The increase in inspections has resulted in the need to enhance capacity in core function areas such as registrations, education and training, and support services such as marketing and communications.

Personnel information

Table 36.22 Estate Agency Affairs Board

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment								
	Number of posts on approved establishment	Number of funded posts	Number of vacant posts	Actual			Mid- year ¹	Medium-term estimate				
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15		
Executive 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		
Skilled	41	41	–	41	45	41	41	41	41	41		
Semi-skilled	5	5	–	3	3	5	5	5	5	5		
Total	85	81	8	78	79	77	77	85	85	85		
Compensation (R thousand)				24 038	20 533	31 871	30 281	51 206	54 790	58 626		
Unit cost (R thousand)				308	260	414	393	602	645	690		

1. As at 30 September 2011.

The board had an approved establishment of 85 posts as at 30 September 2011. Over the medium term, the number of filled posts is expected to increase from 77 to 85, as the board continues to build capacity. There were 8 vacancies as at 30 September 2011, mainly executive board members. The ratio of support staff to line staff is 0.7:1

Export Credit Insurance Corporation of South Africa

Overview: 2008/09 – 2014/15

The Export Credit Insurance Corporation of South Africa was established in terms of the Export Credit and Foreign Investments Insurance Act (1957) to facilitate and encourage South Africa's export trade by underwriting export credit loans and investments abroad. 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. The corporation is the government's primary source of export credit and fills the market gap in the provision of export credit and investment insurance cover for political and commercial risk considered unacceptable by the private insurance sector.

The corporation administers interest make-up schemes on behalf of the department. The scheme comprises agreements entered into between government and financial institutions, which allow South African exporters to offer term finance at internationally competitive interest rates by subsidising the interest that the South African exporter pays. The scheme generated R5.6 billion in exports between 2005/06 and 2010/11, while the actual cost to the fiscus for enabling these exports was R936 million. Based on these figures, for every R1 made available by the fiscus through the interest make-up scheme, almost R6 was mobilised by the corporation, through its insurance cover and in conjunction with the exporters and financial institutions, to generate exports from South Africa. The impact of the scheme and the corporation's insurance cover was not only in South Africa but also in 16 other, mostly African countries, including R994 million for the Democratic Republic of the Congo and R890 million for Malawi.

The focus over the medium term is to: increase credit and investment insurance and demonstrate its economic impact at home and in the host country; be a key vehicle in implementing the government's African economic agenda; and be a key agency for tapping into economic opportunities offered by the Brazil-Russia-India-China-South Africa group of countries. To achieve this, the corporation will: raise its profile and enhance collaboration with other national development finance institutions, enhance capacity, encourage innovation and pursue active business development initiatives, re-orientate the business culture to a stronger focus on customers, improve organisational and operational efficiencies, and develop a strong focus on effective performance management

while aligning rewards accordingly. The corporation's board has approved a strategic review and identified new key performance indicators.

In 2010/11, the corporation experienced a record year in terms of the number and value of new insurance applications approved. The value of approved insurance applications grew by 61 per cent from R3.5 billion in 2009/10. Most of these applications were for infrastructure projects on the African continent, with Zimbabwe having the largest share at R2.2 billion. The value of signed insurance policies, which represents committed insurance cover, grew by 35.4 per cent from 2008/09 to 2014/15. The corporation also concluded a memorandum of understanding with the Export-Import Bank of the United States, the official credit export agency of the United States. This is expected to provide an opportunity for both organisations to exchange notes and to benchmark programmes.

Selected performance indicators

Table 36.22 Export Credit Insurance Corporation of South Africa

Indicator	Activity/Objective/Programme/Project	Past ¹			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Value of approved insurance applications per year	Facilitate export trade and investment outside South Africa	R1.5bn	R3.5bn	R5.7bn	R5.1bn	R5.1bn	R5.8bn	R6.2bn
Value of signed insurance policies per year	Facilitate export trade and investment outside South Africa	R372.7m	R1bn	R2.6bn	R1.4bn	R1.7bn	R1.9bn	R2.3bn
Value of loans disbursed and/or investment insurance exposures declared per year	Facilitate export trade and investment outside South Africa	R439.1m	R1.1bn	R1.2bn	–	R1.5bn	R1.7bn	R1.9bn
Number of cooperation agreements or arrangements initiated with export credit agencies or development finance institutions in Africa, Middle East, other members of Brazil-Russia-India-China-South Africa group of countries and other developing nations per year	Build mutually beneficial local, regional and global relations to advance South Africa's trade and economic development objective	–	–	1	2	2	2	2
Number of the corporation's product presentations or awareness sessions held per year with export promotion agencies and/or with economic development agencies or through conferences in the various provinces in South Africa	Promote a professional, competitive and customer focused workforce that ensures an effective and efficient service to our customers	–	–	–	9	12	15	18
Number of provinces in which a print media advertising campaign was held per year	Promote a professional, competitive and customer focused workforce that ensures an effective and efficient service to our customers	–	–	–	–	2	4	9
The single largest country exposure as a percentage of the corporations' total insurance portfolio not exceeding the target of practices	Create an enterprise wide risk awareness and effective corporate governance and risk management practices	32%	38%	36%	35%	34%	32%	30%

1. No past data is available, as new strategic targets have been set post 2010/11.

Programmes/activities/objectives

Table 36.23 Export Credit Insurance Corporation of South Africa

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Facilitate export trade and investment outside South Africa	384 602	136 371	139 055	141 546	241 386	238 411	222 459
Build mutually beneficial local, regional and global relations to advance South Africa's trade and economic development objective	353	339	271	535	570	606	643
Promote a professional, competitive and customer focused workforce that ensures an effective and efficient service to our customers	15 417	21 200	20 925	13 082	14 480	16 048	17 343
Create an enterprise wide risk awareness and effective corporate governance and risk management practices	212 430	211 270	241 561	41 095	55 616	68 632	76 009
Consistently utilise sound business environment and social principles, applying international best practice	29 911	158 440	112 016	180 662	103 193	105 371	114 329
Total expense	642 713	527 620	513 828	376 920	415 245	429 068	430 783

The Export Credit Insurance Corporation of South Africa had a budget of R376.9 million in 2011/12, of which 46.1 per cent was spent on goods and services.

Savings and cost effectiveness measures

The corporation is continuing with the implementation of cost reduction measures implemented in 2008/09 on entertainment and travelling expenses by introducing assessments on travelling needs and reviewing the business impact resulting from entertainment expenses. The procurement policy implemented in that year requires that each purchase be subject to obtaining competitive prices. The impact of these measures is reflected in the operational expenses, excluding salaries and commission, to income ratio, which remains at 3 per cent over the MTEF period.

Expenditure estimates

Table 36.24 Export Credit Insurance Corporation of South Africa

Statement of financial performance							
R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Revenue							
Non-tax revenue	579 911	763 339	805 705	714 365	588 145	588 551	602 236
Sale of goods and services other than capital assets	305 090	290 349	388 410	373 149	290 000	300 000	310 000
<i>of which:</i>							
<i>Sales by market establishments</i>	305 090	290 349	388 410	373 149	290 000	300 000	310 000
<i>Other non-tax revenue</i>	274 821	472 990	417 295	341 216	298 145	288 551	292 236
Transfers received	137 265	122 400	120 488	121 517	97 616	110 293	110 370
Total revenue	717 176	885 739	926 193	835 882	685 761	698 844	712 606
Expenses							
Current expenses	613 927	383 868	403 011	197 486	313 404	325 155	318 019
Compensation of employees	19 910	18 135	23 462	23 526	25 936	27 993	30 048
Goods and services	593 888	351 848	379 300	173 728	286 868	295 962	286 471
Depreciation	108	177	246	232	600	1 200	1 500
Interest, dividends and rent on land	21	13 708	3	–	–	–	–
Total expenses	642 713	527 620	513 828	376 920	415 245	429 068	430 783
Surplus / (Deficit)	74 463	358 119	412 365	458 962	270 516	269 776	281 823

Table 36.24 Export Credit Insurance Corporation of South Africa (continued)

R thousand	Audited outcome			Revised estimate 2011/12	Medium-term estimate		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Statement of financial position							
Carrying value of assets	280	804	598	481	1 831	2 531	2 031
<i>of which:</i>							
Acquisition of assets	268	810	92	115	1 950	1 900	1 000
Investments	1 604 316	1 284 001	1 529 942	1 663 340	1 652 154	1 821 278	2 007 035
Receivables and prepayments	191 623	182 454	235 616	191 320	181 320	231 320	241 320
Cash and cash equivalents	1 283 560	1 303 586	1 396 374	1 799 153	2 167 755	2 387 773	2 628 634
Taxation	123 029	21 525	4 020	1 000	3 000	4 000	2 000
Total assets	3 202 808	2 792 370	3 166 550	3 655 294	4 006 060	4 446 902	4 881 020
Accumulated surplus / (deficit)	1 169 434	1 528 900	1 918 111	2 377 073	2 647 588	2 917 363	3 199 186
Capital and reserves	598 388	409 066	268 509	260 163	258 668	259 668	260 668
Trade and other payables	31 954	18 858	5 258	5 574	5 905	6 262	6 637
Taxation	55 069	6 056	24 072	102 182	20 633	32 992	38 308
Provisions	1 347 963	829 490	950 600	910 302	1 073 266	1 230 617	1 376 221
Total equity and liabilities	3 202 808	2 792 370	3 166 550	3 655 294	4 006 060	4 446 902	4 881 020

Expenditure trends

The entity mainly generates revenue from insurance premiums and investment income. Revenue increased from R717.2 million in 2008/09 to R835.9 million in 2011/12, at an average annual rate of 5.2 per cent, due to investment income, foreign exchange gain and premiums. Over the medium term, revenue is expected to decrease to R712.6 million, at an average annual rate of 5.2 per cent, due to transfers made for the interest make-up scheme.

The spending over the medium term will be on extending medium and long term export credit and investment insurance by underwriting export credit loans and investments outside South Africa, including portfolio and risk management.

Expenditure decreased from R642.7 million in 2008/09 to R376.9 million in 2011/12, at an average annual rate of 16.3 per cent. The decline in expenditure is as a result of a reduction in claims, which resulted in a decrease in provision for claims. The reduction in claims was caused by the adverse economic climate. Over the medium term, expenditure is expected to increase to R430.8 million, at an average annual rate of 4.6 per cent, in line with inflation projections.

Personnel information

Table 36.25 Export Credit Insurance Corporation of South Africa

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of vacant posts	Actual			Mid- year ¹ 2011/12	Medium-term estimate		
				2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Executive board members	1	1	–	1	1	1	1	–	–	–
Executive management	5	5	–	3	2	4	5	5	5	5
Senior management	6	6	–	8	3	5	5	6	6	6
Professionals	15	17	2	22	23	17	17	18	19	20
Skilled	6	6	–	4	6	6	6	6	6	6
Total	33	35	2	38	35	33	34	36	37	38
Compensation (R thousand)				19 910	18 135	23 462	23 526	25 936	27 993	30 048
Unit cost (R thousand)				524	518	711	692	720	757	791

1. As at 30 September 2011.

As at 30 September 2011, the corporation had an establishment of 33 posts, 35 of which were funded. The number of posts filled decreased from 38 in 2008/09 to 34 in 2011/12, and is expected to grow to 38 over the

medium term as a result of expanded business operations. As at 30 September 2011, there were 2 vacancies, both at the professional level. The ratio of support staff to line staff is 5:2.

National Consumer Commission

Overview: 2008/09 – 2014/15

The National Consumer Commission was established in terms of the Consumer Protection Act (2008). The aim of the commission is to promote a fair, accessible and sustainable marketplace for consumer products and services; establish national norms and standards relating to consumer protection; provide for improved standards of consumer information; prohibit certain unfair marketing and business practices; promote responsible consumer behaviour; and promote a consistent legislative and enforcement framework relating to consumer transactions and agreements. It was established on 1 April 2011 with a budget of R33 million.

The commission's medium term objectives are to: protect consumers from hazards through advocacy education and awareness; improve consumer redress as envisaged in the Consumer Protection Act; protect consumers from unethical business practices and misconduct through law enforcement and compliance; conduct research for policy, legislative and regulatory improvement; deliver on customer and stakeholder expectations and those of standing advisory committees; ensure the establishment of a functional organisation; achieve the mandate of the commission with an optimal staff complement; implement an organisation wide performance management system; create the brand of the commission as the voice of the South African consumer; provide an effective ICT infrastructure and network; and implement an effective and efficient IT and financial management system. The commission provides professional services at no cost.

Performance

The National Consumer Commission has a set a complaints resolution target of 65 per cent. The commission also undertakes proactive investigations in industries where consumers are victims of abuse. It intends to target at least one industry each year. The commission plans at least 1 annual consumer satisfaction survey.

Selected performance indicators

Table 36.26 National Consumer Commission

Indicator	Programme/Activity/Objective/Project	Past ¹			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Number of themes on consumer protection accessed online per year	Consumer education and awareness	-	-	-	2	2	2	5
Percentage of consumer complaints timeously resolved	Resolving consumer complaints	-	-	-	60%	70%	80%	98%
Number of industry sectors identified for investigations per year	Providing legal services	-	-	-	3	3	3	3
Research reports on consumer behaviour and protection per year	Research analysis	-	-	-	1	1	1	1
Percentage unavailability of a functional ICT systems ²	ICT management	-	-	-	80%	100%	-	-

1. The commission became operational in April 2011, thus no historical data is available.

2. The commission plans to establish and implement ICT systems in 2011/12 and 2012/13, then conduct operations and maintenance on the systems in 2013/14 and 2014/15.

Programmes/activities/objectives

Table 36.27 National Consumer Commission

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Consumer education and awareness	-	-	-	1 560	300	600	900
Resolving consumer complaint	-	-	-	10 936	13 861	14 620	14 167
Providing legal services	-	-	-	4 198	5 929	7 310	5 584

Table 36.27 National Consumer Commission (continued)

R thousand	Audited outcome			Revised estimate 2011/12	Medium-term estimate		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Research analysis	-	-	-	300	-	-	-
ICT Management	-	-	-	6 498	8 129	8 610	9 083
Financial Management	-	-	-	4 498	5 720	6 010	5 083
Human Capital Management	-	-	-	4 998	7 638	6 714	7 683
Total expense	-	-	-	32 988	41 577	43 864	42 500

The National Consumer Commission had a total budget of R33 million in 2011/12, of which 71.7 per cent was used for compensation of employees.

Savings and cost effectiveness measures

No savings were effected. However, the commission will continuously monitor expenditure on a monthly basis to identify costs that can be reduced.

Expenditure estimates

Table 36.28 National Consumer Commission

Statement of financial performance	Audited outcome			Revised estimate 2011/12	Medium-term estimate		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
R thousand							
Revenue							
Non-tax revenue	-	-	-	-	-	-	-
Transfers received	-	-	-	32 988	41 577	43 864	42 500
Total revenue	-	-	-	32 988	41 577	43 864	42 500
Expenses							
Current expenses	-	-	-	32 988	41 577	43 864	42 500
Compensation of employees	-	-	-	23 654	22 547	24 351	25 510
Goods and services	-	-	-	8 854	18 550	18 923	16 530
Depreciation	-	-	-	480	480	590	460
Total expenses	-	-	-	32 988	41 577	43 864	42 500
Surplus / (Deficit)	-	-	-	-	-	-	-
Statement of financial position							
Carrying value of assets	-	-	-	23 310	15 066	5 195	2 366
<i>of which:</i>							
Acquisition of assets	-	-	-	33 320	2 550	1 325	-
Receivables and prepayments	-	-	-	32 900	42 600	43 900	45 217
Total assets	-	-	-	56 210	57 666	49 095	47 583
Accumulated surplus/ (deficit)	-	-	-	39 934	34 435	37 391	32 146
Trade and other payables	-	-	-	11 295	18 250	6 723	10 456
Provisions	-	-	-	4 981	4 981	4 981	4 981
Total equity and liabilities	-	-	-	56 210	57 666	49 095	47 583

Expenditure trends

The commission's main source of revenue is transfer payments received from the department. Transfers received and expenditure are expected to increase from R33 million in 2011/12 to R42.5 million in 2014/15, at an average annual rate of 8.8 per cent, as the entity establishes itself.

Personnel information

Table 36.30 National Consumer Commission

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Executive management	7	7	–	–	–	–	2	7	9	9
Senior management	23	23	–	–	–	–	5	12	12	12
Middle management	16	16	–	–	–	–	7	22	22	22
Professionals	41	41	–	–	–	–	12	12	12	12
Skilled	32	32	–	–	–	–	25	21	19	19
Semi-skilled	12	12	–	–	–	–	9	21	21	21
Total	131	131	–	–	–	–	60	95	95	95
Compensation (R thousand)				–	–	–	23 654	22 547	24 351	25 510
Unit cost (R thousand)				–	–	–	394	237	256	269

1. As at 30 September 2011.

The commission began operating in 2011/12. As at 30 September 2011, the commission has an establishment of 131 posts, of which 60 were filled.

National Consumer Tribunal

Overview: 2008/09 – 2014/15

The National Consumer Tribunal was established in 2006 in terms of the National Credit Act (2005). As from 1 April 2011, the mandate of the tribunal was expanded to also include the Consumer Protection Act (2008). 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 and the National Consumer Commission.

The tribunal's strategic objectives over the medium term include increasing its accessibility, and managing cases effectively. Through improved process management and developing a culture of fair adjudication, the tribunal aims to position itself as an authoritative adjudication body.

Until 2009/10, the tribunal's focus was on: providing input to the department on developing and finalising the rules of procedure for matters before the tribunal, and on the Consumer Protection Act; building capacity and related initiatives; infrastructure development; and creating awareness of the act. The tribunal prepared for the implementation of the Consumer Protection Act (2008) on 1 April 2011 by ensuring that appropriate resources were available to facilitate the process, and is increasing its resources to deal with the extended mandate and skills requirements brought about by the new legislation.

Performance

In 2010/11, the tribunal experienced a major increase in the number of cases referred. The tribunal was able to meet the majority of its targets, as set down in the strategic goals and objectives of its business plan. The tribunal achieved this by reviewing its adjudication processes to implement improved efficiencies, and by increasing demands on tribunal members. 31 stakeholder groups were convened in terms of the national credit and consumer protection acts. 75 per cent of cases were finalised during set down periods. The tribunal achieved a 100 per cent compliance level in maintaining and ensuring sound monitoring, evaluation and reporting processes to enhance organisational performance. The highlights of the previous year include the finalisation of the service charter; the introduction of the fraud hotline, and the filling of 72 per cent of posts at 31 March 2011. The tribunal has also made considerable progress on the implementation of the information communication technology strategy and plan, and on several aspects of the human resources strategy and plan. The main focus will be on increasing access to the tribunal, informing stakeholders about the activities of the tribunal, and improving efficiencies and turnaround times.

Selected performance indicators

Table 36.30 National Consumer Tribunal

Indicator	Activity/ Objective/ Programme/ Project	Past ¹			Current	Projections		
		2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Percentage of cases adjudicated ²	Cases effectively and efficiently adjudicated	100%	100%	100%	–	–	–	–
Number of alternative access points for tribunal documents or venues for hearings.	Increased accessibility of the tribunal	–	–	–	4	4	8	12
Number of press releases issued and marketing communication initiatives undertaken	Increased accessibility of the tribunal	–	–	10	20	25	30	35
Average number of days for communicating with filing parties	Cases effectively and efficiently adjudicated	–	–	–	5	5	5	5
Average number of days for communicating judgments to parties	Cases effectively and efficiently adjudicated	–	–	–	10	10	10	10
Average number of days for payment of undisputed creditors' invoices	Sound organisational management	–	–	–	–	30	30	30
Percentage of operational budget spent per year	Sound organisational management	–	–	–	95%	98%	98%	98%

1. Due to the shift of strategic focus from a start-up operation to a more matured and established organisation, most selected performance indicators over the medium term are new and therefore have no data available before 2011/12.

2. Measurement of this performance indicator will be discontinued, as the tribunal will always adjudicate 100 per cent of all its cases. Other, new indicators that better reflect and measure the tribunal's performance, have been introduced.

Programmes/activities/objectives

Table 36.31 National Consumer Tribunal

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
All the strategic objectives	12 604	18 118	20 603	29 175	33 805	36 575	38 561
Total expense	12 604	18 118	20 603	29 175	33 805	36 575	38 561

The National Consumer Tribunal had a total budget of R29.2 million in 2011/12, of which 66 per cent was used for goods and services.

Savings and cost effectiveness measures

The tribunal has made changes to its systems to promote efficiency. By increasing the resources available to tribunal members and enhancing technological aspects, it was possible to increase the average number of consent order applications attributable to a single tribunal member from eight to twelve. Considering consent order applications in chambers has also resulted in efficiency savings in travel, accommodation and recording services associated with the hearings. Improved procurement processes have allowed the tribunal to negotiate more competitive prices and value for money from a wider pool of suppliers. In 2010/11, the tribunal began developing an improved case management system and a space planning project that will further improve efficiencies and productivity of staff. This will be implemented during 2012/13.

Expenditure estimates

Table 36.32 National Consumer Tribunal

Statement of financial performance				Revised estimate 2011/12	Medium-term estimate		
R thousand	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Revenue							
Non-tax revenue	344	230	514	646	770	795	825
Sale of goods and services other than capital assets <i>of which:</i>	8	40	138	100	120	140	160
Administration fees	8	40	138	100	120	140	160
Other non-tax revenue	336	190	376	546	650	655	665
Transfers received	11 392	17 869	22 059	28 833	33 035	35 780	37 736
Total revenue	11 736	18 099	22 573	29 479	33 805	36 575	38 561
Expenses							
Current expenses	12 604	18 118	20 603	29 175	33 805	36 575	38 561
Compensation of employees	3 189	5 215	5 378	9 191	13 825	16 998	16 585
Goods and services	8 899	12 207	14 604	19 262	17 514	16 998	19 221
Depreciation	423	591	527	678	2 424	2 540	2 724
Interest, dividends and rent on land	93	105	94	44	42	40	31
Total expenses	12 604	18 118	20 603	29 175	33 805	36 575	38 561
Surplus / (Deficit)	(868)	(19)	1 970	304	-	-	-
Statement of financial position							
Carrying value of assets	1 200	1 288	1 750	6 677	5 353	3 563	2 339
<i>of which:</i>							
Acquisition of assets	309	684	1 028	5 605	1 100	750	1 500
Inventory	-	-	22	30	35	40	45
Receivables and prepayments	98	106	-	100	125	150	175
Cash and cash equivalents	2 926	3 441	6 518	290	1 664	3 454	4 677
Total assets	4 224	4 835	8 290	7 097	7 177	7 207	7 236
Accumulated surplus/ (deficit)	2 672	2 653	4 623	4 927	4 927	4 927	4 926
Capital reserve fund	350	-	-	-	-	-	-
Finance lease	136	78	141	120	100	80	60
Trade and other payables	989	1 839	3 280	1 750	1 750	1 750	1 750
Provisions	77	265	246	300	400	450	500
Total equity and liabilities	4 224	4 835	8 290	7 097	7 177	7 207	7 236

Expenditure trends

The tribunal is reliant on a grant allocation from the national government. The tribunal also generates revenue from the filing fee of R100 per case for a consent order application. The filing fee is nominal and insufficient to finance the cost associated with the processing of cases. The tribunal has, since the implementation of the act, experienced a significant increase in cases relating to the National Credit Act (2005). Revenue increased from R11.7 million in 2008/09 to R29.5 million in 2011/12 at an average annual rate of 35.9 per cent, and is expected to increase to R38.6 million over the medium term, at an average annual rate of 9.4 per cent.

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.

Expenditure increased from R12.6 million in 2008/09 to R29.2 million in 2011/12, at an average annual rate of 32.3 per cent, and is expected to increase to R38.6 million over the medium term, at an average annual rate of 9.7 per cent. Cases referred to the tribunal increased from 26 in 2008/09 to 1 382 in 2010/11. As a result of the increased caseload the tribunal appointed additional staff at a faster rate than was originally anticipated. It is also anticipated that some tribunal members will in future be appointed on a full time basis. The permanent staff number has risen from 8 in 2010/11 to 21 in 2011/12, and 26 are budgeted for in 2012/13. The Consumer Protection Act (2008) is expected to increase caseload over the medium term.

In addition to increased spending on compensation of employees, the increased headcount has resulted in increased spending on goods and services, specifically on rental costs to accommodate the additional staff and associated operating expenses. The tribunal will spend R5.6 million in 2011/12 on capital assets to assist in dealing more efficiently with the caseloads, and to allow staff to work smarter and more effectively.

Personnel information

Table 36.33 National Consumer Tribunal

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment							
	Number of posts on approved establishment	Number of funded posts	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate			
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	
Executive management	1	1	–	1	1	1	1	3	3	3	
Senior management	5	5	–	1	3	3	5	6	5	5	
Middle management	2	2	–	2	2	2	2	2	2	2	
Professionals	6	6	1	–	–	–	5	6	6	6	
Skilled	7	7	–	1	1	1	7	7	7	7	
Total	21	21	1	5	7	7	20	26	28	28	
Compensation (R thousand)				3 189	5 215	5 378	9 191	13 825	16 998	16 585	
Unit cost (R thousand)				638	745	768	460	532	607	592	

1. As at 30 September 2011.

The tribunal had an establishment of 21 posts as at 30 September 2011. Filled posts increased from 5 in 2008/09 to 20 in 2011/12 and are expected to increase to 28 over the medium term. The increases in both periods are a direct result of the increase in case numbers referred to the tribunal. The ratio of support staff to line staff is 1 to 1:33.

National Credit Regulator

Overview: 2008/09 – 2014/15

The National Credit Regulator is mandated by the National Credit Act (2005), which replaced the Usury Act (1968) and the Credit Agreements Act (1980). The primary purpose of the regulator is to regulate the consumer credit industry in order to improve consumer protection, and the efficiency and fairness of the end user credit market.

The primary objectives of the regulator are defined in the National Credit Act (2005) and are to: carry out education, research, policy development, registration of industry participants, and investigation of complaints; promote the development of an accessible credit market, and particularly to address the needs of historically disadvantaged persons, low income persons, and remote, isolated or low density communities; register all credit providers, credit bureaus and debt counsellors; and enforce compliance with the provisions of the act.

The complaints indicator was revised due to a change in the nature of complaints. Some complaints have to be investigated and referred to court before they can be resolved.

Over the medium term most of the regulator's work is focused on strengthening oversight and monitoring of credit providers, credit bureaus and debt counsellors; the fostering of consumer and public awareness of the provisions of the act, and debt relief. A single national register of outstanding credit agreements has been established. The compilation of reporting of statistical data will be disseminated regularly to government and stakeholders, to facilitate the development of policy and other decision-making processes in the consumer credit industry. Over the medium term, the regulator will strengthen its infrastructure, starting with the implementation of a new ICT operations system.

Performance

The regulator's achievements in 2010/11 include registering 4 473 credit providers representing 34 896 branches and a loan book of R1.2 trillion. There are 11 registered credit bureaus. The regulator has an extensive consumer awareness programme, including capacity building workshops and radio talk shows. Since its inception the regulator has conducted 445 stakeholder workshops and 1 883 public workshops. The regulator has received 388 999 complaints calls at its call centre and has been successful with enforcement actions in cases ranging from fraudulent mortgage schemes and micro-lending practices to debt counselling contraventions and credit bureau non-compliance.

Selected performance indicators

Table 36.34 National Credit Regulator

Indicator	Programme/Activity/Objective/Project	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Average turnaround time in days for approval of registration after receipt of all required information	Registrations	10	10	10	10	10	10	10
Percentage of complaints resolved within 30 days ¹	Complaints	73% (998)	38% (1 384)	36% (834)	-	-	-	-
Percentage of complaints resolved within 60 days ¹	Complaints	21% (290)	24% (874)	28% (648)	-	-	-	-
Remaining percentage of complaints resolved within 90 days ¹	Complaints	5% (66)	4% (146)	18% (418)	-	-	-	-
Percentage of complaints not resolved within 90 days ¹	Complaints	1% (25)	1% (36)	18% (447)	-	-	-	-
Percentage of debt counselling related complaints resolved within 90 business days ²	Complaints	-	-	-	85%	85%	85%	85%
Percentage of general complaints (those that relate only to credit providers and credit bureaux) resolved within 90 business days ²	Complaints	-	-	-	90%	90%	90%	90%

1. These selected performance indicators have been consolidated into one indicator.

2. No past data, as this is new performance indicator.

Programmes/activities/objectives

Table 36.35 National Credit Regulator

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Registrations	6 602	7 316	9 270	14 784	15 512	16 475	15 552
Complaints	5 521	7 474	8 395	11 383	11 583	12 212	12 591
Investigations	5 767	6 709	8 585	11 586	11 741	12 332	12 516
Research and statistics	3 186	4 023	3 757	5 491	5 578	5 871	6 011
Credit information	1 880	1 718	3 146	5 679	5 680	5 926	5 851
Debt counseling	9 898	9 375	9 896	7 546	9 064	9 475	4 865
Education	4 741	10 757	10 394	12 118	12 087	12 605	12 417
Other objectives	15 238	18 796	25 065	39 661	39 900	41 747	41 691
Total expense	52 833	66 168	78 508	108 248	111 145	116 643	111 494

The National Credit Regulator had a total budget of R108.2 million in 2011/12, of which 48.2 per cent was used for compensation of employees and 49.3 per cent for goods and services.

Savings and cost effectiveness measures

The regulator is currently in a growth and expansion phase, with a focus on challenges in recruitment and other key areas. Once the regulator has reached capacity, it will embark on cost saving initiatives, mainly to reduce administrative expenditure.

Expenditure estimates

Table 36.37 National Credit Regulator

Statement of financial performance				Revised estimate 2011/12	Medium-term estimate		
R thousand	Audited outcome				2012/13	2013/14	2014/15
	2008/09	2009/10	2010/11				
Revenue							
Non-tax revenue	33 028	31 786	31 161	54 669	56 455	57 773	54 094
Sale of goods and services other than capital assets	25 148	25 695	25 198	28 954	31 960	33 878	35 911
<i>of which:</i>							
Administration fees	25 148	25 695	25 198	28 954	31 960	33 878	35 911
Other non-tax revenue	7 880	6 091	5 963	25 715	24 495	23 895	18 183
Transfers received	34 513	46 213	49 387	53 579	54 690	58 870	57 400
Total revenue	67 541	77 999	80 548	108 248	111 145	116 643	111 494
Expenses							
Current expenses	52 833	66 168	78 508	108 248	111 145	116 643	111 494
Compensation of employees	25 691	30 201	36 791	52 149	55 236	58 869	61 383
Goods and services	27 688	34 229	40 041	53 397	53 759	55 493	47 698
Depreciation	(560)	1 407	1 669	2 701	2 146	2 275	2 412
Interest, dividends and rent on land	14	331	7	1	4	6	1
Total expenses	52 833	66 168	78 508	108 248	111 145	116 643	111 494
Surplus / (Deficit)	14 708	11 831	2 040	-	-	-	-
Statement of financial position							
Carrying value of assets	6 636	7 432	9 038	10 091	11 924	13 867	15 926
<i>of which:</i>							
Acquisition of assets	1 749	2 432	3 424	3 754	3 979	4 218	4 471
Receivables and prepayments	285	189	560	339	339	339	339
Cash and cash equivalents	61 949	73 019	74 247	72 643	58 620	68 787	68 787
Total assets	68 870	80 640	83 845	83 073	70 883	82 993	85 052
Accumulated surplus / (deficit)	37 969	49 800	51 840	51 840	35 598	46 119	48 178
Capital reserve fund	5 978	3 624	537	-	-	-	-
Finance lease	603	699	656	421	369	539	539
Deferred income	16 838	18 202	20 174	20 174	24 990	27 117	27 117
Trade and other payables	5 217	4 717	6 180	6 180	7 107	6 168	6 168
Provisions	2 265	3 598	4 458	4 458	2 819	3 050	3 050
Total equity and liabilities	68 870	80 640	83 845	83 073	70 883	82 993	85 052

Expenditure trends

The regulator generates revenue from transfers received from the department and the collection of administration fees for services rendered. Revenue increased from R67.5 million in 2008/09 to R108.2 million in 2011/12, at an average annual rate of 17 per cent. The increase is mainly due to the collection of administration fees and the increased transfer payments received from the department to finance the regulator's operational expenditure. Over the medium term, revenue is expected to grow to R111.5 million, at an average annual rate of 1 per cent.

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.

Expenditure increased from R52.8 million in 2008/09 to R108.2 million in 2011/12, at an average annual rate of 27 per cent, due to growth and expansion. Over the medium term, expenditure is expected to increase to

R111.5 million, at an average annual rate of 1 per cent. The increase in expenditure is mainly due to increased capital and goods and services expenditure, due to the regulator being in a growth phase. The regulator expects to further expand capacity to fulfil its mandate and enforce compliance with the act.

Personnel information

Table 36.37 National Credit Regulator

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Executive management	1	1	–	1	1	–	–	1	1	1
Senior management	3	3	–	3	3	3	3	5	5	5
Middle management	8	5	3	6	6	13	5	10	11	12
Professionals	37	28	9	–	22	28	28	28	28	28
Skilled	13	12	1	–	10	9	12	13	13	13
Semi-skilled	53	36	17	26	33	24	36	53	53	53
Very low skilled	37	33	4	22	24	31	33	37	37	37
Total	152	118	34	58	99	108	117	147	148	149
Compensation (R thousand)				25 691	30 201	36 791	52 149	55 236	58 869	61 383
Unit cost (R thousand)				443	305	341	446	376	398	412

1. As at 30 September 2011.

As at 30 September 2011, the regulator had an approved establishment of 152 posts. The number of filled posts grew from 58 in 2008/09 to 117 in 2011/12. Over the MTEF period, filled posts are expected to increase to 149 due to the expansion of activities resulting from the regulatory function the entity performs. There were 34 vacancies within the regulator, most of them at the semi-skilled level. The ratio of support staff to line staff is 1:2.

National Empowerment Fund

Overview: 2008/09 – 2014/15

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 non-financial support to black businesses and structures retail savings products for black people based on allocated state owned equity investments. Its mandate is to implement the codes of good practice.

The strategic objectives over the medium term are to: promote and support business ventures pioneered and run by black people; provide black people with the opportunity of acquiring shares or interests in state owned entities; encourage and promote savings, investment and meaningful economic participation by black people; promote universal understanding of equity ownership among black people; contribute to the creation of employment opportunities; encourage the development of a competitive and effective equities market inclusive of all persons in the country; and generally employ such schemes, businesses and enterprises as may be necessary to achieve the objectives of the National Empowerment Fund Act (1998).

The organisation is structured to deliver on its mandate and realise these objectives through three core divisions: small and medium enterprises and rural development, venture capital and corporate finance, and asset management. In delivering on this mandate, the organisation sets key performance indicators that target numbers and values of funding applications approved and disbursed over a financial year, along with job support and creation targets.

The key performance indicators set over the medium term will fully utilise current remaining capital under management. Any reduction in this capitalisation will have a negative effect on the targets set for the MTEF period and its ability to reach its targets.

Performance

Since inception, the fund has approved 286 deals worth R2.5 billion and disbursed 257 worth R2.1 billion. Actual draw-downs against disbursement facilities since inception were R1.7 billion. Capital allocated to the organisation, R2.5 billion to date, is fully applied against funding applications. Future programmes are funded out of internally generated reserves.

Selected Performance Indicators

Table 36.38 National Empowerment Fund

Indicator	Programme/Activity/Objective/Project	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Disbursement value per year within a targeted number of transactions between R2 million and R75 million	Umnotho fund	R 219m	R184.7m	R300m	R375m	R450m	R500m	R550m
Disbursement value per year within a targeted number of transactions between R250 000 and R10 million	Imbewu fund	R78m	R106m	R135m	R140m	R140m	R240m	R345m
Disbursement value per year within a targeted number of transactions	Rural and community development	R9m	R86.1m	R75m	R105m	R130m	R156m	R184m
Disbursement value per year within a targeted number of transactions and feasibility studies	Strategic projects fund	R5m	R46.5m	R70m	R130m	R200m	R200m	R200m
Number of asset management activities 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	4 400	4 800	6 000	6 000

Programmes/activities/objectives

Table 36.39 National Empowerment Fund

	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
Umnotho fund	219 000	184 654	300 000	375 000	450 000	500 000	550 000
Imbewu fund	78 000	106 162	135 000	150 000	250 000	360 000	450 000
Rural and community development	9 000	86 145	91 314	105 000	130 000	156 000	184 000
Strategic projects fund	5 000	46 533	70 000	130 000	200 000	200 000	200 000
Asset management	–	–	18 702	9 862	2 850	2 850	–
Non financial support	–	–	5 554	4 400	4 800	6 000	6 000
Total expense	311 000	423 494	620 570	774 262	1 037 650	1 224 850	1 390 000

Savings and cost effectiveness measures

The fund has, since inception, applied a model that seeks to use existing provincial infrastructure and sources of expertise, as opposed to replicating these facilities. The fund has leveraged off provincial governments' and the Department of Trade and Industry's relationships to create awareness for its products and services and has been, as of 2011/12, establishing regional satellite offices in each province to further entrench the fund's 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. As a result of better cost management, operating expenditure is set to decline from R225 million in 2011/12 to R208 million in 2014/15, at an average annual rate of 2.6 per cent.

Expenditure estimates

Table 36.40 National Empowerment Fund

Statement of financial performance							
R thousand	Audited outcome			Revised estimate 2011/12	Medium-term estimate		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Revenue							
Non-tax revenue	432 930	466 654	371 979	431 516	473 000	509 836	552 410
<i>Other non-tax revenue</i>	432 930	466 654	371 979	431 516	473 000	509 836	552 410
Transfers received	–	116 000	–	–	–	–	–
Total revenue	432 930	582 654	371 979	431 516	473 000	509 836	552 410
Expenses							
Current expenses	328 887	383 690	297 151	333 953	347 152	342 128	358 266
Compensation of employees	60 609	78 050	85 028	101 184	123 726	126 700	138 200
Goods and services	264 491	300 222	204 839	225 769	216 426	208 428	213 066
Depreciation	3 787	5 418	7 284	7 000	7 000	7 000	7 000
Total expenses	328 887	383 690	297 151	333 953	347 152	342 128	358 266
Surplus / (Deficit)	104 043	198 964	74 828	97 563	125 848	167 708	194 144
Statement of financial position							
Carrying value of assets	11 458	13 283	12 129	10 837	8 465	7 143	5 871
<i>of which:</i>							
<i>Acquisition of assets</i>	7 526	7 243	6 130	5 708	4 628	5 678	5 728
Investments	1 309 951	1 289 581	1 639 267	1 639 267	1 639 267	1 639 267	1 639 267
Loans	688 586	875 573	1 007 784	1 437 169	1 979 949	2 591 584	3 268 990
Receivables and prepayments	23 985	33 472	74 125	6 057	5 629	5 116	5 116
Cash and cash equivalents	2 604 188	2 788 342	2 582 555	2 315 493	1 901 251	1 459 058	977 068
Total assets	4 638 168	5 000 251	5 315 860	5 408 823	5 534 561	5 702 168	5 896 312
Accumulated surplus/(deficit)	1 241 159	1 440 124	1 514 952	1 612 515	1 738 363	1 906 070	2 100 214
Capital and reserves	3 245 385	3 518 812	3 765 625	3 765 625	3 765 625	3 765 625	3 765 625
Finance lease	170	–	–	–	–	–	–
Trade and other payables	29 460	41 315	35 283	30 683	30 573	30 473	30 473
Provisions	121 994	–	–	–	–	–	–
Total equity and liabilities	4 638 168	5 000 251	5 315 860	5 408 823	5 534 561	5 702 168	5 896 312

Expenditure trends

Revenue is mainly generated from: interest income, which is earned from loans advanced, and from the cash and cash equivalents held at the banks; and dividends earned on an invested portfolio, which includes listed and unlisted investments. Total revenue is expected to increase from R432.9 million in 2008/09 to R552.4 million in 2014/15, at an average annual rate of 4.1 per cent, mainly as a result of the growth in the loans portfolio.

The spending focus over the MTEF period will mainly be on implementing the fund's mandate in respect of asset management, fund management and the strategic projects fund.

Expenditure increases from R328.9 million in 2008/09 to R358.3 million in 2014/15, at an average annual rate of 1.4 per cent in line with the increase in net asset value. The net asset value of the fund increased from R4.6 billion in 2008/09 to R5.4 billion in 2011/12. This has largely been due to appreciation in fair value of the asset management portfolio and retained earnings, and the department's recapitalisation of the fund. Expenditure has increased in line with net asset value, but remains at 3 per cent of the net asset value, which is an acceptable level for a development finance institution.

Investment approvals were projected to reach the R2 billion milestone. The fund has supported 257 black empowered businesses, created 10 500 new jobs and supported the retention of 15 000 jobs. In total, disbursements have grown from R311 million in 2008/09 to over R580 million in 2010/11, with targets set at R750 million in 2011/12, R920 million in 2012/13, R1.1 billion in 2014/15 and R1.3 billion in 2014/15. If these funding levels are achieved, this could contribute to the support of over 29 000 jobs over the medium term.

Personnel information

Table 36.41 National Empowerment Fund

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Executive board members	2	2	–	1	2	2	2	2	2	2
Executive management	3	3	–	4	2	1	3	3	3	3
Senior management	11	11	–	11	11	11	11	11	11	11
Middle management	4	4	–	4	4	4	4	7	7	7
Professionals	111	98	13	68	83	88	98	116	121	127
Skilled	8	8	–	8	8	8	8	10	10	10
Semi-skilled	20	20	–	20	20	20	20	20	20	20
Very low skilled	10	10	–	9	10	10	10	10	10	10
Total	169	156	13	125	140	144	156	179	184	190
Compensation (R thousand)				60 609	78 050	85 028	101 184	123 726	126 700	138 200
Unit cost (R thousand)				485	558	590	649	691	689	727

1. As at 30 September 2011.

The number of filled posts increased from 125 in 2008/09 to 156 in 2011/12. This is due to the establishment of regional offices. Over the medium term, the number of filled posts is expected to increase. Due to the high number of professionals, a high turnover of staff is prevalent. The ratio of support staff to line staff is 1:2.

National Gambling Board

Overview: 2008/09 – 2014/15

The National Gambling Board is responsible for regulating the gambling industry. In 2011/12, the board reviewed its strategy to focus on new forms of gambling, such as internet gambling, to protect minors. The board participates in international gambling regulators forums on policy formulation and research. The board will commission research to assess evolution of technologies.

The outcomes projected between 2010 and 2015 are to: acquire the knowledge and capability to proactively manage a regulatory framework that ensures a stable regulatory regime in the gambling industry; provide a coordinated research and marketing strategy to communicate more frequently with communities on the adverse effects of reckless or excessive gambling; and provide meaningful information to stakeholders and use national information databases to inform policy.

Performance

Achievements in 2010/11 include: consultation with provincial licensing authorities about draft national norms and standards; liaison with the law enforcement agencies to address illegal gambling activities; consultation with the various gambling operators, including the Bingo Association of South Africa and the Casino Association of South Africa; and understanding the best way to build stakeholder relations in future.

Selected performance indicators

Table 36.42 National Gambling Board

Indicator	Programme/Activity/Objective/Project	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Number of e-Financial Intelligence Centre Act (2001) inspections conducted per year	Compliance oversight	44	112	97	106	106	106	30
Number of approved national employee licenses issued per year	Compliance oversight	0	72	10	43	10	10	15
Number of central electronic monitoring system audits completed per year (9 provinces)	Compliance oversight	–	2	1	2	1	1	2
Number of oversight inspections conducted per province per year	Compliance oversight	1	1	2	2	2	2	1
Number of illegal gambling activities registered per year	Compliance oversight	9	11	18	18	18	10	15
Number of research projects conducted per year	Leading debate on new forms of gambling	3	2	2	2	4	1	2
Number of test laboratories inspected per year	Integrated information portal	0	9	8	2	2	2	2

Programmes/activities/objectives

Table 36.43 National Gambling Board of South Africa

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Harmonisation of legislation	–	–	–	1 075	2 400	2 300	2 400
Compliance oversight	5 258	6 501	6 116	5 700	5 754	5 289	5 950
Integrated information portal	–	–	–	2 800	3 381	3 100	2 781
Leading debate on new forms of gambling	–	–	–	6 216	5 950	7 721	6 050
Organisational excellent	6 845	6 970	7 563	8 179	8 800	9 350	9 969
CEO	2 551	3 259	3 081	–	–	–	–
Legal	870	1 200	1 552	–	–	–	–
Board	1 117	1 889	1 278	–	–	–	–
Research	2 574	1 300	3 465	–	–	–	–
Other objectives	–	1 242	–	–	–	–	–
Total expense	19 215	22 361	23 055	23 970	26 285	27 760	27 150

The National Gambling Board had a total budget of R24 million in 2011/12, of which 51.4 per cent was used for compensation of employees.

Savings and cost effectiveness measures

The board maintains oversight on the allocation of resources and expenditure. Managers also sign performance agreements with the executives to achieve the annual targets.

Expenditure estimates

Table 36.44 National Gambling Board of South Africa

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome			2011/12	2012/13	2013/14	2014/15
	2008/09	2009/10	2010/11				
Revenue							
Non-tax revenue	1 374	530	763	8 365	385	430	450
<i>Other non-tax revenue</i>	1 374	530	763	8 365	385	430	450
Transfers received	18 195	21 570	22 000	15 605	25 900	27 330	26 700
Total revenue	19 569	22 100	22 763	23 970	26 285	27 760	27 150

Table 36.44 National Gambling Board of South Africa (continued)

Statement of financial performance				Revised estimate 2011/12	Medium-term estimate		
R thousand	Audited outcome				2012/13	2013/14	2014/15
	2008/09	2009/10	2010/11				
Expenses							
Current expenses	19 215	22 361	23 055	23 970	26 285	27 760	27 150
Compensation of employees	7 990	8 254	10 025	12 332	13 133	13 354	14 339
Goods and services	10 879	13 688	12 632	11 224	12 116	13 317	11 722
Depreciation	324	405	398	400	1 036	1 089	1 089
Interest, dividends and rent on land	22	14	–	14	–	–	–
Total expenses	19 215	22 361	23 055	23 970	26 285	27 760	27 150
Surplus / (Deficit)	354	(261)	(292)	–	–	–	–
Statement of financial position							
Carrying value of assets	1 581	1 392	1 212	1 482	4 038	3 432	2 343
<i>of which:</i>							
<i>Acquisition of assets</i>	888	244	270	687	3 670	553	–
Inventory	33	94	59	176	156	156	156
Accrued investment interest	–	–	–	–	–	1 365	339
Receivables and prepayments	28	104	387	86	145	265	145
Cash and cash equivalents	5 103	4 059	4 191	7 281	5 250	2 644	5 153
Taxation	–	–	–	–	–	224	–
Total assets	6 745	5 649	5 849	9 025	9 589	8 086	8 136
Accumulated surplus / (deficit)	3 462	1 631	1 339	4 478	4 477	4 477	4 477
Finance lease	62	17	–	–	–	–	–
Trade and other payables	1 769	2 634	3 143	1 931	1 953	1 093	1 593
Taxation	–	–	–	–	193	–	–
Provisions	1 452	1 367	1 367	2 616	2 966	2 516	2 066
Total equity and liabilities	6 745	5 649	5 849	9 025	9 589	8 086	8 136

Expenditure trends

The board is funded by transfers from the Department of Trade and Industry, and generates other revenue licence fees. Between 2008/09 and 2011/12, transfers received decreased from R18.2 million to R15.6 million, at an average annual of 5 per cent. Over the medium term, transfers received are expected to increase to R26.7 million, at an average annual rate of 19.6 per cent. The growth is based on increased regulation and new modes, interactive gambling and animal racing, when legalised.

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

Expenditure increased from R19.2 million in 2008/09 to R24 million in 2011/12, at an average annual rate of 7.6 per cent, and is expected to increase to R27.2 million over the medium term, at an average annual rate of 4.2 per cent. This is due to the need to increase the scope of regulation as the gambling industry introduces new form of gambling.

The board conducted the central electronic monitoring system audit as planned. The 40 criteria were developed for the limited payout machine industry, which brought uniform requirements for assessment of licence applications across the provinces. The 40 licensed casinos were inspected in relation to the requirements of the Financial Intelligence Centre Act (2001). These inspections were also conducted on 44 betting outlets.

The board is a member of the Anti-Money-Laundering Advisory Council. Good progress has been made on the strategy dealing with probity, information sharing, exclusions and devices. 158 employee licences and 43 entity licenses were issued. The board maintains a database on revenues, taxes, levies and returns to punters, to which provincial gambling boards report quarterly statistics. Despite the recession, 2010/11 gross gambling revenues increased each year by 5.4 per cent, from R16.3 billion to R17.1 billion; and taxes/levies increased by 6 per cent from R1.6 billion to R1.7 billion.

Personnel information

Table 36.45 National Gambling Board of South Africa

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Executive management	3	3	–	3	3	3	3	4	4	4
Senior management	7	7	1	7	7	7	7	10	10	10
Middle management	6	6	–	6	6	6	6	7	7	7
Professionals	2	–	2	–	–	–	–	–	–	–
Skilled	6	6	–	6	6	7	7	6	6	6
Semi-skilled	3	3	–	3	3	3	3	3	3	3
Total	27	25	3	25	25	26	26	30	30	30
Compensation (R thousand)				7 990	8 254	10 025	12 332	13 133	13 354	14 339
Unit cost (R thousand)				320	330	386	474	438	445	478

1. As at 30 September 2011.

As at 30 September 2011, the board had an approved establishment of 27 posts, all of which are funded. Over the MTEF period, the number of filled posts is expected to increase to 30 as a result of the expanded mandate to regulate interactive gambling and the infrastructure required to provide the regulatory framework, including developing a compliance monitoring system. As at 30 September 2011, the board had 1 vacancy at skilled level. The ratio of support staff to line staff is 3:5.

National Lotteries Board

Overview: 2008/09 – 2014/15

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 lottery sales to worthy causes.

Major objectives for 2012/2013 include: fair and equitable distribution of good cause funds with maximum developmental impact; efficient and responsive distribution processes; proportional, balanced and inclusive regulation; and alignment of human and organisational capacity with the board's current and future needs, including a review of regulatory practice and managing the licences.

Performance

In the absence of new games, ticket sales are expected to settle at around R4.7 billion per year, of which 34 per cent remains the contribution to the National Lotteries Distribution Trust Fund. Having allocated the old surpluses, new grant commitments would move toward the equivalent of one year's revenue from the lottery operator.

Selected performance indicators

Table 36.46 National Lotteries Board

Indicator	Programme/Activity/Objective/Project	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Value of operator ticket sales per year	National lottery regulation	R3.5bn	R4.4bn	R4.71bn	R4.59bn	R4.62bn	R4.7bn	R4.7bn
Value of National Lotteries Distribution Trust Fund grant commitments per year	National lottery distribution	R1.4bn	R3.3bn	R3.1bn	R1.8bn	R1.8bn	R1.7bn	R1.6bn

Table 36.46 National Lotteries Board (continued)

Indicator	Programme/Activity/Objective/Project	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Value of actual cash disbursed per year	National lottery distribution	R950m	R1.9bn	R3.6bn	R2.4bn	R2.1bn	R1.4bn	R1.4bn
Value of contribution to the National Lotteries Distribution Trust Fund per year	National lottery regulation	R1.5bn	R1.5bn	R1.6bn	R1.6bn	R1.6bn	R1.6bn	R1.6bn

Programmes/activities/objectives

Table 36.47 National Lotteries Board

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
National lottery regulation	49 593	65 376	83 573	117 823	162 379	176 169	192 436
Total expense	49 593	65 376	83 573	117 823	162 379	176 169	192 436

The National Lotteries Board had a total budget of R117.8 million in 2011/12, of which 49.8 per cent was used for compensations of employees and 48.7 per cent for goods and services.

Savings and cost effectiveness measures

The board continues with plans to achieve cost effective delivery by improving the operations of the National Lottery Distribution Trust Fund. Turnaround time in processing applications, and ultimately in processing payments to approved beneficiaries from 2008/09 to 2009/10 and 2010/11, has already shown marked improvement.

Expenditure estimates

Table 36.48 National Lotteries Board

Statement of financial performance							
R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Revenue							
Non-tax revenue	1 959	1 643	1 617	1 560	1 656	1 698	1 728
<i>Other non-tax revenue</i>	1 959	1 643	1 617	1 560	1 656	1 698	1 728
Transfers received	47 634	63 733	81 956	116 263	160 723	174 471	190 708
Total revenue	49 593	65 376	83 573	117 823	162 379	176 169	192 436
Expenses							
Current expenses	49 593	65 376	83 573	117 823	162 379	176 169	192 436
Compensation of employees	22 637	33 922	45 413	58 680	88 333	97 124	106 736
Goods and services	25 110	29 495	37 404	57 397	71 791	76 745	83 200
Depreciation	1 846	1 959	756	1 746	2 255	2 300	2 500
Total expenses	49 593	65 376	83 573	117 823	162 379	176 169	192 436
Surplus / (Deficit)	-	-	-	-	-	-	-
Statement of financial position							
Carrying value of assets	8 075	7 530	8 324	9 629	13 124	13 624	14 124
<i>of which:</i>							
<i>Acquisition of assets</i>	4 777	1 414	1 685	3 051	5 750	2 800	3 000
Receivables and prepayments	3 718	3 648	4 780	4 600	3 200	2 500	2 500
Cash and cash equivalents	3 616	5 803	4 108	6 234	6 762	9 463	11 403
Total assets	15 409	16 981	17 212	20 463	23 086	25 587	28 027
Deferred income	8 038	6 730	5 422	4 114	2 806	1 498	190
Trade and other payables	7 371	10 251	11 790	13 733	15 018	16 181	17 313
Managed funds (e.g. Poverty alleviation fund)	-	-	-	2 616	5 262	7 908	10 524
Total equity and liabilities	15 409	16 981	17 212	20 463	23 086	25 587	28 027

Expenditure trends

The board receives funding from the National Lottery Distribution Trust Fund. The board does not receive any funding from the department. It also generates revenue from interest earned on funds received from licence holders. Transfers to the board increased significantly from R47.6 million in 2008/09 to R116.3 million in 2011/12, at an average annual rate of 34.6 per cent, to cover operational costs. Over the medium term, transfers are expected to grow to R190.7 million, at an average annual rate of 17.9 per cent. This is due to increasing operational costs.

Expenditure increased significantly from R49.6 million in 2008/09 to R117.8 million in 2011/12, at an average annual rate of 33.4 per cent, and is expected to increase to R192.4 million over the medium term, at an average annual rate of 17.8 per cent. The increase over the seven-year period mainly provides for increased capacity.

Personnel information

Table 36.49 National Lotteries Board

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Executive board members	–	–	–	1	1	–	–	–	–	–
Executive management	2	2	–	2	2	2	2	6	6	6
Senior management	10	8	2	8	8	8	8	7	7	7
Middle management	28	22	6	17	18	22	22	27	30	32
Professionals	1	1	1	1	2	1	1	2	2	2
Skilled	77	63	14	35	50	63	63	96	99	102
Semi-skilled	30	30	–	25	26	30	30	48	48	50
Very low skilled	7	7	–	6	7	7	7	7	7	7
Total	155	133	23	95	114	133	133	193	199	206
Compensation (R thousand)				22 637	33 922	45 413	58 680	88 333	97 124	106 736
Unit cost (R thousand)				238	298	341	441	458	488	518

1. As at 30 September 2011.

As at 30 September 2011, the board had an approved establishment of 155 posts. The number of filled posts grew from 95 in 2008/09 to 133 in 2011/12. Over the MTEF period, filled posts are expected to increase to 206. As at 30 September 2011, there were 23 vacancies, most of them in the skilled classification. The ratio of support staff to line staff is 1:13.

National Metrology Institute of South Africa

Overview: 2008/09 – 2014/15

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. The institute is responsible for the maintenance and dissemination of the international system of units and any other appropriate measurement units for South Africa. The institute also maintains and develops primary scientific national measurement standards for South Africa and ensures global measurement equivalence.

The institute's objectives include keeping and maintaining the equipment necessary for bringing national measurement standards and certification of reference materials into being. It aims to disseminate traceability, measurement expertise and services to South African commercial enterprises and industry by means of calibration, measurement analysis, and appropriate technology and skills transfer. The institute also undertakes to establish confidence in the accuracy of national measurement standards by means of suitable and documented verification processes.

The launch of the second industrial policy action plan in February 2011 reaffirmed the institute's role in the technical infrastructure, where particular mention was made of the contribution of the institute's work plan aligned to the plan's outcomes. The institute successfully developed a plan of action, which mapped out the metrology impact on the plan's priority sectors for the coming years.

Performance

Previously, the institute had two indicators, maintenance of the national measurement standards and calibration and dissemination of national standards. These have been expanded to include performance monitoring on strategic planning.

Selected performance indicators

Table 36.50 National Metrology Institute of South Africa

Indicator	Activity/Objective/Programme/Project	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Number of new gazetted national standards ¹	Maintenance of the national measurement standards and international benchmarking	42	44	42	5	5	9	6
Number of national standards improved per year ²	Upgrade of existing measurement standards and development of new measurement standards and reference materials in line with the requirements of commerce and industry	–	–	–	12	5	10	7
Number of benchmarking activities performed per year	Maintenance of the national measurement standards and international benchmarking	28	34	24	25	22	23	21
Number of calibration and measurement capabilities in international database	Dissemination, measurement expertise and services to South African commerce and industry by means of calibration, measurement or analysis and certified reference materials	342	345	356	356	365	376	405
Number of calibration services performed for industry per year	Dissemination, measurement expertise and services to South African commerce and industry by means of calibration, measurement or analysis and certified reference materials	980	1 111	1 350	1 811	1 849	1 787	1 702
Number of certified reference materials supplied to health, food and environmental industries per year	Upgrade of existing measurement standards and development of new measurement standards and reference materials in line with the requirements of commerce and industry	78	69	64	64	74	98	110
Bursary programmes per year for a skilled and competent workforce for measurements in industry	Establish and maintain the necessary expertise and competencies according to internationally acceptable standards	–	–	3	10	12	15	18
Number of publications on measurement in journals and conferences per year	Establish and maintain the necessary expertise and competencies according to internationally acceptable standards	11	11	15	22	17	22	25
Number of interns in service per year	Establish and maintain the necessary expertise and competencies according to internationally acceptable standards	4	8	2	5	5	5	6

1. The large decrease in 2011/12 is because this indicator changed in 2011/12 from measuring the total number of gazetted national measurement standards to the number of new national measurement standards to be gazetted each year.

2. No historical information is available, as this is a new performance indicator.

Programmes/activities/objectives**Table 36.51 National Metrology Institute of South Africa**

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Maintenance of the national measurement standards and international benchmarking	32 491	39 959	41 360	57 665	53 035	87 771	123 258
Dissemination, measurement expertise and services to South African commerce and industry by means of calibration, measurement or analysis and certified reference materials	10 830	13 320	13 787	19 222	17 588	29 264	41 086
Upgrade of existing measurement standards and development of new measurement standards and reference materials in line with the requirements of commerce and industry	5 415	6 660	6 893	9 611	8 794	14 632	20 543
Establish and maintain the necessary expertise and competencies according to internationally acceptable standards	5 415	6 660	6 893	9 611	8 794	14 632	20 543
Total expense	54 152	66 598	68 934	96 108	88 211	146 299	205 430

The National Metrology Institute of South Africa had a total budget of R96.1 million in 2011/12, of which 44.8 per cent was used for compensation of employees and 42.5 per cent for goods and services.

Savings and cost effectiveness measures

In 2011/12, the institute decided to reduce its participation in less critical international activities from 2012/13 onward. Technical trips will also be linked more tightly to research outcomes. These measures are expected to result in a saving of 31 per cent on travel in 2011/12.

The institute centralised stationary procurement during the last quarter of 2011/12 to ensure more efficient cost procurement and control. Coupled with a centralised printing solution and a shared point information management system planned for 2012/13, excessive spending on printing cartridges and a paper is expected to reduce by R350 000 over the medium term. Operational expenditure has been growing noticeably due to increased maintenance costs for the aging humidity, ventilation and air conditioning systems and instruments. The entity reprioritised the bulk of the savings in 2011/12 for new humidity, ventilation and air conditioning systems and obtained additional funding to replace aged instruments. This is expected to reduce the maintenance cost by about R500 000 per year over the MTEF period.

Expenditure estimates**Table 36.52 National Metrology Institute of South Africa**

Statement of financial performance							
R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Revenue							
Non-tax revenue	8 378	7 712	9 381	8 527	11 690	11 861	15 885
<i>Other non-tax revenue</i>	8 378	7 712	9 381	8 527	11 690	11 861	15 885
Transfers received	54 999	54 806	57 519	87 581	76 521	134 438	189 545
Total revenue	63 377	62 518	66 900	96 108	88 211	146 299	205 430
Expenses							
Current expenses	54 152	66 598	68 934	96 108	88 211	146 299	205 430
Compensation of employees	30 050	33 701	35 602	43 074	47 529	62 535	77 995
Goods and services	21 949	22 918	22 445	40 834	25 022	63 240	96 494
Depreciation	2 153	9 979	10 884	12 200	15 660	20 524	30 940
Interest, dividends and rent on land	–	–	3	–	–	–	–
Total expenses	54 152	66 598	68 934	96 108	88 211	146 299	205 430

Table 36.52 National Metrology Institute of South Africa (continued)

Statement of financial performance	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
R thousand							
Surplus / (Deficit)	9 225	(4 080)	(2 034)	-	-	-	-
Statement of financial position							
Carrying value of assets	20 701	63 802	56 132	71 640	64 980	80 455	126 614
<i>of which:</i>							
Acquisition of assets	14 872	7 667	3 272	27 708	9 000	35 999	77 099
Inventory	209	-	-	-	-	-	-
Receivables and prepayments	4 984	3 603	2 025	1 298	844	574	382
Cash and cash equivalents	9 505	8 446	13 614	8 000	10 407	4 649	-
Total assets	35 399	75 851	71 771	80 938	76 231	85 678	126 996
Accumulated surplus / (deficit)	28 917	70 533	68 501	68 501	68 501	68 501	94 219
Trade and other payables	6 482	5 318	3 270	12 437	7 730	17 177	32 777
Total equity and liabilities	35 399	75 851	71 771	80 938	76 231	85 678	126 996

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. Other non-tax revenue is from fees for dissemination services. Transfers increased from R55 million in 2008/09 to R87.6 million in 2011/12, at an average rate of 16.8 per cent. Transfers from the department are expected to increase to R189.5 million over the medium term, at an average annual rate of 29.4 per cent, which will include contributions towards capital expenditure of R25 million for 2011/12; R50 million in 2013/14 and R100 million in 2014/15. The entity will focus on growth in capital investment to replace aged infrastructure and acute skills shortage over the MTEF period.

Expenditure increased from R54.2 million in 2008/09 to R96.1 million in 2011/12, at an average annual rate of 21.1 per cent, and is expected to increase to R205.4 million over the medium term, at an average annual rate of 28.8 per cent. Spending on compensation of employees grew from R30.1 million in 2008/09 to R43.1 million in 2011/12, at an average annual rate of 12.8 per cent, due to inflation related annual salary increases and the filling of critical vacancies. The new recruits will be mainly in the technical divisions and will play a key role in research and in enhancing the technical capability of the institute. Due to the scarcity of measurement skills nationally, the institution will further scale up its bursary and learnership programmes. Lower than normal capital expenditure contributed to higher than expected maintenance costs and significant equipment down time in the laboratories.

The institute maintained the 42 gazetted national measurement standards. To ensure the national measurement standards are comparable to other national and international standards and measurements, the institute participated in 12 international comparisons. This underpins the calibration and analytical services offered to industry.

In support of commerce, industry and innovation, the institute continuously develops and improves national measurement standards. A number of physical metrology parameters have been improved, and a new iodine stabilised laser was commissioned, and declared the new national measurement standard for length. The number of new reference methods that underpin industry measurements has increased significantly.

Despite the economic slowdown and infrastructure challenges that have seriously impacted on service delivery, as is evident in the decline in the number of calibrations performed, there was a noticeable increase in the number of reference measurements sold to industry, exceeding targets. Gas measurement capabilities have been improved in support of stack and automotive emissions monitoring.

The technical expertise is evident through the publication of 22 technical papers in peer-reviewed journals and conference proceedings, as well as a chapter in a scientific book. A major innovative achievement was the design and manufacture of a ball plate, for which a claim for intellectual property rights has been filed.

The institute managed to establish and maintain the necessary expertise and competencies according to internationally acceptable standards. The intern and bursary programme were expanded in 2011/12, when ten bursaries were awarded and three interns were hosted. It is projected that more than 20 bursaries will be awarded over the MTEF period.

Personnel information

Table 36.53 National Metrology Institute of South Africa

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of vacant posts	Actual			Mid-year ¹ 2011/12	Medium-term estimate		
				2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
<i>Executive board members</i>	1	1	–	–	–	1	1	1	1	1
<i>Executive management</i>	6	6	–	5	5	6	7	7	7	7
<i>Senior management</i>	6	6	–	6	6	6	6	6	6	6
<i>Professionals</i>	70	70	2	60	60	63	70	74	82	87
<i>Skilled</i>	6	6	–	6	6	6	6	6	6	6
<i>Semi-skilled</i>	17	17	–	13	17	17	17	17	17	17
Total	106	106	2	90	94	99	107	111	119	124
<i>Compensation (R thousand)</i>				30 050	33 701	35 602	43 074	47 529	62 535	77 995
<i>Unit cost (R thousand)</i>				334	359	360	403	428	526	629

1. As at 30 September 2011.

As at 30 September 2011, the institute had an establishment of 106 posts. The number of posts filled increased from 90 in 2008/09 to 107 in 2011/12, and is expected to grow to 124 over the medium term. On its separation from the Council for Scientific and Industrial Research, the institute had to purchase a new ICT support system and appoint people with technical skills to manage the system. The number of support staff was the equivalent to 23 per cent of line staff and consultants were the equivalent to 1 per cent of the total staff.

National Regulator for Compulsory Specifications

Overview: 2008/09 – 2014/15

The National Regulator for Compulsory Specifications was established in September 2008 in terms of the National Regulator for Compulsory Specifications Act (2008). The regulator's broad mandate is to promote public health and safety, environmental protection, and fair trade. This will be achieved through establishing sound regulatory infrastructure, which will incorporate updated compulsory specifications to promote consumer health and safety, environmental protection, and the development of South African industries and the South African economy. The regulator is mindful of the need to balance the burden of overregulation with the benefits of pragmatic, focused regulation.

Over the medium term, the regulator will use resources to enhance the competitiveness of the South African economy. This will foster a culture of compliance with compulsory specifications. This will be achieved through: investing in human capital and IT; developing sound regulatory models; implementing the risk based approach; and focusing on research that will develop an evidence based understanding of where compliance gaps exist, by means of a multifaceted deployment of resources to bridge these gaps over the medium term. The regulator's interventions will not only be focused on inspections and enforcement, but also on positive measures such as industry specific communication and consumer awareness campaigns.

The regulator is structured into five sectors, which serve as units in fulfilling its mandate of market surveillance and enforcement. These sectors are: automotive; chemical, mechanical and materials; electro-technical; food and associated industries, and legal metrology.

Performance

In 2010/11, the regulator was responsible for the development and subsequent submission of eight new and amended compulsory specifications and technical regulations to the Department of Trade and Industry. These

specifications will add to the growing list of quality controls that protect consumers. 57 572 inspections across the organisation were carried out, exceeding the target of 52 940. R6 million worth of goods were confiscated and destroyed. In addition, the regulator destroyed or rejected fish and fishery products and canned meat products with an estimated value of R21 million. In 2010/11, the total goods not compliant in terms of legal metrology confiscated increased from the R37.1 million in 2009/10 to an R148.9 million. Legal metrology inspects products and measuring equipment to ensure that products are in fact sold in the exact amounts that are declared on the packaging. In all, the regulator issued 14 188 embargoes against non-compliant products and rejected 678 measuring instruments. Furthermore, prosecutions were instituted against 90 businesses in 2010/11.

Selected performance indicators

Table 36.54 National Regulator for Compulsory Specifications

Indicator	Programme/Activity	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Percentage of inspections conducted in accordance with the compulsory specification, divisional procedures and applicable legislation ¹	Ensure maximum coverage within the food and fisheries regulated industries	24 389 inspections	37 741 inspections	57 572 inspections	100% of all production and consignments	100% of all production and consignments	100% of all production and consignments	100% of all production and consignments
Number of inspections conducted in accordance with the compulsory specification, divisional procedures and applicable legislation	Ensure maximum coverage within the automotive, electro-technical and chemicals industries	Chemicals materials and mechanicals 1 902 Automotive 1 538 Electro-technical 3 821	Chemicals materials and mechanicals 5 610	Chemicals materials and mechanicals 6 967 Automotive 4 986 Electro-technical 8 414	Chemicals materials and mechanicals 8 160 Automotive 7 560 Electro-technical 7 600	Chemicals materials and mechanicals 6 000 Automotive 5 000 Electro-technical 5 000	Chemicals materials and mechanicals 6 000 Automotive 5 000 Electro-technical 6 000	Chemicals materials and mechanicals 6 000 Automotive 5 000 Electro-technical 6 000
Number of inspections conducted within the trade metrology domain, in accordance with the technical regulations, divisional procedures and applicable legislation	Ensure maximum coverage within the trade metrology domain	3 231	5 401	6 100	5 438	4 369	5 058	6 029
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	12

1. Only the absolute numbers are available for past years, due to the difficulty of predicting absolute numbers, the regulator projects in percentage terms.

Programmes/activities/objectives

Table 36.55 National Regulator for Compulsory Specifications

R thousand	Audited outcome			Revised estimate 2011/12	Medium-term estimate		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Risk based inspections to maximise compliance with all specifications and technical regulations	-	-	-	100 509	133 936	153 068	165 406
Extend NRCS Scope (R&D, Special Investigations Unit)	-	-	-	8 556	9 698	11 107	11 998
To inform and educate stakeholders, industry and consumers regarding NRCS obligations with regard to Compulsory Specifications and Technical Regulations	-	-	-	10 276	11 186	12 077	16 215
To become the employer of choice with motivated and productive staff	-	-	-	7 362	8 096	8 930	10 171
NRCS well resourced including fit for purpose IT	-	-	-	9 857	10 716	11 646	12 406
Optimise revenue generation and collection	-	-	-	20 635	22 631	24 849	26 549
Ensure good corporate governance, ITC, legal and risk management	-	-	-	30 034	33 792	38 356	41 341
Total expense	-	-	-	187 229	230 055	260 032	284 086

The National Regulator for Compulsory Specifications had a total budget of R187.2 million in 2011/12, of which 64.4 per cent was used for compensation of employees.

Savings and cost effectiveness measures

No savings were effected. However, the regulator will continuously monitor expenditure on a monthly basis to identify costs that can be reduced.

Expenditure estimates

Table 36.56 National Regulator for Compulsory Specifications

Statement of financial performance							
R thousand	Audited outcome			Revised estimate 2011/12	Medium-term estimate		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Revenue							
Non-tax revenue	62 044	122 118	149 820	150 086	151 940	166 160	184 257
Sale of goods and services other than capital assets	57 211	111 284	130 564	146 004	147 815	162 025	182 595
<i>of which:</i>							
<i>Sales by market establishments</i>	57 211	111 284	130 564	146 004	147 815	162 025	182 595
<i>Other non-tax revenue</i>	4 833	10 834	19 256	4 082	4 125	4 135	1 662
Transfers received	17 495	35 933	33 042	37 173	78 115	99 143	104 554
Total revenue	79 539	158 051	182 862	187 259	230 055	265 303	288 811
Expenses							
Current expenses	78 224	150 293	156 457	187 229	230 055	260 032	284 086
Compensation of employees	49 356	96 355	104 127	120 523	152 092	177 186	193 786
Goods and services	27 496	49 823	48 070	60 573	72 025	76 520	83 372
Depreciation	1 208	3 574	3 900	6 010	5 808	6 324	6 928
Interest, dividends and rent on land	164	541	360	123	130	1	-
Transfers and subsidies	-	1 097	763	-	-	-	-
Total expenses	78 224	151 390	157 220	187 229	230 055	260 032	284 086
Surplus / (Deficit)	1 315	6 661	25 642	30	-	5 271	4 725

Table 36.56 National Regulator for Compulsory Specifications (continued)

Statement of financial position	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
Carrying value of assets	11 407	10 523	17 832	18 230	23 606	35 782	49 674
<i>of which:</i>							
Acquisition of assets	12 724	2 578	11 182	6 408	11 185	18 500	20 820
Investments	–	–	–	25 900	20 000	15 000	10 000
Receivables and prepayments	7 880	7 625	15 540	13 188	9 108	15 388	9 538
Cash and cash equivalents	17 142	30 617	42 314	21 549	28 467	13 884	10 719
Total assets	36 429	48 765	75 686	78 867	81 182	80 054	79 931
Accumulated surplus / (deficit)	935	7 597	33 240	33 210	31 100	25 829	21 104
Finance lease	4 445	3 270	1 701	601	17	–	–
Trade and other payables	19 417	24 095	25 260	19 521	19 298	23 480	26 108
Provisions	11 632	13 803	15 485	25 535	30 767	30 745	32 719
Total equity and liabilities	36 429	48 765	75 686	78 867	81 182	80 054	79 931

Expenditure trends

The regulator generates 66 per cent of its revenue from levies and services rendered for export certification, vehicle homologation and letter of authority. Non-tax revenue is expected to increase from R62 million in 2008/09 to R184.3 million in 2014/15. The increase is attributed to increases in compliance by the levy payers, growth in economic activities, as well as annual levy fee increases. Transfers received are expected to increase from R37.2 million in 2011/12 to R104.6 million in 2014/15, at an average annual rate of 41.2 per cent, due to additional funding for legal metrology and other capacity needs.

Expenditure increases from R78.2 million in 2008/09 to R284.1 million in 2014/15, at an average annual rate of 24 per cent. The increase is driven mainly by spending on compensation of employees, which is expected to grow from R120.5 million to R193.8 million over the medium term at an average annual rate of 17.2 per cent. The increased spending is as a result of an expected increase in employee numbers, from 375 in 2011/12 to 440 in 2014/15.

Personnel information

Table 36.57 National Regulator for Compulsory Specifications

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of vacant posts	Actual			Mid- year ¹	Medium-term estimate		
				2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Executive board members	1	1	1	1	1	1	1	1	1	1
Executive management	8	8	–	–	10	8	10	8	10	10
Senior management	4	4	–	–	5	7	6	5	5	5
Middle management	51	51	50	50	50	48	49	55	55	55
Skilled	157	153	157	157	154	141	180	197	202	202
Semi-skilled	86	74	86	86	86	86	129	109	157	167
Total	307	291	294	294	306	291	375	375	430	440
Compensation (R thousand)				49 356	96 355	104 127	120 523	152 091	177 186	193 786
Unit cost (R thousand)				168	315	358	321	406	412	440

1. As at 30 September 2011.

As at 30 September 2011, the regulator had an establishment of 307 posts, of which 291 were funded. The number of filled posts increased from 294 in 2008/09 to 375 in 2011/12 and is projected to increase to 440 over the medium term. The increase in both periods is to address the strategic imperative requirements of the

regulator. The increase in staff also bolsters the border enforcement programme, the special investigations unit and the urgent need to build capacity in other operational areas such as legal metrology. The regulator had 64 vacancies as at 30 September 2011 and plans to recruit staff over the medium term. As at 30 September 2011, the number of support staff was equivalent to 20 per cent of line staff.

Small Enterprise Development Agency

Overview: 2008/09 – 2014/15

The Small Enterprise Development Agency provides non-financial business development and support services to 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 aims to promote economic growth, job creation and equity.

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. These are: 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. The organisation shall focus on: increasing the incubation footprint, directing specific interventions to the small and medium enterprise segment, identifying and working with large scale projects and cooperatives, and prioritising growth sectors.

Performance

63 916 potential and existing businesses were attracted to the agency's network for the first time in 2010/11. 26 747 of these were assessed and registered on the agency's client database. Of those, 12 577 received an agency intervention during the year. 2 916 clients were surveyed to assess their satisfaction levels with the quality of the agency's services. 93 per cent indicated that the service was satisfactory. 677 potential entrepreneurs were converted into trading businesses as a result of assistance from the agency during the year.

Of the assisted clients, 2 657 were evaluated to measure business performance improvement. 37 per cent of the surveyed clients reported an increase in turnover and 27 per cent reported an increase in number of people employed.

The agency's technology programme supported 1 479 clients, resulting in 202 new businesses, 893 direct jobs and 2 920 indirect jobs.

Selected performance indicators

Table 36.58 Small Enterprise Development Agency

Indicator	Programme/Activity/Objective/Project	Past ¹			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Number of new clients attracted per year	Ensure equitable access to business support services	199 830	12 386	60 000	90 000	65 000	65 000	65 000
Number of clients the agency works with per year	Ensure equitable access to business support services	–	23 000	12 000	25 000	10 400	10 400	10 400
Number of adopted enterprises under the community public private partnership programme per year	Ensure equitable access to business support services	–	–	18	20	22	24	26

Table 36.58 Small Enterprise Development Agency (continued)

Indicator	Programme/Activity/Objective/Project	Past ¹			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Value of service provision costs covered by partners	Ensure equitable access to business support services	–	–	R6.8m	R7.6m	R5m	R5m	R5m
Percentage of clients satisfied with quality of the agency's services: 2 400 out of 3 000 clients each year	Enhance competitiveness and capabilities of small enterprises through coordinated services, programmes and projects	–	–	93%	80%	80%	80%	80%
Percentage of existing SMME clients whose financial turnover increased	Enhance competitiveness and capabilities of small enterprises through coordinated services, programmes and projects	–	–	37%	35%	35%	35%	35%
Percentage of existing SMME clients whose number of employees increased	Enhance competitiveness and capabilities of small enterprises through coordinated services, programmes and projects	–	–	27%	25%	25%	25%	25%
Number of partnerships operational per year	Ensure equitable access to business support services	–	–	40	30	30	30	30
Percentage of clients satisfied with quality of agency's services	Technology programme assisting SMMEs with technology	–	–	–	80%	80%	80%	80%
Number of jobs created per year	Technology programme assisting SMMEs with technology	–	–	893	1 050	–	–	1 040
Number of clients supported by the technology programme per year	Technology programme assisting SMMEs with technology	–	–	756	1 500	842	935	1 027
Number of clients assisted with transfer incentives provided per year	Technology programme assisting SMMEs with technology	–	–	26	50	30	34	39
Number of clients supported in conformity assessment and product testing per year	Technology programme assisting SMMEs with technology	–	–	103	100	115	127	140
Number of clients trained on national and international standards per year	Technology programme assisting SMMEs with technology	–	–	350	500	385	425	468
Number of clients supported in system implementation per year	Technology programme assisting SMMEs with technology	–	–	26	25	30	34	39

1. No past data is available, as the performance measures were not yet in use.

Programmes/activities/objectives

Table 36.59 Small Enterprise Development Agency

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Enhance competitiveness and capabilities of small enterprises through coordinated services, programmes and projects	88 558	112 083	118 636	147 977	168 565	179 242	190 208
Ensure equitable access to business support services	97 118	115 732	124 586	118 062	112 972	118 927	124 412
Strengthen the organisation to deliver on its mission	175 275	193 981	188 072	203 129	165 510	165 429	170 447
Seda Technology Programme (STP) assisting SMME's with technology	121 268	99 632	78 247	120 069	113 000	119 215	126 369
Total expense	482 219	521 428	509 541	589 236	560 047	582 813	611 435

The Small Enterprise Development Agency had a total budget of R589.2 million in 2011/12, of which 34.9 per cent was used for compensation of employees and 62.6 per cent for goods and services.

Savings and cost effectiveness measures

The following measures were put in place in 2008/09 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 such as compensation of employees as a percentage of total expenditure and per client served are monitored; and costs are monitored monthly and measures put in place to keep costs within acceptable limits.

Expenditure estimates

Table 36.60 Small Enterprise Development Agency

Statement of financial performance				Revised estimate 2011/12	Medium-term estimate		
R thousand	Audited outcome				2012/13	2013/14	2014/15
	2008/09	2009/10	2010/11				
Revenue							
Non-tax revenue	74 647	75 254	34 887	23 566	19 392	13 000	8 000
<i>Other non-tax revenue</i>	74 647	75 254	34 887	23 566	19 392	13 000	8 000
Transfers received	484 770	409 497	461 121	553 290	540 655	569 813	603 435
Total revenue	559 417	484 751	496 008	576 856	560 047	582 813	611 435
Expenses							
Current expenses	482 219	521 428	509 541	589 236	560 047	582 813	611 435
Compensation of employees	165 899	169 603	189 848	205 648	220 042	235 445	251 926
Goods and services	302 508	339 106	303 799	368 900	324 960	332 267	344 978
Depreciation	9 602	10 512	13 702	12 518	12 760	12 690	12 000
Interest, dividends and rent on land	4 210	2 207	2 192	2 170	2 285	2 411	2 531
Total expenses	482 219	521 428	509 541	589 236	560 047	582 813	611 435
Surplus / (Deficit)	77 198	(36 677)	(13 533)	(12 380)	-	-	-
Statement of financial position							
Carrying value of assets	35 371	44 982	45 520	49 068	45 790	44 621	45 171
<i>of which:</i>							
<i>Acquisition of assets</i>	7 425	20 865	15 616	16 066	9 482	11 521	12 550
Inventory	330	399	341	320	310	300	290
Receivables and prepayments	4 996	6 416	4 110	4 500	4 300	4 100	4 000
Cash and cash equivalents	206 450	162 082	155 912	105 330	99 425	98 554	99 714
Total assets	247 147	213 879	205 883	159 218	149 825	147 575	149 175
Accumulated surplus / (deficit)	108 121	71 444	57 911	25 531	20 139	20 139	20 139
Finance lease	12 073	12 172	12 172	15 704	17 604	19 454	21 254
Deferred income	7 641	7 641	9 082	7 582	6 082	4 582	3 082
Trade and other payables	107 175	109 478	110 941	95 000	90 000	87 000	88 000
Provisions	12 137	13 144	15 777	15 401	16 000	16 400	16 700
Total equity and liabilities	247 147	213 879	205 883	159 218	149 825	147 575	149 175

Expenditure trends

The spending focus over the MTEF period will be on continuing to develop, support and promote 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. Transfers received increased from R484.8 million in 2008/09 to R553.3 million in 2011/12, at an average annual rate of 4.5 per cent. Over the medium term, departmental transfers to the agency and the technology programme are expected to increase to R603.4 million, at an average annual rate of 2.9 per cent.

Total expenditure increased from R482.2 million in 2008/09 to R589.2 million in 2011/12, at an average annual rate of 6.9 per cent. Over the medium term, expenditure is expected to increase to R611.4 million, at an average annual rate of 1.2 per cent. This is mainly due to increases in spending on compensation of employees from R205.6 million in 2011/12 to R251.9 million in 2014/15, as a result of the filling of funded vacancies.

Personnel information

Table 36.61 Small Enterprise Development Agency

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of vacant posts	Actual			Mid- year ¹	Medium-term estimate		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Executive board members	1	1	1	–	1	1	1	1	1	1
Executive management	5	5	–	4	4	4	4	5	5	5
Senior management	27	27	2	19	24	24	23	27	27	27
Middle management	273	273	54	270	280	291	300	249	252	255
Professionals	244	244	18	176	210	214	165	222	224	227
Semi-skilled	128	128	9	65	53	62	101	117	118	120
Total	678	678	84	534	572	596	594	621	627	635
Compensation (R thousand)				165 899	169 603	189 848	205 648	220 042	235 445	251 926
Unit cost (R thousand)				311	297	319	346	354	376	397

1. As at 30 September 2011.

As at 30 September 2011, the agency had an approved and funded establishment of 678 posts. The number of posts filled increased from 534 in 2008/09 to 594 in 2011/12, and is expected to increase to 635 over the medium term. This is as a result of increased service deliverables. Approximately 72 per cent of the entity's personnel are directly involved with service delivery while 28 per cent perform support functions.

South African Bureau of Standards

Overview: 2008/09 – 2014/15

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 South African industry, and facilitating access by South Africans to local and international markets. The bureau forms part of South Africa's standardisation, quality assurance, accreditation and metrology technical infrastructure.

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

Performance

The bureau produced 650 South African national standards in 2010/11, 80 per cent of which were aligned with international standards. The need to support the implementation of the second industrial policy action plan and the protection of the South African market's integrity has necessitated a revision of the indicators to be tracked in the development of standards. The number of home grown standards developed in support of the second industrial policy action plan and the number of standards referenced in legislation will become key indicators over the medium term, replacing the number of standards published.

Acceptance by peer organisations and trading partners of the bureau's conformity testing and assessment services is reflected in accreditations that the organisation maintains with both local and international bodies. In 2010/11, the bureau produced 412 539 test reports across all laboratories with the 2014/15 projection set at 442 000. This increase in volume is expected to be driven substantially by the implementation of the Consumer Protection Act (2008).

Selected performance indicators

Table 36.62 South African Bureau of Standards

Indicator	Programme/Activity/Objective/Project	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Number of national standards developed per year ¹	Development of South African national standards	634	857	650	600	1	-	-
Number of days taken to produce a standard	Development of South African national standards	330	241	300	340	340	320	300
Value of sales of standards	Development of South African national standards	R15.3m	R16.8m	R16.6m	R18.3m	R27.6m	R31.7m	R36.1m
Tests and services revenue	Tests and conformity assessments	R189.8m	R199.9m	R192.3m	R180.9m	R627.3m	R317.8m	R354m
Value of products and systems certification revenue	Tests and conformity assessments	R156.1m	R173.8m	R184.1m	R221.9m	R272.5m	R354m	R358.4m
Number of test reports completed per year	Tests and conformity assessments	391 886	527 983	412 539	395 400	407 100	422 000	442 000
Number of certification certificates issued per year	Tests and conformity assessments	-	9 628	10 356	11 375	11 640	11 960	12 315
Number of home grown South African national standards developed per year	Development of South African national standards	-	-	-	100	135	140	145

1. Indicator discontinued and replaced by home grown standards developed to address challenges unique to the South African economy. The bureau will continue producing more standards than the home grown target but the indicator has been changed to focus on relevance.

Programmes/activities/objectives

Table 36.63 South Africa Bureau of Standards

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Development of South African national standards	49 027	113 817	121 533	134 115	169 591	187 062	204 416
Tests and conformity assessments	283 102	420 172	432 425	510 499	585 226	645 455	702 223
Regulation of compulsory specifications	48 074	38 458	-	-	-	-	-
Corporate support	135 740	-	-	-	-	-	-
Total expense	515 943	572 447	553 958	644 614	754 817	832 517	906 639

The South African Bureau of Standards had a total budget of R644.6 million in 2011/12, of which 58.8 per cent was used for compensation on employees.

Savings and cost effectiveness measures

The bureau has implemented cost containment measures, which include requiring auditors to travel on low cost airlines, the use of an in house travel agent, and booking trips at least two weeks in advance to save on airfares. The procurement process is being streamlined and enhanced in 2012/13 to ensure favourable prices and terms from suppliers. All major expense items such as security services, cleaning, garden services, advertising and network support services are procured through an open tender system with increases limited to an average of 6 per cent each year, resulting in savings of R6 million over the medium term.

Expenditure estimates

Table 36.64 South African Bureau of Standards

Statement of financial performance				Revised estimate 2011/12	Medium-term estimate		
R thousand	Audited outcome				2012/13	2013/14	2014/15
	2008/09	2009/10	2010/11				
Revenue							
Non-tax revenue	418 897	481 002	448 411	481 351	587 379	682 152	764 930
Sale of goods and services other than capital assets	358 509	390 743	394 553	458 326	572 791	666 689	748 539
<i>of which:</i>							
<i>Sales by market establishments</i>	358 509	390 743	394 553	458 326	572 791	666 689	748 539
<i>Other non-tax revenue</i>	60 388	90 259	53 858	23 025	14 588	15 463	16 391
Transfers received	126 148	138 090	160 065	184 477	188 759	189 932	199 493
Total revenue	546 692	619 265	608 476	665 828	776 138	872 084	964 423
Expenses							
Current expenses	508 757	565 358	543 603	636 673	746 179	823 361	896 934
Compensation of employees	272 658	291 912	321 471	378 855	419 762	459 160	496 949
Goods and services	208 082	240 792	181 182	216 793	268 052	297 867	329 595
Depreciation	25 341	31 147	33 757	41 025	58 365	66 334	70 390
Interest, dividends and rent on land	2 676	1 507	7 193	–	–	–	–
Transfers and subsidies	7 186	7 089	7 566	7 941	8 638	9 156	9 705
Total expenses	515 943	572 447	553 958	644 614	754 817	832 517	906 639
Surplus / (Deficit)	30 749	46 818	54 518	21 214	21 321	39 567	57 784
Statement of financial position							
Carrying value of assets	200 679	198 780	274 566	455 442	573 212	587 450	587 309
<i>of which:</i>							
<i>Acquisition of assets</i>	50 736	30 185	110 385	221 901	176 135	80 572	70 249
Investments	250 088	201 465	291 900	313 750	310 687	345 251	378 276
Inventory	829	520	1 524	1 000	1 000	1 000	1 000
Receivables and prepayments	66 630	52 448	54 656	78 410	90 172	103 697	119 252
Cash and cash equivalents	7 565	122 162	190 447	94 287	60 713	65 058	100 978
Non-current assets held for sale	2 342	1 894	1 653	–	–	–	–
Taxation	23 732	23 905	21 116	23 905	23 905	23 905	23 905
Total assets	551 865	601 174	835 862	966 794	1 059 689	1 126 361	1 210 719
Accumulated surplus / (deficit)	274 827	321 930	376 560	397 774	419 095	458 662	516 446
Capital and reserves	72 493	62 749	68 686	86 383	104 734	125 353	144 038
Capital reserve fund	25 341	15 917	165 575	262 774	302 553	294 332	286 111
Borrowings	14 885	14 892	14 905	–	–	–	–
Finance lease	3 556	811	9	–	–	–	–
Trade and other payables	66 872	90 193	107 617	118 379	130 217	143 239	157 562
Provisions	93 432	94 386	102 343	101 484	103 090	104 775	106 562
Derivatives financial instruments	459	296	167	–	–	–	–
Total equity and liabilities	551 865	601 174	835 862	966 794	1 059 689	1 126 361	1 210 719

Expenditure trends

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

Revenue is derived mainly from fees for services provided, such as certification and testing. Government transfers represent approximately 27.7 per cent of total revenue in 2011/12, which is used for the development of South African national standards. Between 2008/09 and 2011/12, revenue increased from R546.7 million to R665.8 million, at an average rate of 6.8 per cent. The 15.9 per cent and 15.3 per cent increases in transfers received in 2010/11 and 2011/12 were due to earmarked funding for the construction of new laboratory buildings. It is projected that transfers from government will increase to R199.5 million in 2014/15 due to the cessation of capital transfers.

Expenditure increased from R515.9 million in 2008/09 to R644.6 million in 2011/12 with compensation of employees accounting for 55.2 per cent of total spending over the period. The need to attract talent and retain skilled employees has influenced the growth in expenditure, as the bureau had to align pay scales with those of competition to curb the loss of skills. Expenditure is projected to increase to R906.6 million over the medium term as part of the bureau's efforts to improve technical capacity, strengthen the brand and improve on testing technology. Spending on compensation of employees is expected to increase from R378.9 million in 2011/12 to R496.9 million in 2014/15, at an average annual rate of 9.5 per cent, as a result. Spending on goods and services costs is expected to increase from R216.8 million in 2011/12 to R329.6 million in 2014/15, at an average annual rate of 15 per cent, due to new projects to generate revenue.

Personnel information

Table 36.65 South African Bureau of Standards

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of vacant posts	Actual			Mid- year ¹	Medium-term estimate		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Executive board members	1	1	–	1	1	1	1	2	2	2
Executive management	9	9	3	4	4	5	6	5	5	5
Senior management	44	44	11	23	22	29	38	40	50	52
Middle management	84	84	26	72	68	61	63	68	75	77
Professionals	162	162	31	129	126	120	138	142	155	160
Skilled	752	752	127	663	668	644	648	658	663	672
Semi-skilled	122	122	20	160	135	117	102	100	98	95
Very low skilled	89	89	18	213	173	111	71	65	60	57
Total	1 263	1 263	236	1 265	1 197	1 088	1 067	1 080	1 108	1 120
Compensation (R thousand)				272 658	291 912	321 471	378 855	419 762	459 160	496 949
Unit cost (R thousand)				216	244	295	355	389	414	444

1. As at 30 September 2011.

As at 30 September 2011, the bureau had an approved establishment of 1 263 posts. Headcount dropped from 1 265 in 2008/09 to 1 088 in 2010/11 due to the loss of coal and iron ore analysis contracts in the mining and minerals segment of the business. Over the MTEF period, filled positions are expected to increase from 1 067 as at 30 September 2011 to 1 120 in 2014/15, due to a projected increase in headcount required to achieve organisational objectives. There were 236 vacancies as at 30 September 2011.

South African National Accreditation System

Overview: 2008/09 – 2014/15

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 Southern African Development Community (SADC) by hosting the SADC accreditation secretariat, holding the regional coordinator position, training assessors, forming partnerships and hosting the secretariat for the new African Accreditation Cooperation.

The entity holds signatory status to the International Laboratory Accreditation Cooperation's mutual recognition arrangement and the International Accreditation Forum's multilateral arrangement, for laboratory and certification body accreditation.

Over the medium term, the entity will promote the use of accreditation as a tool for fostering international trade and the protection of health, safety and the environment, and to provide training.

The entity is now recognised as the single national authority for the accreditation of test and calibration laboratories, inspection bodies, bodies for certification of quality and environmental management systems, and product conformity certification bodies. Its role in facilitating the governments' objective of regional integration and locking out poor quality and unsafe products continues to gain momentum. In 2010, the entity concluded a memorandum of understanding with the SADC Accreditation Services, which was officially launched by Botswana's minister of trade and industry and the executive secretary of SADC.

Performance

The number of accredited organisations grew by 6.6 per cent, bringing the total number of accredited conformity assessment bodies to 1 244. The entity has maintained its position as the ninth largest accreditation body in the world and continues to be the only accreditation body in SADC that is internationally recognised. The international recognition facilitates the international acceptance of South African produced goods and services. The entity has accredited an additional 19 BEE verification agencies over this period, bringing the total to 30 accredited BEE verification agencies. In 2009/10, the agency concluded a three-year twinning arrangement to assist the Mauritius accreditation body to accredit its 10 conformity assessment bodies. This allowed the Mauritian body to obtain International Laboratory Accreditation Cooperation association membership status.

The calibration programme has an impact on the lives of ordinary South Africans. The interventions ranged from ensuring that the weight of sugar, maize meal, flour and other basic goods are purchased is correct to ensuring the accuracy of equipment used for law enforcement, such as evidential breath analysers and speed measuring devices, and ensuring the accuracy of pre-paid electricity metering devices.

Selected performance indicators

Table 36.66 South African National Accreditation System

Indicators	Programme/Activity/Objective	Past ¹			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Months taken to develop a new accreditation programme	New programme development projects and related activities	-	-	-	24	21	18	15
Percentage of vacant positions	Restructuring and capacity building	-	-	-	24% (17)	10% (7)	10% (7)	10%(7)
Percentage of previously disadvantaged individuals assessors registered with the entity in the total assessors pool	Provision of accreditation services	-	-	35%	35%	40%	50%	55%
Number of new accreditation programmes developed and rolled out per year	New programme development projects and related activities	-	-	-	1	3	3	1
Total number of accredited organisations	Provision of accreditation services	-	-	-	1 362	1 380	1 408	1 438
Percentage of input made to the international accreditation requirements of the International Laboratory Accreditation Cooperation and International Accreditation Forum	International, regional and national responsibilities	-	-	-	85%	90%	95%	95%
Percentage of progress made against the approved annual work plan for the SADC secretariat as approved by the SADC general assembly	International, regional and national responsibilities	-	-	-	80%	85%	85%	85%
Percentage of progress made against the approved annual work plan for the African Accreditation Cooperation secretariat approved by the African Accreditation Cooperation General assembly	International, regional and national responsibilities	-	-	-	85%	85%	85%	85%

1. No past data, as these are new performance indicators.

Programmes/activities/objectives

Table 36.67 South African National Accreditation System

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Provision of accreditation services	9 486	11 217	14 023	29 530	30 783	32 548	34 253
International, regional and national responsibilities	2 726	1 110	1 327	2 687	1 948	2 055	2 158
New programme development projects and related activities	766	1 178	1 376	5 459	6 252	6 608	6 950
Restructuring/capacity building	–	–	4 325	7 113	10 766	11 412	12 040
Knowledge transfer	536	723	651	1 434	1 396	1 472	1 546
Marketing	1 256	1 394	1 870	2 705	2 594	2 736	2 874
Administrative support	22 577	23 431	23 019	7 001	15 373	16 290	16 972
Total expense	37 347	39 053	46 591	55 929	69 112	73 121	76 793

The South African National Accreditation System had a total budget of R55.9 million in 2011/12, of which 52.8 per cent was used for providing accreditation services.

Savings and cost effectiveness measures

The entity has reviewed some of its processes and outsourced services since the implementation of the restructuring project. There has been 60 per cent savings in human resource costs by appointing a full time human resources manager, which has also increased the efficiency of human resource processes. Previous financial years saw cost savings, through the shared resources of the Department of Trade and Industry campus. The relocation of the entity's offices will assist in reducing venue hire costs over the medium term as onsite venues will be used.

Expenditure estimates

Table 36.68 South African National Accreditation System

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome			2011/12	2012/13	2013/14	2014/15
	2008/09	2009/10	2010/11				
Revenue							
Non-tax revenue	26 273	28 624	33 578	35 306	39 685	41 461	43 233
Sale of goods and services other than capital assets	20 210	23 192	28 131	28 396	32 454	34 239	35 951
<i>of which:</i>							
Administration fees	20 210	23 192	28 131	28 396	32 454	34 239	35 951
Other non-tax revenue	6 063	5 432	5 447	6 910	7 231	7 222	7 282
Transfers received	13 750	14 707	18 239	20 623	30 327	32 615	34 560
Total revenue	40 023	43 331	51 817	55 929	70 012	74 076	77 793
Expenses							
Current expenses	36 992	38 670	46 185	55 499	68 657	72 640	76 289
Compensation of employees	15 600	18 223	23 720	24 712	32 427	34 372	36 262
Goods and services	20 258	19 951	21 891	30 096	35 585	37 688	39 398
Depreciation	1 046	379	425	508	429	331	346
Interest, dividends and rent on land	88	117	149	184	216	249	283
Transfers and subsidies	355	383	406	430	455	480	504
Total expenses	37 347	39 053	46 591	55 929	69 112	73 121	76 793
Surplus / (Deficit)	2 676	4 278	5 226	–	900	955	1 000
Statement of financial position							
Carrying value of assets	2 358	2 151	1 955	2 407	52 478	52 247	52 001
<i>of which:</i>							
Acquisition of assets	109	176	249	960	50 500	100	100
Receivables and prepayments	728	991	1 557	800	1 500	1 550	1 600
Cash and cash equivalents	18 587	27 248	33 896	35 143	15 516	12 989	10 336
Total assets	21 673	30 390	37 408	38 350	69 494	66 786	63 937

Table 36.68 South African National Accreditation System (continued)

Statement of financial performance	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
Accumulated surplus / (deficit)	13 759	18 037	23 263	23 263	23 263	23 263	23 263
Borrowings	–	–	–	–	31 000	28 000	25 000
Finance lease	3 002	3 238	3 407	3 537	3 531	3 473	3 324
Deferred income	986	3 180	3 009	3 500	3 550	3 600	3 650
Trade and other payables	2 924	4 836	6 309	6 500	6 550	6 800	7 000
Provisions	1 002	1 099	1 420	1 550	1 600	1 650	1 700
Total equity and liabilities	21 673	30 390	37 408	38 350	69 494	66 786	63 937

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 derives 51 per cent of its revenue from fees charged to accredited facilities. Total revenue increased from R40 million in 2008/09 to R55.9 million in 2011/12, at an average annual rate of 11.8 per cent, and is expected to increase to R77.8 million over the medium term, at an average annual rate of 11.6 per cent. The increase in both periods is as a result of rapid growth in of the accreditation of facilities. The entity is expecting a 14 per cent increase in accreditation fees in 2012/13 due to new programmes. Once the new programmes are established, this income is predicted to stabilise over the medium term.

Expenditure increased from R37.3 million in 2008/09 to R55.9 million in 2011/12, at an average annual rate of 14.4 per cent. Over the medium term, expenditure is expected to increase to R76.8 million, at an average annual rate of 11.1 per cent, due to increases in compensation of employees and goods and services.

Personnel information

Table 36.69 South African National Accreditation System

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
<i>Executive board members</i>	1	1	–	1	1	1	1	1	1	1
<i>Executive management</i>	5	5	1	3	3	4	3	5	5	5
<i>Senior management</i>	15	15	2	13	13	13	13	15	15	15
<i>Professionals</i>	13	13	4	8	8	9	8	13	13	13
<i>Skilled</i>	35	35	9	16	23	26	25	35	35	35
<i>Semi-skilled</i>	1	1	–	1	1	1	1	1	1	1
	70	70	16	42	49	54	51	70	70	70
Compensation (R thousand)				15 600	18 223	23 720	24 712	32 427	34 372	36 262
Unit cost (R thousand)				371	372	439	485	463	491	518

1. As at 30 September 2011.

As at 30 September 2011, the entity had an approved and funded establishment of 70 posts. The number of posts filled increased from 42 in 2008/09 to 51 in 2011/12 and is expected to grow to 70 over the medium term. The growth in staff is due to the increase in demand for the entity's services, and supporting government's industrial development and health and safety projects.

As at 30 September 2011, there were 16 vacancies. The entity expects to fill these over the medium term. The ratio of support staff to line staff was 0.7:1 as at 30 September 2011.

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	2010/11		2010/11	2011/12			2011/12
Administration	530 777	507 266	479 989	543 711	115 575	659 286	641 586
International Trade and Economic Development	131 138	125 088	106 949	129 679	15 126	144 805	144 805
Broadening Participation	777 797	796 034	801 173	839 695	26 000	865 695	885 695
Industrial Development: Policy Development	1 052 122	1 132 961	1 142 033	1 266 895	44 152	1 311 047	1 369 747
Consumer and Corporate Regulation	191 531	195 531	145 021	231 671	(2 000)	229 671	231 671
Industrial Development: Incentive Administration	3 175 296	3 085 852	2 792 994	3 469 114	(148 252)	3 320 862	3 250 862
Trade and Investment South Africa	291 447	351 476	328 582	306 131	39 016	345 147	352 147
Total	6 150 108	6 194 208	5 796 741	6 786 896	89 617	6 876 513	6 876 513

Economic classification

Current payments	1 142 874	1 143 952	990 040	1 172 351	126 842	1 299 193	1 292 493
Compensation of employees	557 843	569 849	514 935	602 237	19 107	621 344	621 344
Goods and services	585 031	574 103	474 830	570 114	107 735	677 849	671 149
Interest and rent on land	-	-	275	-	-	-	-
Transfers and subsidies	4 992 556	5 032 762	4 789 206	5 600 414	(67 033)	5 533 381	5 551 081
Departmental agencies and accounts	844 109	859 609	838 980	969 125	35 000	1 004 125	1 026 125
Higher education institutions	4	2 298	14 793	4	3 500	3 504	3 504
Foreign governments and international organisations	37 584	39 084	36 642	34 668	5 752	40 420	40 420
Public corporations and private enterprises	4 095 914	4 096 296	3 859 334	4 581 917	(111 672)	4 470 245	4 458 945
Non-profit institutions	12 500	33 000	37 800	14 700	-	14 700	21 700
Households	2 445	2 475	1 657	-	387	387	387
Payments for capital assets	14 678	17 494	15 189	14 131	29 808	43 939	32 939
Machinery and equipment	10 665	12 964	12 875	9 873	15 442	25 315	14 315
Software and other intangible assets	4 013	4 530	2 314	4 258	14 366	18 624	18 624
Payments for financial assets	-	-	2 306	-	-	-	-
Total	6 150 108	6 194 208	5 796 741	6 786 896	89 617	6 876 513	6 876 513

Table 36.B Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Compensation of employees (R thousand)	383 077	437 710	514 935	621 344	693 995	768 624	795 321
Training expenditure (R thousand)	2 524	9 297	9 370	15 908	13 971	13 566	14 063
Training as percentage of compensation	0.7%	2.1%	1.8%	2.6%	2.0%	1.8%	1.8%
Total number trained in department (headcount)	-	1 627	-	-	-	-	-
<i>of which:</i>							
Employees receiving bursaries (headcount)	-	150	-	-	-	-	-
Learnerships trained (headcount)	-	10	-	-	-	-	-
Internships trained (headcount)	-	34	-	-	-	-	-
Households receiving bursaries (R thousand)	1 200	1 425	1 514	-	1 277	1 500	1 590
Households receiving bursaries (headcount)	-	42	-	-	-	-	-

Table 36.C Summary of departmental public private partnership projects

Project description: Department of Trade and Industry Campus project		Project annual unitary fee at time of contract	Budgeted expenditure	Medium-term expenditure estimate		
R thousand	2011/12			2012/13	2013/14	2014/15
Projects signed in terms of Treasury Regulation 16		–	156 304	171 527	180 961	190 155
Public private partnership unitary charge		–	155 932	171 136	180 548	189 655
Project monitoring cost		–	372	391	413	500
Total		–	156 304	171 527	180 961	190 155

Disclosure notes for projects signed in terms of Treasury Regulation 16

Project name	Department of Trade and Industry (dti) 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 public private partnership agreement was signed	1-Aug-03
Duration of public private partnership agreement	25 years
Escalation index for unitary fee	CPIX linked - July every year on anniversary
Variations and amendments to public private partnership 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 and 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.D Summary of departmental public private partnership projects

Project description: National Fleet project		Project annual unitary fee at time of contract	Budgeted expenditure	Medium-term expenditure estimate		
R thousand	2011/12			2012/13	2013/14	2014/15
Projects signed in terms of Treasury Regulation 16		–	3 796	4 005	4 225	5 000
Public private partnership unitary charge ¹		–	3 796	4 005	4 225	5 000
Total		–	3 796	4 005	4 225	5 000

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.

Disclosure notes for projects signed in terms of Treasury Regulation 16

Project name	Phavis fleet services
Brief description	Disclosure notes for this project can be viewed in the Puplic Private Partnership annexure table of the Department of Transport chapter

Table 36.E Summary of donor funding

Donor	Project	Departmental programme name	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Medium-term expenditure estimate			
							2008/09	2009/10	2010/11	Estimate 2011/12	2012/13	2013/14	2014/15
R thousand Foreign In cash													
European Union	Sector wide enterprise employment and equity programme	Industrial Development: Policy Development	2004 - 2009	450 000	Public corporations and private enterprises	Increase employment and facilitate greater social and economic equity and integration	197 816	-	33 307	30 000	-	-	-
European Union	Risk capital facility programme	Broadening Participation	2005 - 2013	450 000	Public corporations and private enterprises	Facilitate black economic empowerment in small medium enterprise sector	182 387	-	32 249	98 318	100 000	-	-
European Union	Employment creation, sector policy support to the economic cluster's programme of action (4 departmental projects implemented)	Broadening Participation	2009 - 2013	462 441	Public corporations and private enterprises	Create long term sustainable employment and contribute to the national target of halving unemployment and poverty by 2014	-	-	-	100 000	200 000	-	-
Department of International Development United Kingdom	Employment creation, sector policy support to the economic cluster's programme of action (3 departmental projects implemented)	Broadening Participation	2009 - 2013	56 772	Public corporations and private enterprises	Create long term sustainable employment and contribute to the national target of halving unemployment and poverty by 2014	-	-	40 399	10 000	6 373	-	-
Finland	Small medium micro enterprise development programme	Industrial Development: Policy Development	2009-2011	44 722	Departmental agencies and accounts	Support development of small medium micro enterprises through technical support by Small Enterprise Development Agency	-	18 598	2 699	-	-	-	-
Sweden	Economic development support	Industrial Development: Policy Development	2008-2009	37 183	Departmental agencies and accounts	Provide business linkages training and skills development for black economic empowerment, and programmes for women's empowerment	7 183	-	-	-	-	-	-

Table 36.E Summary of donor funding (continued)

Donor	Project	Departmental programme name	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
							2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
R thousand							42 000	54 982	-	42 000	-	-	-
In kind													
United States Agency for International Development	Economic growth support	Industrial Development: Policy Development	2008 - 2012	191 982	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	42 000	54 982	-	42 000	-	-	-
Total				1 693 100			429 386	73 580	108 654	280 318	306 373	-	-

Table 36.F Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate					
				2008/09	2009/10	2010/11		2012/13	2013/14	2014/15			
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	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	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	75 051	105 601	80 643	118 540	182 000	190 000	203 000	-	-	-
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	-	-	-	-	-
National Metrology Institute of South Africa infrastructure project	Laboratory and administrative buildings	Project	837 043	-	-	-	25 000	-	50 000	100 000	-	-	-
Total			11 211 509	967 506	1 407 286	1 224 337	852 402	839 876	678 195	303 000	-	-	-

National Treasury
BUDGET 2012
ESTIMATES OF NATIONAL EXPENDITURE

Private Bag X115, Pretoria, 0001, **Tel:** +27 12 395 6697, **Fax:** +27 12 315 5126



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA