

BUDGET 2013



ESTIMATES OF NATIONAL EXPENDITURE

VOTE 28: Economic Development



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Estimates of National Expenditure

2013

National Treasury

Republic of South Africa

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The Estimates of National Expenditure 2013 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 2013 Budget is set within the context of a prolonged and slow economic recovery globally and domestically; arising as an overhang from the global financial crisis of 2008, domestic structural constraints and recent supply side disruptions emanating from the mining sector. The fiscal stance underpinning this year's Budget balances support for the economy in the short term with the objective of rebuilding fiscal space in the medium to long term. This approach is informed by a growing belief that some of the slowdown in growth and revenue is in fact structural. Accordingly, strong measures have been instituted to contain government's consumption expenditure.

The 2012 medium term budget policy statement (MTBPS) presented an expenditure framework that kept the budget baselines for the first two years of the 2013 medium term expenditure framework (MTEF) unchanged since their publication in February 2012. Spending agencies had been advised to reprioritise spending within their baseline allocations to accommodate new priorities or the expansion of existing programmes. However, in response to the cumulative effects of the slowdown in growth and revenue, government has appropriately decided to reduce aggregate spending by R10.4 billion relative to the 2013 MTEF announced in the 2012 MTBPS. In addition, R52.1 billion has been shifted from within institutional baselines for reprioritisation to key government priority programmes. All of this has been done in a manner that does not compromise the attainment of the priorities set out in the MTBPS.

In guiding departments on how to approach the 2013 Budget, the Ministers' Committee on the Budget stated: 'In response to difficult global economic circumstances, we have expanded government's contribution to the economy. ... Financing this expansion at the same time as declining government income has meant a significant increase in borrowing. Since 2008/09, our stock of debt has more than doubled, and with it, the cost of servicing our debt has also accelerated. Higher borrowing and interest costs have meant that fiscal space is being eroded and our economy will have to finance a relatively larger government interest bill for many years. This means less money will be available for other purposes.' (2012 Medium Term Expenditure Framework Guidelines)

Indeed, departments and spending agencies do have to learn to do more with less. In the period ahead, improvements in outcomes have to come from qualitative improvements in the use of available budgets and other inputs. All institutions need to increase their efficiency and effectiveness in terms of service delivery, particularly in relation to infrastructure development. The National Development Plan 2030 sets out the planning framework for improving delivery in the public sector. The National Development Plan is the first long term plan for South Africa. Future budgets will therefore facilitate stronger alignment of institutional planning with the National Development Plan.

With our well established budgeting processes and practices, we have a good basis for the changes we need to make into the future in order to continue to ensure fiscal sustainability, while simultaneously increasing government performance in line with the expectations of South Africans. In the 2012 Open Budget Index Survey, conducted independently by the International Budget Partnership, South Africa was rated second out of the 100 countries participating in this assessment of budget transparency. South Africans can be proud of the comprehensiveness of the budget information that is available and should strive to make good use of the information in discussions with government regarding its policies and practices.

The expenditure estimates on the votes are the product of extensive consultative processes of policy review at the technical and executive level, designed to ensure the efficient allocation of public funds. These took place under difficult economic circumstances. I am grateful to our colleagues in national departments and agencies for their partnership, contributions and advice, during both the budget process and the finalisation of this publication. Special appreciation goes out to the team at National Treasury, who worked tirelessly to produce a document, the substance and quality of which are a source of great pride.



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. In pursuit of an ever-improving representation of information, many changes have been introduced in the 2013 ENE publications. In terms of the non-financial information, it is noted in these publications how vote activities are envisaged to align with the National Development Plan 2030 over the long term, and how they are contributing to government's 12 outcomes and other key service delivery goals. Performance information has been further emphasised and in the 2013 ENE publications forms an integral part of the discussion of the financial information in the expenditure trends section of every programme within each of the votes. The personnel information has also been disaggregated and moved to the programme level. This allows for a more holistic discussion of budget plans at the programme level and gives greater effect to South Africa's Programme Budgeting by function approach.

Essentially, performance, personnel and finances are discussed together in respect of the impact they have on the programme plans. The analyses of the average growth of different categories of personnel and expenditure over time, as well as the magnitude this represents relative to the total, are now shown in the publication tables. This makes the narrative in the text less cluttered and more specifically focused on performance and related discussions. Expenditure information is in addition now shown for selected subprogrammes by economic classification, together with tables showing personnel numbers according to salary level for these subprogrammes. Progress made on the implementation of key existing and new infrastructure projects is discussed with all infrastructure projects shown in an additional table.

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; 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.

Economic Development

**National Treasury
Republic of South Africa**



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Vote 28

Economic Development

Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	63.6	55.6	–	7.9	67.6	71.2
Economic Policy Development	25.5	25.5	–	–	27.2	28.7
Economic Planning and Coordination	663.8	51.2	612.6	–	638.4	866.6
Economic Development and Dialogue	18.6	18.6	–	–	19.7	20.9
Total expenditure estimates	771.5	151.0	612.6	7.9	752.9	987.4

Executive authority Minister of Economic Development

Accounting officer Director General of Economic Development

Website address www.economic.gov.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to province and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.

Aim

Promote economic development through participatory, coherent and coordinated economic policy and planning for the benefit of all South Africans.

Mandate

The Economic Development Department was established in 2009 and has assumed responsibilities relating to the creation of decent work through inclusive economic growth (outcome 4), including the implementation of the new growth path, which provides a policy package to facilitate the creation of employment.

The department is also responsible for five public entities, comprising three regulatory bodies and two development finance institutions. These are: the Competition Commission, the Competition Tribunal, the International Trade Administration Commission of South Africa, the Industrial Development Corporation of South Africa and the Small Enterprise Finance Agency.

In line with these responsibilities, the department administers the following legislation:

- the Industrial Development Act (1940)
- the Competition Act (1998)
- the International Trade Administration Act (2002).

Strategic goals

- The department's strategic goals over the medium term are to:
- implement the new growth path, which prioritises efforts to support employment creation in key infrastructure sectors
- oversee the policies of the Industrial Development Corporation of South Africa and the Small Enterprise Finance Agency
- promote competitiveness and decent work by overseeing the Competition Commission, the Competition Tribunal and the International Trade Administration Commission of South Africa

- promote and enhance the development of economic policy by working alongside other departments to ensure coordination that results in better employment outcomes, and further promote social dialogue and the implementation of the basic education accord, the national skills accord, the local procurement accord and the green economy accord.

Programme purposes

Programme 1: Administration

Purpose: Coordinate and render an effective, efficient, strategic support and administrative service to the minister, deputy minister, director general, the department and its agencies.

Programme 2: Economic Policy Development

Purpose: Strengthen the economic development capacity of government; review, develop and propose the alignment of economic policies; and develop policies aimed at broadening participation in the economy and creating decent work opportunities.

Programme 3: Economic Planning and Coordination

Purpose: Promote economic planning and coordination by developing economic planning proposals. Provide oversight and policy coordination of identified development finance institutions and economic regulatory bodies. Contribute to the development of the green economy.

Programme 4: Economic Development and Dialogue

Purpose: Promote social dialogue; implement strategic frameworks; build capacity among social partners; and promote productivity, entrepreneurship and innovation in the workplace.

Selected performance indicators

Table 28.1 Economic Development

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of technical instruments on economic development refined per year ¹	Economic Policy Development	Outcome 4: Decent employment through inclusive economic growth	- ¹	- ¹	- ¹	1	3	4	4
Number of platforms held to communicate and discuss issues related to the new growth path	Economic Policy Development		- ¹	1	4	4	4	4	4
Number of reports on the impact of new growth path on women, youth and rural people evaluated and improved per year ¹	Economic Policy Development		- ¹	- ¹	- ¹	4	3	1	1
Number of spatial economic plans produced and/or reviewed per year	Economic Planning and Coordination		- ¹	9	7	4	2	2	3
Number of economic development initiatives facilitated and unblocked per year	Economic Planning and Coordination		- ¹	4	9	15	18	20	22
Number of strategic integrated projects construction progress reviews per year	Economic Planning and Coordination		- ¹	- ¹	- ¹	30	60	60	60
Number of ministerial oversight engagements with the development finance institutions per year	Economic Planning and Coordination		- ¹	- ¹	6	6	6	6	6
Number of monitoring reports and strategies developed to improve implementation of accords per year	Economic Development and Dialogue		- ¹	- ¹	- ¹	- ¹	4	4	4
Number of capacity building projects for social partners on the new growth path per year	Economic Development and Dialogue		- ¹	11	- ²	10	8	8	8

1. This is a new indicator, as such historical information is not available.

2. This indicator was introduced in 2010/11. In 2011/12, the department did not measure this indicator due to a change in strategy, thus no data is provided.

The national development plan

The key objectives of the national development plan are to eliminate poverty and reduce inequality by 2030. The plan addresses the need to grow an inclusive economy, build capabilities, enhance the capacity of the state, and promote leadership and partnerships throughout society. By 2030, unemployment should fall from 24.9 per cent to 14 per cent, which will require an additional 11 million jobs, and the proportion of national income earned by the lowest earning 40 per cent should increase from 6 per cent to 10 per cent. To achieve this, the plan proposes accelerating progress by focusing on job creation across government and society, improving education, addressing regional inequality, reducing dependence on resources, and improving service delivery and governance.

The department's new growth path strategy is in alignment with these goals and aims to provide concrete programmes for growth, employment creation and equity in line with government's commitment to prioritise employment creation in its economic policies. The new growth path sets the department the principal target of creating 5 million jobs over the next 10 years by identifying strategies that will enable South Africa to grow in a more equitable and inclusive manner while achieving the developmental agenda. Central to this is a massive investment in infrastructure as a critical driver of jobs across the economy. Jobs will be created in five priority areas through a series of partnerships between the government and the private sector. Both the national development plan and the new growth path highlight the importance of creating jobs in the green economy and involving the agricultural; mining; manufacturing and tourism sectors. The new growth path also proposes to eliminate unnecessary red tape; improve competition in the economy and enhance skills development.

Expenditure estimates

Table 28.2 Economic Development

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
R million						2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2015/16
Administration	16.7	35.0	50.8	52.3	49.3	43.6%	7.8%	63.6	67.6	71.2	13.0%	8.0%
Economic Policy Development	-	6.6	12.5	18.5	13.5	-	1.7%	25.5	27.2	28.7	28.7%	3.0%
Economic Planning and Coordination	298.0	358.5	501.0	613.0	577.0	24.6%	89.3%	663.8	638.4	866.6	14.5%	86.9%
Economic Development and Dialogue	-	0.5	13.3	12.7	9.7	-	1.2%	18.6	19.7	20.9	28.9%	2.2%
Total	314.6	400.7	577.6	696.5	649.5	27.3%	100.0%	771.5	752.9	987.4	15.0%	100.0%
Change to 2012 Budget estimate				23.8	(23.2)			60.1	113.4	318.6		
Economic classification												
Current payments	14.2	39.9	88.3	161.3	114.3	100.4%	13.2%	151.0	160.6	169.5	14.0%	18.8%
Compensation of employees	7.9	25.2	48.3	63.9	51.2	86.7%	6.8%	98.0	104.4	110.7	29.3%	11.5%
Goods and services	6.3	14.7	40.0	97.5	63.2	115.1%	6.4%	53.0	56.2	58.8	-2.4%	7.3%
<i>of which:</i>												
Administration fees	-	0.1	0.1	0.5	0.5		0.0%	0.6	0.6	0.6	10.1%	0.1%
Advertising	0.2	0.4	0.3	1.5	1.5	112.9%	0.1%	1.7	1.8	1.9	8.2%	0.2%
Assets less than the capitalisation threshold	0.0	0.2	0.2	0.5	0.5	279.8%	0.0%	0.5	0.6	0.6	5.4%	0.1%
Audit cost: External	-	0.2	1.6	0.2	0.2		0.1%	1.6	1.7	1.8	99.5%	0.2%
Bursaries: Employees	-	-	0.0	0.1	0.1		0.0%	0.2	0.2	0.2	5.6%	0.0%
Catering: Departmental activities	0.1	0.5	0.7	0.6	0.6	77.3%	0.1%	0.6	0.7	0.7	5.4%	0.1%
Communication	0.2	0.8	1.8	0.6	0.6	42.3%	0.2%	0.6	0.6	0.6	5.2%	0.1%
Computer services	-	0.2	0.5	0.1	0.1		0.0%	0.1	0.1	0.1	5.3%	0.0%
Consultants and professional services: Business and advisory services	0.1	0.7	6.4	5.3	4.6	247.0%	0.6%	-	-	-	-100.0%	0.1%
Consultants and professional services: Legal costs	-	-	4.5	0.3	0.3		0.2%	3.3	3.5	3.6	131.0%	0.3%
Contractors	0.0	0.2	0.2	0.5	0.5	510.5%	0.0%	0.5	0.5	0.5	6.1%	0.1%

Table 28.2 Economic Development (continued)

Economic classification	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15			2015/16
R million													
Agency and support / outsourced services	0.0	0.1	0.4	0.1	0.1	69.8%	0.0%	0.2	0.2	0.2	5.6%	0.0%	
Entertainment	0.0	0.0	0.0	0.1	0.1	296.9%	0.0%	0.1	0.1	0.1	5.3%	0.0%	
Fleet services (including government motor transport)	-	0.1	0.5	-	-	-	0.0%	-	-	-	-	-	
Inventory: Other consumables	0.0	0.1	0.0	0.0	0.0	23.3%	0.0%	0.0	0.0	0.0	6.3%	0.0%	
Inventory: Stationery and printing	0.3	1.0	1.8	1.1	1.1	59.3%	0.2%	1.1	1.2	1.3	5.3%	0.1%	
Operating leases	1.6	1.0	2.8	4.4	4.4	39.2%	0.5%	4.9	5.3	5.5	7.8%	0.6%	
Property payments	-	0.0	1.4	-	-	-	0.1%	-	-	-	-	-	
Travel and subsistence	3.6	7.8	12.0	15.7	12.6	51.2%	1.9%	17.3	18.4	19.2	15.2%	2.1%	
Training and development	-	-	1.4	-	-	-	0.1%	-	-	-	-	-	
Operating payments	0.2	0.7	1.4	59.1	29.1	434.3%	1.6%	13.9	14.7	15.4	-19.1%	2.3%	
Venues and facilities	-	0.7	2.1	6.8	6.3	-	0.5%	5.7	6.1	6.4	0.3%	0.8%	
Transfers and subsidies	298.0	356.5	488.0	529.7	529.7	21.1%	86.1%	612.6	583.9	809.1	15.2%	80.2%	
Departmental agencies and accounts	154.7	195.6	245.4	356.4	356.4	32.1%	49.0%	381.6	291.3	306.7	-4.9%	42.3%	
Higher education institutions	-	4.8	5.5	2.3	2.3	-	0.6%	-	-	-	-100.0%	0.1%	
Public corporations and private enterprises	143.3	156.0	237.0	171.0	171.0	6.1%	36.4%	231.0	292.6	502.4	43.2%	37.9%	
Households	-	-	0.1	-	-	-	0.0%	-	-	-	-	-	
Payments for capital assets	2.4	4.3	1.3	5.5	5.5	31.2%	0.7%	7.9	8.4	8.8	16.8%	1.0%	
Machinery and equipment	2.4	4.3	1.2	4.0	4.0	18.0%	0.6%	6.3	6.7	7.0	20.6%	0.8%	
Software and other intangible assets	-	0.0	0.1	1.5	1.5	-	0.1%	1.6	1.7	1.8	5.3%	0.2%	
Total	314.6	400.7	577.6	696.5	649.5	27.3%	100.0%	771.5	752.9	987.4	15.0%	100.0%	

Personnel information

Table 28.3 Details of approved establishment and personnel numbers according to salary level¹

Post status as at 30 September 2012	Number and cost ² of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate ³			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12	Unit Cost	Cost	2012/13	Unit Cost	Cost	2013/14	Unit Cost	Cost	2014/15	Unit Cost	Cost			2015/16	Unit Cost	Cost
Economic Development			96	48.3	0.5	115	63.9	0.6	166	98.0	0.6	166	104.4	0.6	166	110.7	0.7	13.0%	100.0%
Salary level	142	-																	
1 - 6	14	-	19	3.6	0.2	22	5.0	0.2	19	4.0	0.2	19	4.2	0.2	19	4.6	0.2	-4.8%	12.9%
7 - 10	30	-	31	11.5	0.4	27	9.9	0.4	35	9.4	0.3	35	12.0	0.3	35	12.9	0.4	9.0%	21.5%
11 - 12	29	-	20	9.8	0.5	29	13.6	0.5	31	15.5	0.5	31	16.6	0.5	31	18.1	0.6	2.2%	19.9%
13 - 16	69	-	26	23.4	0.9	37	35.4	1.0	81	69.1	0.9	81	71.5	0.9	81	75.1	0.9	29.8%	45.7%

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

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

The spending focus over the medium term will be on promoting investment for economic development and trade competitiveness by increasing the provision of developmental finance, implementing and adjudicating competition policy more effectively, and creating an efficient system of international trade administration. These activities are performed mostly by the public entities over which the department exercises oversight and funds by way of transfer payments through the *Economic Planning and Coordination* programme. Over the medium term, the transfers include those for the capitalisation of the Small Enterprise Finance Agency, a new entity established in 2012, and for the economic stimulus provided through the economic competitiveness support package, which aims to broaden economic participation by financing the (SMME) sector.

Following the department's creation in 2009/10, spending on compensation of employees increased significantly between 2009/10 and 2012/13 in order to build the capacity to deliver on the mandate. Spending on goods and services also increased over this period due to additional funding of R30 million allocated in the 2012 budget for building capacity in competition regulation within the economy and in sectors supportive of economic growth and inclusivity. Funding was reprioritised from consultants and professional services to provide for the presidential infrastructure coordination commission and the development of a green economy strategy.

The 2013 Budget includes an additional allocation of R450 million over the medium term for the capitalisation of the Small Enterprise Finance Agency through the economic competitiveness support package. An additional allocation of R35.5 million over the MTEF period provides for improved conditions of service in public entities.

The department has a funded establishment of 142 posts, 27 of which were vacant as at 30 September 2012 due to a lack of sufficient office accommodation. Personnel numbers are expected to increase to 166 in 2013/14, thus the projected increase in spending on compensation of employees over the period. The ratio of support staff to line function staff is 1:1. The use of contract staff has diminished and will continue to do so over the medium term, as the department increases its operational capacity by recruiting appropriately skilled and experienced individuals at senior and middle management levels.

Departmental receipts

Table 28.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/total: Average (%)
	2009/10	2010/11	2011/12					2012/13				
R thousand												
Departmental receipts	456 000	547 237	592 904	580 380	580 380	8.4%	100.0%	786 679	826 800	867 313	14.3%	100.0%
Sales of goods and services produced by department	-	3	16	11	11	-	-	17	18	19	20.0%	-
Sales by market establishments	-	2	16	11	11	-	-	17	18	19	20.0%	-
of which:												
Rental: Parking	-	2	16	11	11	-	-	17	18	19	20.0%	-
Other sales	-	1	-	-	-	-	-	-	-	-	-	-
of which:												
Commission on insurance and garnishees	-	1	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	336 000	489 337	538 285	530 369	530 369	16.4%	87.0%	736 662	776 782	817 294	15.5%	93.5%
Interest, dividends and rent on land	120 000	57 897	50 263	50 000	50 000	-25.3%	12.8%	50 000	50 000	50 000	-	6.5%
Interest	-	7 897	263	-	-	-	0.4%	-	-	-	-	-
Dividends	120 000	50 000	50 000	50 000	50 000	-25.3%	12.4%	50 000	50 000	50 000	-	6.5%
of which:												
Industrial Development Corporation dividends	120 000	50 000	50 000	50 000	50 000	-25.3%	12.4%	50 000	50 000	50 000	-	6.5%
Transactions in financial assets and liabilities	-	-	4 340	-	-	-	0.2%	-	-	-	-	-
Total	456 000	547 237	592 904	580 380	580 380	8.4%	100.0%	786 679	826 800	867 313	14.3%	100.0%

Programme 1: Administration

Expenditure estimates

Table 28.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R thousand											
Ministry	16 653	23 947	18 355	19 500	5.4%	50.7%	22 397	23 836	25 207	8.9%	35.7%
Office of the Director-General	–	4 265	9 559	6 236	–	13.0%	9 615	10 182	10 725	19.8%	14.4%
General Management Services	–	6 832	22 908	26 564	–	36.4%	31 552	33 552	35 279	9.9%	49.9%
Total	16 653	35 044	50 822	52 300	46.4%	100.0%	63 564	67 570	71 211	10.8%	100.0%
Change to 2012 Budget estimate				(7 765)			222	323	71 211		

Economic classification

Current payments	14 214	30 711	49 390	46 794	48.8%	91.1%	55 645	59 177	62 432	10.1%	88.0%
Compensation of employees	7 865	16 839	27 897	29 534	55.4%	53.1%	34 313	36 547	38 760	9.5%	54.6%
Goods and services	6 349	13 872	21 493	17 260	39.6%	38.1%	21 332	22 630	23 672	11.1%	33.3%
of which:											
Administration fees	–	112	93	199	–	0.3%	210	222	232	5.2%	0.3%
Advertising	152	357	342	1 466	112.9%	1.5%	1 657	1 773	1 855	8.2%	2.7%
Assets less than the capitalisation threshold	9	172	154	464	272.2%	0.5%	490	519	542	5.3%	0.8%
Audit cost: External	–	236	1 572	221	–	1.3%	1 600	1 678	1 755	99.5%	2.1%
Bursaries: Employees	–	–	47	147	–	0.1%	156	165	173	5.6%	0.3%
Catering: Departmental activities	109	459	589	288	38.2%	0.9%	304	322	337	5.4%	0.5%
Communication	193	802	1 448	177	-2.8%	1.7%	187	198	207	5.4%	0.3%
Computer services	–	180	505	96	–	0.5%	101	107	112	5.3%	0.2%
Consultants and professional services: Business and advisory services	109	408	1 182	270	35.3%	1.3%	–	–	–	-100.0%	0.1%
Consultants and professional services: Infrastructure and planning	–	–	(7)	–	–	–	–	–	–	–	–
Consultants and professional services: Legal costs	–	–	(368)	295	–	–	3 311	3 477	3 637	131.0%	4.2%
Contractors	2	221	89	455	510.5%	0.5%	486	520	544	6.1%	0.8%
Agency and support / outsourced services	30	98	357	147	69.8%	0.4%	156	165	173	5.6%	0.3%
Entertainment	2	1	2	125	296.9%	0.1%	131	139	146	5.3%	0.2%
Fleet services (including government motor transport)	–	68	499	–	–	0.4%	–	–	–	–	–
Inventory: Learner and teacher support material	–	–	1	–	–	–	–	–	–	–	–
Inventory: Materials and supplies	–	47	10	–	–	–	–	–	–	–	–
Inventory: Medical supplies	–	–	1	–	–	–	–	–	–	–	–
Inventory: Medicine	–	–	1	–	–	–	–	–	–	–	–
Inventory: Other consumables	8	64	32	15	23.3%	0.1%	16	17	18	6.3%	–
Inventory: Stationery and printing	268	1 005	1 568	443	18.2%	2.1%	466	494	517	5.3%	0.8%
Operating leases	1 636	972	2 817	4 409	39.2%	6.4%	4 944	5 274	5 516	7.8%	7.9%
Property payments	–	17	1 388	–	–	0.9%	–	–	–	–	–
Travel and subsistence	3 640	7 392	6 793	5 101	11.9%	14.8%	5 380	5 702	5 964	5.3%	8.7%
Training and development	–	–	360	–	–	0.2%	–	–	–	–	–
Operating payments	191	670	1 299	1 268	87.9%	2.2%	1 338	1 418	1 483	5.4%	2.2%
Venues and facilities	–	591	719	1 674	–	1.9%	399	440	461	-34.9%	1.2%
Transfers and subsidies	–	–	134	–	–	0.1%	–	–	–	–	–
Households	–	–	134	–	–	0.1%	–	–	–	–	–
Payments for capital assets	2 439	4 333	1 298	5 506	31.2%	8.8%	7 919	8 393	8 779	16.8%	12.0%
Machinery and equipment	2 439	4 332	1 150	4 005	18.0%	7.7%	6 335	6 715	7 024	20.6%	9.5%
Software and other intangible assets	–	1	148	1 501	–	1.1%	1 584	1 678	1 755	5.3%	2.6%
Total	16 653	35 044	50 822	52 300	46.4%	100.0%	63 564	67 570	71 211	10.8%	100.0%
Proportion of total programme expenditure to vote expenditure	5.3%	8.7%	8.8%	7.5%			8.2%	9.0%	7.2%		

Details of transfers and subsidies

Households											
Other transfers to households											
Current	–	–	134	–	–	0.1%	–	–	–	–	–
Households	–	–	134	–	–	0.1%	–	–	–	–	–

Subprogrammes

- *Growth Path and Creation of Decent Work* focuses on the ongoing review of policies to realise a growth path that addresses the economy's structural constraints, expands the industrial base and creates decent work opportunities. This included work on obtaining policy perspectives and participation on the national infrastructure plan. This subprogramme had a staff complement of 3 in 2012/13.
- *Economic Policy* evaluates macro and microeconomic policy tools used by government to promote the developmental agenda and improve the alignment, efficiency and impact of policy tools. In 2012/13, progress was made in the development of an economic development index with the identification of variables. Over the medium term, further work is required to define key uses and test applicability. This subprogramme had a staff complement of 2 in 2012/13.
- *Broad Based Black Economic Empowerment* aims to enable the meaningful participation of citizens in the economy by focusing on employment equity, staff training, preferential procurement, enterprise development and cooperative advancement. In 2012/13, proposals were developed to enhance incentives for employment creation; local procurement; and SMME support. This subprogramme had a staff complement of 5 in 2012/13.
- *Second Economy* develops policies that will create and sustain livelihoods and transform second economy activities into dynamic, competitive activities that are part of the economic mainstream and are included in the country's tax and other regulatory arrangements; ensures decent income for entrepreneurs and workers; and develops strategies for youth unemployment and the second economy. In 2012/13, progress was made on the finalisation of gender and youth employment policies. This subprogramme had a staff complement of 3 in 2012/13.

Expenditure estimates

Table 28.7 Economic Policy Development

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R thousand											
Growth Path and Creation of Decent Work	–	833	2 636	6 236	–	25.8%	7 778	8 277	8 756	12.0%	31.1%
Economic Policy	–	5 814	9 568	8 232	–	62.8%	10 710	11 396	12 052	13.5%	42.4%
Broad Based Black Economic Empowerment	–	–	294	3 317	–	9.6%	3 972	4 221	4 447	10.3%	16.0%
Second Economy	–	–	–	682	–	1.8%	3 089	3 283	3 458	71.8%	10.5%
Total	–	6 647	12 498	18 467	–	100.0%	25 549	27 177	28 713	15.8%	100.0%
Change to 2012 Budget estimate				(10 589)			(5 108)	(5 377)	28 713		
Economic classification											
Current payments	–	6 647	12 498	18 467	–	100.0%	25 549	27 177	28 713	15.8%	100.0%
Compensation of employees	–	6 502	8 076	11 274	–	68.7%	18 521	19 728	20 922	22.9%	70.5%
Goods and services	–	145	4 422	7 193	–	31.3%	7 028	7 449	7 791	2.7%	29.5%
of which:											
Administration fees	–	–	–	30	–	0.1%	95	100	105	51.8%	0.3%
Advertising	–	46	–	–	–	0.1%	–	–	–	–	–
Assets less than the capitalisation threshold	–	–	4	7	–	–	8	9	9	8.7%	–
Catering: Departmental activities	–	1	66	90	–	0.4%	96	101	106	5.6%	0.4%
Communication	–	–	78	106	–	0.5%	111	118	123	5.1%	0.5%
Consultants and professional services:	–	–	119	1 316	–	3.8%	–	–	–	-100.0%	1.3%
Business and advisory services											
Contractors	–	–	58	–	–	0.2%	–	–	–	–	–
Entertainment	–	–	1	–	–	–	–	–	–	–	–
Inventory: Stationery and printing	–	3	72	121	–	0.5%	127	134	140	5.0%	0.5%
Travel and subsistence	–	95	2 014	3 500	–	14.9%	4 273	4 530	4 739	10.6%	17.1%
Training and development	–	–	650	–	–	1.7%	–	–	–	–	–
Operating payments	–	–	161	993	–	3.1%	1 417	1 502	1 571	16.5%	5.5%
Venues and facilities	–	–	1 199	1 030	–	5.9%	901	955	998	-1.0%	3.9%
Total	–	6 647	12 498	18 467	–	100.0%	25 549	27 177	28 713	15.8%	100.0%
Proportion of total programme expenditure to vote expenditure		1.7%	2.2%	2.7%			3.3%	3.6%	2.9%		

Personnel information

Table 28.8 Details of approved establishment and personnel numbers according to salary level¹

Post status as at 30 September 2012		Number and cost ² of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual 2011/12			Revised estimate ³ 2012/13			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	2013/14			2014/15			2015/16					
Economic Policy	Development	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2012/13 - 2015/16		
Salary level	21	–	9	8.1	0.9	13	11.3	0.9	24	18.5	0.8	24	19.7	0.8	24	20.9	0.9	22.7%	100.0%
7 – 10	4	–	3	0.6	0.2	3	2.2	0.7	4	1.7	0.4	4	2.0	0.5	4	2.3	0.6	10.1%	17.6%
11 – 12	3	–	4	3.3	0.8	7	4.7	0.7	2	1.0	0.5	2	1.2	0.6	2	1.4	0.7	-34.1%	15.3%
13 – 16	14	–	2	4.2	2.1	3	4.3	1.4	18	15.8	0.9	18	16.5	0.9	18	17.2	1.0	81.7%	67.1%

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

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

The spending focus over the medium term will be on reviewing policies in order to increase their efficacy and on developing policy tools that advance the developmental agenda of government. The bulk of spending will thus be in the *Growth Path and Creation of Decent Work* and the *Economic Policy* subprogrammes, and will go mostly towards compensation of employees.

Between 2009/10 and 2012/13, spending increased significantly in the *Economic Policy* subprogramme as the department developed its policy capacity, particularly with regard to the new growth path.

Over the medium term, significant increases in expenditure are expected in the *Second Economy* subprogramme to allow the department to promote strategies and policies that grow an inclusive economy, and advance economic activities to address youth unemployment. This includes developing the economic developmental index and holding consultations on the national infrastructure plan with key stakeholders. Funds will be reprioritised over the medium term from spending on consultants, and venues and facilities to spending on compensation of employees to provide for these activities.

The programme has a funded establishment of 21 posts, 8 of which were vacant at the end of September 2012. These vacancies were the result of office space constraints and the difficulty in attracting appropriately skilled staff. Personnel numbers are expected to increase to 24 in 2013/14.

Programme 3: Economic Planning and Coordination

Objectives

- Provide oversight and policy coordination of identified development finance institutions and economic regulatory bodies by reviewing annual reports, shareholder compacts, and corporate and budgetary plans of the institutions on an ongoing basis.
- Contribute to the development of the green economy by coordinating government and private sector stakeholders, and establishing a dedicated facility for the green economy promoted by the Industrial Development Corporation of South Africa over the medium term.

Subprogrammes

- *Spatial, Sector and Planning* focuses on developing and coordinating economic plans for South Africa, ensuring coherence between the state and state entities, safeguarding the consistency of the micro and macroeconomic plans, and supporting the development of spatial economic action plans for distressed areas. In 2012/13, the department supported spatial elements within the national infrastructure plan, with particular focus on the strategic integrated projects for rural development, and supported provinces and local governments on economic development and the implementation of the new growth path. This subprogramme had a staff complement of 12 in 2012/13.

- *Economic Development, Financing and Procurement* undertakes research and analysis on development programmes and processes, and budgeting and procurement; and identifies opportunities to improve local procurement and production to meet broader economic development goals. In 2012/13, the department supported getting mining licence applications approved and applications for section 12i tax incentives to boost skills development. This subprogramme had a staff complement of 3 in 2012/13.
- *Investment for Economic Development* provides policy oversight and strategic direction to the Industrial Development Corporation of South Africa, the Small Enterprise Finance Agency and provincial agencies; and provides information, analysis and options regarding mechanisms through which government may channel and direct public and private investment into economic development. This entails transfers to the above development finance institutions to facilitate the provision of development finance at concessionary rates. In 2011/12, the department, through the Industrial Development Corporation of South Africa, established the Agro-Processing Competitiveness Fund to boost competitiveness in the agro-processing sector. To date, more than R76 million has been committed for disbursement to 16 businesses and almost R53 million has been disbursed. This investment is expected to contribute to creating 891 jobs. This subprogramme had a staff complement of 5 in 2012/13.
- *Competitiveness and Trade for Decent Work* is discussed in more detail below.
- *Green Economy* identifies, develops and supports projects, incentives and other measures; and engages with government and non-governmental stakeholders to maximise the job creation potential of green economic activities. In 2012/13, an initiative by the department led to the Industrial Development Corporation of South Africa publishing a jobs report on the green economy, which resulted in the development of a jobs strategy. This subprogramme had a staff complement of 1 in 2012/13.

Expenditure estimates

Table 28.9 Economic Planning and Coordination

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R thousand											
Spatial, Sector and Planning	–	1 630	10 881	39 572	–	2.9%	24 469	26 029	27 459	-11.5%	4.2%
Economic Development, Financing and Procurement	–	172	7 402	3 885	–	0.6%	6 162	6 555	6 929	21.3%	0.8%
Investment for Economic Development	143 328	161 096	270 504	286 921	26.0%	48.7%	346 890	301 024	511 310	21.2%	52.0%
Competitiveness and Trade for Decent Work	154 664	195 629	212 226	282 627	22.3%	47.7%	281 493	299 680	315 614	3.7%	42.4%
Green Economy	–	–	–	–	–	–	4 779	5 082	5 316	–	0.5%
Total	297 992	358 527	501 013	613 005	27.2%	100.0%	663 793	638 370	866 628	12.2%	100.0%
Change to 2012 Budget estimate				47 543			65 584	119 083	866 628		

Economic classification

Current payments	–	2 067	21 148	83 340	–	6.0%	51 211	54 478	57 485	-11.6%	8.9%
Compensation of employees	–	1 367	9 348	16 219	–	1.5%	32 374	34 480	36 566	31.1%	4.3%
Goods and services	–	700	11 800	67 121	–	4.5%	18 837	19 998	20 919	-32.2%	4.6%
of which:											
Administration fees	–	–	–	234	–	–	257	272	285	6.8%	–
Assets less than the capitalisation threshold	–	–	2	22	–	–	24	25	26	5.7%	–
Catering: Departmental activities	–	–	14	214	–	–	226	239	250	5.3%	–
Communication	–	–	151	273	–	–	287	303	317	5.1%	–
Consultants and professional services:	–	292	5 099	2 947	–	0.5%	–	–	–	-100.0%	0.1%
Business and advisory services	–	–	–	–	–	–	–	–	–	–	–
Consultants and professional services:	–	–	4 850	–	–	0.3%	–	–	–	–	–
Legal costs	–	–	–	–	–	–	–	–	–	–	–
Contractors	–	–	30	–	–	–	–	–	–	–	–
Inventory: Materials and supplies	–	–	1	–	–	–	–	–	–	–	–
Inventory: Stationery and printing	–	–	44	369	–	–	389	412	431	5.3%	0.1%
Operating leases	–	–	25	–	–	–	–	–	–	–	–
Travel and subsistence	–	257	2 237	5 267	–	0.4%	5 555	5 889	6 160	5.4%	0.8%
Operating payments	–	–	(89)	56 070	–	3.2%	10 281	10 930	11 434	-41.1%	3.2%
Venues and facilities	–	151	(564)	1 725	–	0.1%	1 818	1 928	2 016	5.3%	0.3%
Transfers and subsidies	297 992	356 460	479 865	529 665	21.1%	94.0%	612 582	583 892	809 143	15.2%	91.1%
Departmental agencies and accounts	154 664	195 629	245 374	356 412	32.1%	53.8%	381 603	291 288	306 746	-4.9%	48.0%
Higher education institutions	–	4 820	5 510	2 280	–	0.7%	–	–	–	-100.0%	0.1%
Public corporations and private enterprises	143 328	156 011	228 981	170 973	6.1%	39.5%	230 979	292 604	502 397	43.2%	43.0%
Total	297 992	358 527	501 013	613 005	27.2%	100.0%	663 793	638 370	866 628	12.2%	100.0%
Proportion of total programme expenditure to vote expenditure	94.7%	89.5%	86.7%	88.0%			86.0%	84.8%	87.8%		

Table 28.9 Economic Planning and Coordination (continued)

R thousand	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2013/14	2014/15	2015/16			
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	154 664	195 629	245 374	356 412	32.1%	53.8%	381 603	291 288	306 746	-4.9%	48.0%
Competition Commission	80 739	117 661	126 595	157 211	24.9%	27.2%	176 888	188 127	198 045	8.0%	25.9%
Competition Tribunal	13 040	13 625	15 175	15 798	6.6%	3.3%	16 945	18 100	19 102	6.5%	2.5%
International Trade Administration Commission	60 885	64 343	69 604	74 403	6.9%	15.2%	79 770	85 061	89 599	6.4%	11.8%
Industrial Development Corporation of South Africa	-	-	34 000	109 000	-	8.1%	108 000	-	-	-100.0%	7.8%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	-	-	6 023	-	-	0.3%	-	-	-	-	-
South African Institute of Chartered Accountants	-	-	6 023	-	-	0.3%	-	-	-	-	-
Higher education institutions											
Current	-	4 820	5 510	2 280	-	0.7%	-	-	-	-100.0%	0.1%
University of the Witwatersrand: Economic development capacity building course	-	-	5 510	-	-	0.3%	-	-	-	-	-
University of Johannesburg: Academy for social economy	-	4 820	-	2 280	-	0.4%	-	-	-	-100.0%	0.1%
Public corporations and private enterprises											
Public corporations											
Public corporations - subsidies on products and production											
Current	143 328	156 011	222 958	170 973	6.1%	39.2%	230 979	292 604	502 397	43.2%	43.0%
Small Enterprise Finance Agency	143 328	156 011	222 958	170 973	6.1%	39.2%	230 979	292 604	502 397	43.2%	43.0%

Personnel information

Table 28.10 Details of approved establishment and personnel numbers according to salary level¹

Economic Planning and Coordination	Post status as at 30 September 2012		Number and cost ² of personnel posts filed / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate ³			Medium-term expenditure estimate						Average growth rate (%) 2012/13 - 2015/16	Salary level/total: Average (%)			
			2011/12	2012/13		2013/14		2014/15		2015/16									
Salary level	28	-	15	9.3	0.6	25	16.2	0.6	49	32.4	0.7	49	34.5	0.7	49	36.6	0.7	25.1%	100.0%
7 - 10	4	-	4	3.7	0.9	3	1.0	0.3	5	0.5	0.1	5	1.1	0.2	5	1.1	0.2	18.6%	10.5%
11 - 12	4	-	3	0.3	0.1	6	2.3	0.4	8	3.6	0.5	8	3.9	0.5	8	4.5	0.6	10.1%	17.4%
13 - 16	20	-	8	5.4	0.7	16	12.9	0.8	36	28.2	0.8	36	29.5	0.8	36	30.9	0.9	31.0%	72.1%

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

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

The spending focus over the medium term will be on strengthening the institutional capacity of the competition bodies, development finance institutions and trade administration entity for which the department has an oversight responsibility. This is in accordance with the department's strategic goal of driving inclusive growth and economic diversification as these entities contribute to economic competitiveness and increased economic participation. The funding of the competitive and trade administration bodies is transferred through the *Competitiveness and Trade for Decent Work* subprogramme and is discussed in the section that follows.

Between 2009/10 and 2012/13, expenditure increased in the *Investment for Economic Development* subprogramme due to transfers and subsidies to establishment and for the initial capitalisation of the Agro-Processing Competitiveness Fund. The fund gives support to new and non-dominant market players in line with the department objective of inclusive economic growth. To date, the fund has committed R76 million in disbursements, which are expected to result in job creation.

Over the medium term, spending in the *Investment for Economic Development* subprogramme is expected to increase further due to the capitalisation of the Small Enterprise Finance Agency, a subsidiary of the Industrial

Development Corporation. The agency expects to approve further financing for SMMEs to the value of R185 million over the MTEF period.

Spending will increase in the *Green Economy* subprogramme over the medium term due to funds of R4.8 million in 2013/14, R5.1 million in 2014/15 and R5.3 million in 2015/16 reprioritised from other subprogrammes to this subprogramme to enable it to implement its activities.

The programme has a funded establishment of 28 posts, 3 of which were vacant at the end of September 2012. These vacancies were a result of office space constraints. The department has a property plan in place in order to address this and is working on attracting appropriately skilled individuals.

Subprogramme: Competitiveness and Trade for Decent Work

This subprogramme provides policy oversight and strategic direction to the Competition Commission, Competition Tribunal and the International Trade Administration Commission. This entails reducing anti-competitive practices in the economy by investigating and prosecuting offenders in key sectors and exercising oversight over the implementation of competition and trade measures.

Expenditure estimates

Table 28.11 Competitiveness and Trade for Decent Work

Economic classification		Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
R thousand		2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	
Current payments		–	–	852	35 215	–	4.3%	7 890	8 392	8 868	-36.9%	5.1%
Compensation of employees		–	–	840	2 877	–	0.4%	5 753	6 127	6 498	31.2%	1.8%
Goods and services		–	–	12	32 338	–	3.8%	2 137	2 265	2 370	-58.2%	3.3%
<i>of which:</i>												
Administration fees		–	–	–	27	–	–	39	41	43	16.8%	–
Catering: Departmental activities		–	–	–	15	–	–	16	17	18	6.3%	–
Communication		–	–	–	52	–	–	54	57	60	4.9%	–
Consultants and professional services:		–	–	–	321	–	–	–	–	–	-100.0%	–
Business and advisory services		–	–	–	–	–	–	–	–	–	–	–
Inventory: Stationery and printing		–	–	–	66	–	–	70	74	77	5.3%	–
Travel and subsistence		–	–	12	1 437	–	0.2%	1 516	1 607	1 681	5.4%	0.5%
Operating payments		–	–	–	30 088	–	3.6%	92	98	103	-84.9%	2.6%
Venues and facilities		–	–	–	332	–	–	350	371	388	5.3%	0.1%
Transfers and subsidies		154 664	195 629	211 374	247 412	17.0%	95.7%	273 603	291 288	306 746	7.4%	94.9%
Departmental agencies and accounts		154 664	195 629	211 374	247 412	17.0%	95.7%	273 603	291 288	306 746	7.4%	94.9%
Total		154 664	195 629	212 226	282 627	22.3%	100.0%	281 493	299 680	315 614	3.7%	100.0%
Proportion of total subprogramme expenditure to programme expenditure		51.9%	54.6%	42.4%	46.1%			42.4%	46.9%	36.4%		

Personnel information

Table 28.12 Details of approved establishment and personnel numbers according to salary level¹

Post status as at 30 September 2012		Number and cost ² of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate ³			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2011/12			2012/13			2013/14			2014/15			2015/16					
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Competitiveness and Trade for Decent Work																			
Salary level	4	–	4	0.8	0.2	4	2.9	0.7	4	5.8	1.4	4	6.1	1.5	4	6.5	1.6	–	100.0%
	11 – 12	1	1	0.1	0.1	1	0.4	0.4	1	1.4	1.4	1	1.5	1.5	1	1.6	1.6	–	25.0%
	13 – 16	3	3	0.7	0.2	3	2.4	0.8	3	4.4	1.5	3	4.6	1.5	3	4.9	1.6	–	75.0%

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

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

The spending focus over the medium term will be on making transfers to the Competition Commission, Competition Tribunal and the International Trade Administration Commission in order to allow these bodies to deliver on their mandates. This is in line with the strategic focus of reducing anti-competitive practices in the economy by investigation and prosecuting offenders in key sectors deemed important for increasing economic participation.

Between 2009/10 and 2012/13, the transfers to the regulatory bodies increased significantly due to transfers to the Competition Commission to provide for the establishment of the cartels division and associated staffing costs. Over the medium term, spending on goods and services is expected to decline significantly due to the reprioritisation of spending on consultants and professional services, while spending on compensation of employees over the same period is expected to increase due to improved conditions of service.

The subprogramme has a funded establishment of 4 and no vacancies at the end of September 2012. Personnel numbers are expected to remain on this level over the medium term.

Programme 4: Economic Development and Dialogue

Objectives

- Promote dialogue among social partners by convening and participating in national social dialogue forums on economic development on an ongoing basis.
- Promote productivity and equity by facilitating ongoing social pacts with stakeholders.
- Mobilise society and government to agree on common socioeconomic goals by promoting dialogue, facilitating, monitoring and reporting on the implementation of framework agreements and social pacts on an ongoing basis.
- Enhance the understanding of government, society, the private sector and organised labour of the challenges and opportunities for economic development by hosting annual learning events over the medium term to showcase advances in economic development knowledge.
- Secure stakeholder partnerships for major government initiatives, such as the new growth path, by hosting an annual economic development conference over the MTEF period.

Subprogrammes

- *National Social Dialogue and Strategic Frameworks* contributes to social dialogue on economic development issues and policy development; and coordinates, monitors and ensures the development and implementation of action plans and framework agreements on various economic issues, such as the global economic crisis, as well as those that are envisaged, such as national economic development and decent work pacts. In 2011/12, the department facilitated and finalised 3 memorandums of understanding with trade unions to enhance implementation of the local procurement accord. In October 2012, the department coordinated preparation and finalisation of 2 additional social partner agreements, the presidential special package on issues to respond to economic challenges, and a memorandum of understanding on an infrastructure partnership between government, business, labour and community structures. This subprogramme had a staff complement of 7 in 2012/13.
- *Sector and Workplace Social Dialogue* promotes workplace and sector agreements and social pacts that address challenges of growth and development, job creation and retention, and productivity and innovation. In 2012/13, the department engaged with various stakeholders in the clothing, metals and tourism sectors to support the revitalisation of industry and the retention of jobs by facilitating interventions on illegal trade fairs in KwaZulu-Natal; funded Proudly South African's Buy Local campaign to raise awareness and hosted workshops on the local procurement accord with key industries and government partners in 7 provinces. This subprogramme had a staff complement of 1 in 2012/13.
- *Capacity Building for Economic Development* promotes and builds the research output and knowledge base of social partners in economic development sectors and issues relating to equity and productivity. This entails implementing appropriate mechanisms for empowerment. The department collaborated with the

South African Supplier Diversity Council to raise awareness within 40 companies of the local procurement accord, which resulted in a joint task team with business. In 2012/13, awareness was raised regarding the training lay-off scheme, and a distressed fund and local procurement accord was undertaken during the 5 productivity workshops. This subprogramme had a staff complement of 2 in 2012/13.

- *Productivity, Entrepreneurship, Innovation* develops a policy framework for increasing productivity and enhancing entrepreneurship and innovation. In 2012/13, the department, along with key stakeholders, held workshops on productivity to conceptualise it in the context of the new growth path. The workshops, which were held in 5 provinces, created awareness on productivity and gave participants an opportunity to share best practices and present case studies. This subprogramme had a staff complement of 1 in 2012/13.

Expenditure estimates

Table 28.13 Economic Development and Dialogue

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R thousand											
National Social Dialogue and Strategic Frameworks	-	16	5 264	10 444	-	59.4%	12 258	13 033	13 749	9.6%	68.8%
Sector and Workplace Social Dialogue	-	440	5	288	-	2.8%	621	659	690	33.8%	3.1%
Capacity Building for Economic Development	-	-	-	899	-	3.4%	3 109	3 312	3 512	57.5%	15.1%
Productivity, Entrepreneurship, Innovation	-	-	8 000	1 115	-	34.4%	2 572	2 739	2 899	37.5%	13.0%
Total	-	456	13 269	12 746	-	100.0%	18 560	19 743	20 850	17.8%	100.0%
Change to 2012 Budget estimate				(5 403)			(577)	(581)	20 850		

Economic classification

Current payments	-	456	5 270	12 746	-	69.8%	18 560	19 743	20 850	17.8%	100.0%
Compensation of employees	-	448	3 028	6 862	-	39.1%	12 796	13 631	14 456	28.2%	66.4%
Goods and services	-	8	2 242	5 884	-	30.7%	5 764	6 112	6 394	2.8%	33.6%
of which:											
Administration fees	-	-	-	22	-	0.1%	24	25	26	5.7%	0.1%
Assets less than the capitalisation threshold	-	-	33	-	-	0.1%	-	-	-	-	-
Catering: Departmental activities	-	-	14	15	-	0.1%	16	17	18	6.3%	0.1%
Communication	-	-	79	-	-	0.3%	-	-	-	-	-
Consultants and professional services: Business and advisory services	-	-	10	721	-	2.8%	-	-	-	-100.0%	1.0%
Inventory: Stationery and printing	-	-	125	150	-	1.0%	158	168	176	5.5%	0.9%
Operating leases	-	-	2	-	-	-	-	-	-	-	-
Travel and subsistence	-	8	927	1 806	-	10.4%	2 117	2 247	2 350	9.2%	11.8%
Training and development	-	-	343	-	-	1.3%	-	-	-	-	-
Operating payments	-	-	-	795	-	3.0%	838	888	929	5.3%	4.8%
Venues and facilities	-	-	709	2 375	-	11.7%	2 611	2 767	2 895	6.8%	14.8%
Transfers and subsidies	-	-	7 999	-	-	30.2%	-	-	-	-	-
Public corporations and private enterprises	-	-	8 000	-	-	30.2%	-	-	-	-	-
Households	-	-	(1)	-	-	-	-	-	-	-	-
Total	-	456	13 269	12 746	-	100.0%	18 560	19 743	20 850	17.8%	100.0%
Proportion of total programme expenditure to vote expenditure		0.1%	2.3%	1.8%			2.4%	2.6%	2.1%		

Details of transfers and subsidies

Households											
Other transfers to households											
Current	-	-	(1)	-	-	-	-	-	-	-	-
Households	-	-	(1)	-	-	-	-	-	-	-	-
Public corporations and private enterprises											
Private enterprises											
Private enterprises - subsidies on products and production											
Current	-	-	8 000	-	-	30.2%	-	-	-	-	-
Proudly South Africa	-	-	8 000	-	-	30.2%	-	-	-	-	-

Personnel information

Table 28.14 Details of approved establishment and personnel numbers according to salary level¹

Post status as at 30 September 2012		Number and cost ² of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual 2011/12			Revised estimate ³ 2012/13			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	2013/14		2014/15		2015/16							
Salary level																			
Economic Development and Dialogue	31	-	8	3.0	0.4	11	6.9	0.6	16	12.8	0.8	16	13.6	0.9	16	14.5	0.9	13.3%	100.0%
7 – 10	5	-	2	0.6	0.3	2	0.8	0.4	4	1.8	0.5	4	1.9	0.5	4	2.0	0.5	26.0%	23.7%
11 – 12	5	-	2	0.5	0.2	3	1.1	0.4	2	1.5	0.7	2	1.5	0.8	2	1.6	0.8	-12.6%	15.3%
13 – 16	21	-	4	2.0	0.5	6	4.9	0.8	10	9.5	1.0	10	10.2	1.0	10	10.8	1.1	18.6%	61.0%

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

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

The spending focus over the medium term will be on increasing the coordination of policies on economic development through the activities of the *National Social Dialogue and Strategic Frameworks* and *Capacity Building for Economic Development* subprogrammes. This is in line with the strategic goal of enhancing economic policy through coordination and the implementation of the procurement accords in these subprogrammes. The *Capacity Building for Economic Development* subprogramme is also the fastest growing over the medium term, mainly due to the expected increase in the staff required to conduct the activities effectively.

There were 20 vacancies in the programme as at 30 September 2012. The department is working towards recruiting the required highly skilled individuals in middle management.

Public entities and other agencies

Competition Commission

Mandate and goals

The Competition Commission is a statutory body constituted in terms of the Competition Act (1998). It is empowered to investigate, control and evaluate restrictive business practices including the abuse of dominant positions and mergers, and to promote the advocacy of competition issues to achieve equity and efficiency in the South African economy. The commission aims to achieve demonstrable competitive outcomes in the economy by increasing stakeholder engagements to improve the competitive environment for economic activity, and by building a high performance competition regulatory authority.

Selected performance indicators

Table 28.15 Competition Commission

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of merger cases registered per year	Mergers and acquisitions	180	216	228	287	248	248	248
Number of complaints received about prohibited practices per year ¹	Enforcements and exemptions	172	127	-	-	-	-	-
Number of prohibited vertical practices cases initiated per year	Enforcements and exemptions	31	31	18	20	4	4	4
Number of prohibited practices cases referred to the Competition Tribunal per year	Legal services	13	20	8	18	14	14	14
Number of economic research projects related to industrial organisation conducted on specific sectors per year ²	Policy and research	29	8	12	2	-	-	-
Number of market enquiries initiated per year ³	Policy and research	-	-	-	-	1	1	1
Number of guidelines issued to stakeholders per year ⁴	Legal services	-	2	5	5	1	1	1
Number of exemption evaluations completed per year ⁵	Enforcements and exemptions	-	-	2	3	3	3	3

Table 28.15 Competition Commission (continued)

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of corporate leniency applications completed per year ⁵	Cartel unit	-	-	12	18	5	5	5

1. The indicator was discontinued after the 2010/11.

2. The indicator will not continue after 2012/13.

3. The commission will initiate the first market inquiry in 2013/14, as defined in the Competition Amendment Bill when promulgated.

4. The indicator was introduced in 2010/11.

5. This indicator was introduced in 2011/12.

Programmes/activities/objectives

Table 28.16 Competition Commission

R thousand	Audited outcome			Revised estimate 2012/13	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
Mergers and acquisitions	12 043	13 043	12 529	15 764	9.4%	8.2%	11 986	17 624	19 004	6.4%	6.7%
Enforcements and exemptions	22 171	23 271	19 420	26 278	5.8%	14.1%	25 629	29 130	31 297	6.0%	11.8%
Cartel unit	6 176	6 806	18 745	23 685	56.5%	7.7%	21 269	24 283	23 994	0.4%	9.8%
Policy and research	17 278	18 678	24 248	28 179	17.7%	13.3%	27 683	34 483	36 420	8.9%	13.3%
Legal service	19 594	22 012	38 549	39 332	26.1%	17.6%	42 075	46 229	48 746	7.4%	18.5%
Advocacy and stakeholder relations	11 848	12 188	7 179	9 002	-8.7%	6.5%	13 602	13 435	14 213	16.4%	5.3%
Other objectives	39 564	45 106	58 176	76 987	24.8%	32.6%	86 496	78 986	84 846	3.3%	34.5%
Total expense	128 673	141 103	178 847	219 228	19.4%	100.0%	228 740	244 170	258 519	5.6%	100.0%

Expenditure estimates

Table 28.17 Competition Commission

Statement of financial performance	Audited outcome			Revised estimate 2012/13	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R thousand	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	
Revenue											
Non-tax revenue	32 553	40 339	54 356	62 017	24.0%	28.0%	51 851	56 042	60 474	-0.8%	24.3%
Sale of goods and services other than capital assets	30 380	37 955	50 770	58 699	24.6%	26.2%	49 260	52 517	56 765	-1.1%	22.9%
of which:											
Administrative fees	30 380	37 955	50 770	58 699	24.6%	26.2%	49 260	52 517	56 765	-1.1%	22.9%
Other non-tax revenue	2 173	2 384	3 586	3 317	15.1%	1.7%	2 591	3 525	3 709	3.8%	1.4%
Transfers received	80 739	122 531	126 725	157 211	24.9%	72.0%	176 888	188 127	198 045	8.0%	75.7%
Total revenue	113 292	162 870	181 081	219 228	24.6%	100.0%	228 739	244 169	258 519	5.6%	100.0%
Expenses											
Current expenses	128 673	141 103	178 847	219 227	19.4%	100.0%	228 740	244 169	258 519	5.6%	100.0%
Compensation of employees	71 557	82 496	101 523	126 964	21.1%	57.2%	140 376	149 993	160 804	8.2%	60.7%
Goods and services	54 456	55 566	72 949	87 852	17.3%	40.6%	83 952	89 527	92 871	1.9%	37.3%
Depreciation	2 432	2 886	4 295	4 332	21.2%	2.1%	4 332	4 569	4 763	3.2%	1.9%
Interest, dividends and rent on land	228	155	80	80	-29.5%	0.1%	80	80	80	-	0.0%
Total expenses	128 673	141 103	178 847	219 227	19.4%	100.0%	228 740	244 169	258 519	5.6%	100.0%
Surplus/(Deficit)	(15 381)	21 767	2 234	-	-100.0%		-	-	-	-	
Statement of financial position											
Carrying value of assets	6 837	7 518	5 112	14 692	29.0%	17.6%	11 539	8 011	4 240	-33.9%	18.3%
of which:											
Acquisition of assets	4 275	3 577	1 937	12 609	43.4%	11.5%	1 142	961	961	-57.6%	6.7%
Inventory	165	276	331	200	6.6%	0.5%	200	200	200	-	0.4%
Receivables and prepayments	652	323	61	918	12.1%	1.2%	1 181	1 335	1 442	16.2%	2.5%
Cash and cash equivalents	18 855	42 873	78 724	45 861	34.5%	80.8%	37 362	37 362	38 929	-5.3%	78.8%
Total assets	26 509	50 990	84 228	61 671	32.5%	100.0%	50 283	46 908	44 811	-10.1%	100.0%
Accumulated surplus/(deficit)	5 451	27 218	29 408	29 408	75.4%	39.1%	20 908	20 908	20 908	-10.7%	45.1%
Finance lease	2 036	1 239	165	2 000	-0.6%	3.4%	1 427	749	-	-100.0%	1.9%
Deferred income	5	150	-	-	-100.0%	0.1%	-	-	-	-	-
Trade and other payables	18 863	21 969	54 528	26 179	11.5%	55.4%	23 489	20 555	18 958	-10.2%	43.8%
Provisions	154	127	127	4 085	198.2%	1.9%	4 459	4 696	4 945	6.6%	9.1%
Derivatives financial instruments	-	287	-	-	-	0.1%	-	-	-	-	-
Total equity and liabilities	26 509	50 990	84 228	61 672	32.5%	100.0%	50 283	46 908	44 811	-10.1%	100.0%

Personnel information

Table 28.18 Competition Commission

Salary level	Post status estimated for 31 March 2013	Number of funded posts	Number of vacant posts	Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number				
				Actual 2011/12			Revised estimate 2012/13			Medium-term expenditure estimate						2012/13 - 2015/16	Average growth rate (%)	Salary level/ total: Average (%)		
				Number	Cost	Unit Cost	Number	Cost	Unit Cost	2013/14		2014/15		2015/16						
										Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost
	185	15		171	101.5	0.6	170	127.0	0.7	185	140.4	0.8	185	150.0	0.8	185	160.8	0.9	2.9%	100.0%
1 – 6	6	–		10	1.0	0.1	6	1.2	0.2	6	1.3	0.2	6	1.4	0.2	6	1.5	0.2	–	3.3%
11 – 12	43	3		40	10.0	0.3	40	13.1	0.3	43	14.6	0.3	43	15.8	0.4	43	16.6	0.4	2.4%	23.3%
13 – 16	136	12		121	90.5	0.7	124	112.7	0.9	136	124.5	0.9	136	132.8	1.0	136	142.7	1.0	3.1%	73.4%

1. Rand million.

Expenditure trends

The Competition Commission's revenue is generated mostly from transfers from the department and filing fees paid by external parties, mainly for merger and acquisition transactions.

The spending focus over the medium term will be on building enforcement capacity, as aligned with the strategic objective of increasing equity and efficiency in the economy.

Expenditure increased between 2009/10 and 2012/13 due to an increase in investigations arising from the commission's proactive approach to enforcement activities, as a result of improved planning and the prioritisation of its corporate leniency policy. This was a process that led to settlements with two key respondents in the cement cartel and a large number of leniency applications received in the construction fast-track settlement project. Investigations into the construction sector involved infrastructure developments in preparation for the 2010 FIFA World Cup and Gauteng freeway improvement project. The number of cases before the Competition Tribunal also increased, thus adding to the growth in case related costs for both litigation and economic expert testimony.

Over the medium term, expenditure is expected to increase further due to the criminalisation of cartels and envisaged market enquiries. Cartels were criminalised in terms of an amendment to the Competition Amendment Bill, which is expected to come into effect over the medium term. Market enquiries are defined in the amendment to the act as a means of formal enquiry in respect of the general state of competition in a market for particular goods or services. The enquiry is expected to increase the commission's expenditure by R34.7 million to provide for the hiring of industry experts, the purchase of additional computer equipment, and to cover communication and travel and subsistence expenses.

In 2010/11, the commission recorded an operational surplus mainly because constraints in office space delayed the intended expansion of the establishment. Other savings were derived from legal fees and economic experts due to delays of hearings at the Competition Tribunal and the higher courts. The commission also recorded a surplus of R2.2 million in 2011/12 due to an increase in merger filing fees.

The commission has a funded establishment of 185 posts, 15 of which were vacant at the end of September 2012. These vacancies are mainly the result of constraints in office space, which the department will be addressing over the medium term. The commission plans to fill all vacancies in 2013/14. No consultants are used in fulfilling the operational mandate of the commission.

Competition Tribunal

Mandate and goals

The Competition Tribunal was established in 1999 in terms of the Competition Act (1998). All large corporate mergers and allegations of restrictive practices are brought before the tribunal by the Competition Commission and interested parties for adjudication. The tribunal may also hear appeals arising from certain decisions that the commission is empowered to make. The tribunal's strategic goals over the medium term include promoting and maintaining competition within South Africa by holding hearings and adjudicating matters, educating and

creating awareness among stakeholders on competition matters, and strengthening organisational capability and performance to deliver on the legislative mandate.

Selected performance indicators

Table 28.19 Competition Tribunal

Indicator	Programme/Activity/Objective	Past			Current	Projected		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Percentage of mergers set down within 10 business days per year	Adjudication	-	-	75%	75%	75%	75%	75%
Percentage of merger orders issued within 10 business days per year	Adjudication	-	-	98%	98%	98%	98%	98%
Percentage of merger reasons issued within 20 business days per year	Adjudication	-	-	56%	56%	57%	58%	58%
Percentage of opposed prohibited practices per year: Prehearing invite sent within 20 business days of close of pleadings	Adjudication	-	-	90%	90%	90%	90%	90%
Percentage of opposed prohibited practices per year: Orders and reasons issued within 60 business days of close of pleadings	Adjudication	-	-	80%	80%	80%	80%	80%
Percentage of consent orders issued within 20 business days per year	Adjudication	-	-	75%	75%	75%	75%	75%
Percentage of procedural matters: Orders issued within 20 business days per year	Adjudication	-	-	85%	85%	85%	85%	85%
Percentage of interim relief cases: Reasons issued within 20 business days	Adjudication	-	-	85%	85%	85%	85%	85%
Percentage of turnaround time for all reasons for decisions to be posted on website within 24 hours after release per year	Adjudication	-	-	97%	97%	97%	97%	97%
Number of copies of the Tribunal Tribune distributed per year	Education	-	-	3	3	3	3	3
Percentage of merger orders published in the Government Gazette within 20 days of final decision per year	Education	-	-	100%	100%	100%	100%	100%
Percentage of press releases issued to the media per year for:	Education							
- All final merger decisions		-	-	-	75%	75%	75%	75%
- Final prohibited practice cases		-	-	-	100%	100%	100%	100%
Percentage of conferences and training courses attended by tribunal staff and tribunal members per year	Organisational capability	-	-	75%	75%	75%	75%	75%
Percentage of satisfied customers from biannual survey results per year	Organisational capability	-	-	75%	-	75%	-	75%

1. New indicator so no performance information for these years.

2. No information for these years as survey is conducted every two years.

Programmes/activities/objectives

Table 28.20 Competition Tribunal

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
Personnel	10 009	11 056	-	-	-100.0%	27.5%	-	-	-	-	-
Training	1 407	1 222	-	-	-100.0%	3.5%	-	-	-	-	-
Professional services	4 707	5 439	-	-	-100.0%	13.2%	-	-	-	-	-
Administrative costs	1 819	1 799	7 322	9 623	74.2%	21.1%	9 932	10 889	10 667	3.5%	31.7%
Other facilities and capital	359	444	897	1 757	69.8%	3.6%	1 845	1 601	1 492	-5.3%	5.2%
Appeal court	-	-	402	669	-	1.0%	692	710	728	2.9%	2.2%
Promote and maintain competition within South Africa	-	-	13 517	14 402	-	27.2%	17 969	18 568	19 937	11.4%	54.3%
Educate and create awareness of competition matters to stake holders	-	-	538	596	-	1.1%	652	684	656	3.2%	2.0%
Strengthen the tribunal's organisational capability and performance	-	-	611	1 364	-	1.9%	1 493	1 421	1 739	8.4%	4.6%
Total expense	18 301	19 960	23 287	28 411	15.8%	100.0%	32 583	33 873	35 219	7.4%	100.0%

tribunal requested and budgeted for the appointment of an additional full time member with effect from 2012/13. Over the medium term, expenditure on compensation of employees and the goods and services is expected to increase, also due to providing capacity to handle projected increases in the caseload. The tribunal plans to increase the establishment to 31 in 2013/14.

The entity has a funded establishment of 29 posts and no vacancies at the end of September 2012. No consultants are used in fulfilling the operational mandate of the tribunal.

Industrial Development Corporation of South Africa

Mandate and goals

The Industrial Development Corporation of South Africa is a national development finance institution established in terms of the Industrial Development Act (1940) with the objective of leading industrial capacity development. This entails aligning its priorities with those identified in terms of government policies and programmes related to industrial development, including the new growth path and the industrial policy action plan. Through its support for the implementation of these policies, the corporation aims to facilitate the creation of sustainable employment opportunities, improve regional equity, create a more vibrant SMME sector, promote broad based black economic empowerment, introduce new entrepreneurs to the economy, and ensure environmentally sustainable growth.

Selected performance indicators

Table 28.23 Industrial Development Corporation of South Africa

Indicator	Programme/Activity	Past			Current	Projected		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Total value of funding approvals with agreements signed per year	Industrial capacity development	R9.4bn	R8.6bn	R16.4bn	R15bn	R15bn	R16bn	R20bn
Number of jobs expected to be created and saved in South Africa	Development impact	25 002	41 800	44 142	30 000	31 000	31 000	32 000
Impairments as a percentage of portfolio (at cost)	Financial sustainability and efficiency	16.3% (R5bn)	17.3% (R5.4bn)	18.2% (R5.8bn)	18%	18%	18%	18%

Programmes/activities/objectives

Table 28.24 Industrial Development Corporation of South Africa

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	
Operations	6 921 000	7 093 000	9 676 000	10 750 000	15.8%	99.3%	11 227 776	12 052 661	13 879 003	8.9%	98.8%
Small enterprise finance	-	-	-	311 026	-	0.7%	-	-	292 220	-2.1%	1.2%
Total expense	6 921 000	7 093 000	9 676 000	11 061 026	16.9%	100.0%	11 227 776	12 052 661	14 171 223	8.6%	100.0%

Expenditure estimates

Table 28.25 Industrial Development Corporation of South Africa

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	
Revenue											
Non-tax revenue	8 969 000	9 794 000	12 945 000	15 909 000	21.1%	99.0%	18 546 000	17 154 000	17 507 000	3.2%	98.0%
Sale of goods and services other than capital assets	4 197 000	5 376 000	6 150 000	6 250 000	14.2%	46.7%	6 500 000	6 750 000	7 000 000	3.8%	37.6%
of which:											
Administrative fees	238 000	276 000	349 000	-	-100.0%	2.0%	-	-	-	-	-
Other sales	3 959 000	5 100 000	5 801 000	6 250 000	16.4%	44.6%	6 500 000	6 750 000	7 000 000	3.8%	37.6%
Other non-tax revenue	4 772 000	4 418 000	6 795 000	9 659 000	26.5%	52.3%	12 046 000	10 404 000	10 507 000	2.8%	60.4%
Transfers received	-	-	34 000	279 973	-	0.5%	338 979	292 604	502 397	21.5%	2.0%
Total revenue	9 150 000	9 805 000	12 979 000	16 188 973	20.9%	100.0%	18 884 979	17 446 604	18 009 397	3.6%	100.0%

Table 28.25 Industrial Development Corporation of South Africa (continued)

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)			
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14			2014/15	2015/16	2012/13 - 2015/16
	R thousand													
Expenses	6 906 000	6 887 000	9 531 000	10 864 409	16.3%	98.4%	11 018 813	11 790 030	13 557 736	7.7%	97.5%			
Current expenses	1 465 000	1 449 000	1 636 000	1 898 591	9.0%	18.9%	1 919 860	2 136 285	2 537 983	10.2%	17.5%			
Compensation of employees	4 677 000	4 819 000	7 140 000	7 737 354	18.3%	69.8%	7 800 425	8 440 074	9 295 628	6.3%	68.8%			
Goods and services	236 000	273 000	309 000	355 464	14.6%	3.4%	383 528	446 109	524 125	13.8%	3.5%			
Depreciation	528 000	346 000	446 000	873 000	18.2%	6.3%	915 000	767 562	1 200 000	11.2%	7.7%			
Interest, dividends and rent on land	-	-	-	31 617	-	0.1%	55 464	210 631	69 487	30.0%	0.8%			
Transfers and subsidies	6 921 000	7 093 000	9 676 000	11 061 026	16.9%	100.0%	11 227 776	12 052 661	14 171 223	8.6%	100.0%			
Total expenses	6 921 000	7 093 000	9 676 000	11 061 026	16.9%	100.0%	11 227 776	12 052 661	14 171 223	8.6%	100.0%			
Surplus/(Deficit)	2 229 000	2 712 000	3 303 000	5 127 947	32.0%		7 657 203	5 393 943	3 838 175	-9.2%				
Statement of financial position														
Carrying value of assets	4 248 000	4 696 000	4 904 000	4 850 000	4.5%	4.4%	5 241 000	5 646 000	5 951 000	7.1%	3.8%			
of which:														
Acquisition of assets	1 231 000	1 199 000	837 000	715 213	-16.6%	1.0%	704 000	704 000	-	-100.0%	0.4%			
Investments	68 891 000	81 971 000	80 231 000	88 209 000	8.6%	74.5%	95 231 000	115 231 000	128 231 000	13.3%	73.7%			
Inventory	876 000	1 251 000	1 860 000	1 300 000	14.1%	1.2%	2 100 000	2 310 000	2 541 000	25.0%	1.4%			
Loans	10 374 000	12 053 000	15 978 000	22 382 000	29.2%	13.9%	23 500 000	25 000 000	27 500 000	7.1%	17.2%			
Receivables and prepayments	873 000	907 000	1 267 000	1 350 000	15.6%	1.0%	1 450 000	1 595 000	1 754 500	9.1%	1.1%			
Cash and cash equivalents	2 866 000	5 828 000	7 825 000	3 820 000	10.1%	4.7%	3 636 000	3 999 600	4 399 560	4.8%	2.8%			
Non-current assets held for sale	15 000	15 000	15 000	-	-100.0%	0.0%	-	-	-	-	-			
Taxation	484 000	75 000	143 000	120 000	-37.2%	0.2%	120 000	132 000	145 200	6.6%	0.1%			
Derivatives financial instruments	4 000	10 000	121 000	8 000	26.0%	0.0%	-	-	-	-100.0%	0.0%			
Total assets	88 631 000	106 806 000	112 344 000	122 039 000	11.3%	100.0%	131 278 000	153 913 600	170 522 260	11.8%	100.0%			
Accumulated surplus/(deficit)	28 352 000	31 003 000	34 290 000	35 489 000	7.8%	30.2%	37 719 000	1 179 200	8 186 475	-38.7%	15.8%			
Capital and reserves	51 203 000	62 065 000	57 903 000	66 289 000	9.0%	55.4%	55 320 000	103 425 800	106 144 725	17.0%	56.5%			
Borrowings	3 530 000	6 691 000	9 926 000	17 509 000	70.5%	8.4%	25 876 000	36 407 000	42 528 000	34.4%	20.7%			
Trade and other payables	1 268 000	1 544 000	2 286 000	2 200 000	20.2%	1.7%	2 286 000	2 514 600	2 766 060	7.9%	1.7%			
Taxation	3 803 000	5 029 000	7 290 000	-	-100.0%	3.9%	9 500 000	9 800 000	10 300 000	-	4.9%			
Provisions	405 000	415 000	473 000	495 000	6.9%	0.4%	520 000	530 000	540 000	2.9%	0.4%			
Managed funds (e.g. poverty alleviation fund)	-	48 000	57 000	57 000	-	0.0%	57 000	57 000	57 000	-	0.0%			
Derivatives financial instruments	70 000	11 000	5 000	-	-100.0%	0.0%	-	-	-	-	-			
Total equity and liabilities	88 631 000	106 806 000	112 230 000	122 039 000	11.3%	100.0%	131 278 000	153 913 600	170 522 260	11.8%	100.0%			

Personnel information

Table 28.26 Industrial Development Corporation of South Africa

Salary level	Post status estimated for 31 March 2013	Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number					
		Number of funded posts		Number of vacant posts																	Average growth rate (%)	Salary level/total: Average (%)
		Actual			Revised estimate			Medium-term expenditure estimate						2012/13 - 2015/16								
		2011/12		2012/13		2013/14		2014/15		2015/16												
Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost								
2 630	141	2 373	1 636.0	0.7	2 489	1 898.6	0.8	2 581	1 919.9	0.7	2 631	2 136.3	0.8	2 681	2 538.0	0.9	2.5%	100.0%				
7 - 10	15	-	11	4.0	0.4	15	4.4	0.3	16	4.9	0.3	16	5.4	0.3	16	5.9	0.4	2.2%	0.6%			
11 - 12	1 935	65	1 780	875.3	0.5	1 870	1 061.8	0.6	1 925	999.4	0.5	1 975	1 123.7	0.6	2 025	1 424.2	0.7	2.7%	75.1%			
13 - 16	358	34	323	323.0	1.0	324	355.3	1.1	350	390.9	1.1	350	430.0	1.2	350	472.9	1.4	2.6%	13.2%			
17 - 22	322	42	259	433.7	1.7	280	477.0	1.7	290	524.8	1.8	290	577.2	2.0	290	635.0	2.2	1.2%	11.1%			

1. Rand million.

Expenditure trends

The Industrial Development Corporation of South Africa generates revenue mainly from sales, interest and dividends. Over the medium term, revenue is expected to increase to R18 billion mainly caused by interest income as the corporation increases the levels of funding it provides to drive sector development.

The spending focus over the medium term will be on funding the manufacturing, green industries, mining and minerals beneficiation, and agro-processing and forestry value chain in support of the industrialisation efforts of the country. These investments are funded through new borrowings, repayments of existing loans, and disposal of existing investments as well as retained income.

Expenditure increased between 2009/10 and 2011/12, particularly in goods and services, due to an expanded focus on green industries. In 2011/12, the corporation implemented the leadership in industrial development strategy, which resulted in the establishment of a new green industries strategic business unit to facilitate the transition to a low carbon economy. The corporation has since acted as financier for 12 projects that received preferred bidder status during the first round of the renewable energy procurement programme. In partnership with Kreditanstalt für Wiederaufbau, a German development bank, the R500 million Green Energy Efficiency Fund was launched in 2011/12 to stimulate investments by local entrepreneurs focusing on energy efficiency and self-use renewable energy projects.

Over the medium term, expenditure on goods and services is expected to increase in order to support industry specific strategies, such as the development of a sustainable market for bioethanol and localised value addition and support for emerging black entrepreneurs within the food processing industry. Also contributing to the increase are planned collaborative efforts with other state owned companies, particularly Eskom and Transnet, to explore high impact localisation opportunities in the manufacturing of fabricated metal and transport equipment, support for early-stage development of junior mining and mineral beneficiation activities, and active participation in government's healthcare reform plans, which emphasise local procurement.

The corporation has a funded establishment of 2 630 posts, 141 of which were vacant at the end of September 2012. These vacancies are mainly a result of staff turnover and the length of time required to fill highly skilled positions. Over the medium term, the corporation plans to increase the establishment to 2 681 posts. The corporation's ratio of line to support staff is 1:1.3.

International Trade Administration Commission of South Africa

Mandate and goals

The International Trade Administration Commission of South Africa was established in terms of the International Trade Administration Act (2002). The commission is mandated to establish an efficient and effective system for the administration of international trade. In delivering on its mandate, the commission aligns its activities with the policy imperatives as set out in the new growth path, the industrial policy action plan 2, and South Africa's trade policy and strategy framework. This entails fostering economic growth and development, raising income levels and promoting investment and employment in South Africa and the Southern African Customs Union area by establishing an effective administration system for international trade. The commission conducts customs tariff investigations, offers trade remedies, and provides import and export control.

Given its expertise in trade instruments, product specific investigations, and the automotive production development programme in, the commission is positioned to make a valuable contribution to the implementation of trade and industrial policy. With regard to the new growth path, the commission will build capacity to monitor trade flows and to identify opportunities and threats. Tariff recommendations will be carefully designed to promote domestic manufacturing and job retention and creation; to enhance international competitiveness, and will be made conditional on a commitment by beneficiaries to performance measured against deliverables.

Selected performance indicators

Table 28.27 International Trade Administration Commission of South Africa

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of import rebates and drawback permits issued per year	Tariff investigations	766	763	831	650	750	800	750
Number of enforcement container inspections conducted per year	Import and export control	1 221	1 232	1 275	1 200	1 200	1 200	1 200
Number of import control permits issued per year	Import and export control	14 482	15 489	16 224	13 500	13 500	13 500	13 500
Number of export control permits issued per year	Import and export control	6 811	7 284	6 839	7 500	7 500	7 500	7 500
Number of duty credit certificates issued per year	Tariff investigations	1 427	920	374	250	-1	-1	-1
Number of onsite verifications each year for the motor industry development programme	Tariff investigations	227	334	339	240	240	240	240
Number of motor industry development programme certificates and permits per year	Tariff investigations	2 960	2 206	2 231	2 500	2 600	2 300	2 300
Number of tariff Investigations and reviews per year	Tariff investigations	34	47	60	51	50	48	44
Number of trade remedy investigations and reviews initiated per year	Trade remedies	14	7	7	15	15	15	15

1. The current motor industry development programme is in the process of being phased out and will be replaced in 2013 by the automotive production development programme, which will be in place until 2020.

Programme/activities/objectives

Table 28.28 International Trade Administration Commission of South Africa

	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
	R thousand										
Tariff investigations	12 531	18 159	16 483	18 253	13.4%	23.8%	19 148	19 989	21 371	5.4%	23.3%
Trade remedies	8 957	13 717	8 860	13 359	14.3%	16.3%	14 013	14 628	15 857	5.9%	17.1%
Import and export control	5 166	9 188	7 975	8 663	18.8%	11.3%	9 086	9 484	10 277	5.9%	11.1%
Business support	38 439	23 243	35 512	36 904	-1.3%	48.7%	39 683	42 376	45 339	7.1%	48.5%
Total expense	65 093	64 307	68 830	77 179	5.8%	100.0%	81 931	86 478	92 844	6.4%	100.0%

Expenditure estimates

Table 28.29 International Trade Administration Commission of South Africa

Statement of financial performance	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
	R thousand										
Revenue											
Non-tax revenue	5 941	1 413	2 132	2 776	-22.4%	4.4%	2 161	1 417	3 245	5.3%	2.8%
Sale of goods and services other than capital assets	-	-	-	21	-	0.0%	22	23	23	3.1%	0.0%
of which:											
Other sales	-	-	-	21	-	0.0%	22	23	23	3.1%	0.0%
Other non-tax revenue	5 941	1 413	2 132	2 755	-22.6%	4.4%	2 139	1 394	3 222	5.4%	2.8%
Transfers received	60 885	64 343	69 604	74 403	6.9%	95.6%	79 770	85 061	89 599	6.4%	97.2%
Total revenue	66 826	65 756	71 736	77 179	4.9%	100.0%	81 931	86 478	92 844	6.4%	100.0%
Expenses											
Current expenses	65 093	64 307	68 830	77 179	5.8%	100.0%	81 931	86 478	92 844	6.4%	100.0%
Compensation of employees	42 649	47 697	51 404	57 103	10.2%	72.1%	61 559	65 767	69 986	7.0%	75.1%
Goods and services	21 046	14 862	15 384	17 812	-5.4%	25.2%	18 150	18 376	20 760	5.2%	22.2%
Depreciation	1 343	1 703	1 883	2 106	16.2%	2.5%	2 089	2 193	1 952	-2.5%	2.5%
Interest, dividends and rent on land	55	45	159	158	42.2%	0.1%	133	142	146	-2.5%	0.2%
Total expenses	65 093	64 307	68 830	77 179	5.8%	100.0%	81 931	86 478	92 844	6.4%	100.0%
Surplus/(Deficit)	1 733	1 449	2 906	-	-100.0%	-	-	-	-	-	-
Carrying value of assets	3 691	3 046	2 109	5 515	14.3%	16.0%	5 807	6 092	6 372	4.9%	30.9%
of which:											
Acquisition of assets	3 489	1 089	963	5 425	15.9%	12.8%	1 125	650	-	-100.0%	9.9%
Inventory	51	48	46	120	33.0%	0.3%	126	133	139	5.0%	0.7%
Receivables and prepayments	97	332	1 117	247	36.6%	1.7%	260	273	285	4.9%	1.4%
Cash and cash equivalents	21 549	23 018	27 225	11 991	-17.7%	82.1%	12 627	13 245	13 855	4.9%	67.1%
Total assets	25 388	26 444	30 497	17 873	-11.0%	100.0%	18 820	19 743	20 651	4.9%	100.0%
Accumulated surplus/(deficit)	15 962	17 411	20 317	17 411	2.9%	73.2%	18 334	19 232	20 117	4.9%	97.4%
Capital and reserves	-	-	-	(11 589)	-	-16.2%	(12 203)	(12 801)	(13 390)	4.9%	-64.8%
Finance lease	171	603	699	1 232	93.1%	3.0%	1 297	1 361	1 423	4.9%	6.9%
Trade and other payables	4 104	2 862	4 070	6 216	14.8%	18.8%	6 545	6 866	7 182	4.9%	34.8%
Provisions	5 151	5 568	5 411	4 603	-3.7%	21.2%	4 847	5 085	5 318	4.9%	25.8%
Total equity and liabilities	25 388	26 444	30 497	17 873	-11.0%	100.0%	18 820	19 743	20 650	4.9%	100.0%

Personnel Information

Table 28.30 International Trade Administration Commission of South Africa

Salary level	Post status estimated for 31 March 2013	Number of funded posts	Number of vacant posts	Number and cost ¹ of personnel posts filled/planned for on funded establishment												Number				
				Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level: Average (%)			
				2011/12		Unit Cost	2012/13		Unit Cost	2013/14		Unit Cost	2014/15		Unit Cost			2015/16		2012/13 - 2015/16
				Number	Cost		Number	Cost		Number	Cost		Number	Cost		Number	Cost			
	130	-		128	51.4	0.4	130	57.1	0.4	131	61.6	0.5	131	65.8	0.5	131	70.0	0.5	0.3%	100.0%
1-6	18	-		17	2.3	0.1	18	2.3	0.1	18	2.5	0.1	18	2.6	0.1	18	2.8	0.2	-	13.8%
7-10	64	-		64	18.4	0.3	64	22.1	0.3	64	24.3	0.4	64	26.2	0.4	64	28.2	0.4	-	48.9%
11-12	33	-		33	17.7	0.5	33	19.1	0.6	33	20.3	0.6	33	21.5	0.7	33	22.7	0.7	-	25.2%
13-16	15	-		14	13.0	0.9	15	13.6	0.9	16	14.5	0.9	16	15.5	1.0	16	16.4	1.0	2.2%	12.0%

1. Rand million.

Expenditure trends

The International Trade Administration Commission of South Africa generates revenue mainly through transfers from the department. A small portion of revenue is generated in the form of interest on investments.

The spending focus over the medium term will be on supporting the delivery of the commission's strategic objective of improved trade conditions. In 2012/13, 13 500 imports permits and 7 500 export permits were estimated to be issued.

Over the medium term, spending on compensation of employees is expected to increase as a result of higher than budgeted improvements in public service salaries and the creation of the additional post of chief economist in 2012/13. Spending on travel and subsistence is also expected to increase as the commission is expected to participate in mandatory international conferences and meetings on trade administration and custom tariff investigations.

The commission has a funded establishment of 130 posts and no vacancies. The ratio of executive and business support staff to core staff is 1:2.9.

Small Enterprise Finance Agency

Mandate and Goals

The Small Enterprise Finance Agency was established in April 2012 and combines the operations of Khula Enterprise Finance, the South African Micro-Finance Apex Fund and the Industrial Development Corporation of South Africa's small business operations. The agency is a wholly owned subsidiary of the Industrial Development Corporation of South Africa and derives its mandate from the Industrial Development Act (1940), particularly the objectives in the act related to SMME development. The agency aims to increase access to and provision of finance to SMMEs to contribute to job creation. It currently provides funding to businesses through its retail, wholesale and credit guarantee products, as well as institutional support services aimed at strengthening the delivery and small business capacity of its partner financial institutions.

Selected performance indicators

Table 28.31 Small Enterprise Finance Agency

Indicator	Programme/ Activity/Objective	Current	Projections		
		2012/13	2013/14	2014/15	2015/16
Value of finance approved for small enterprises per year	Creating enabling environment for small medium micro enterprises to access retail finance and developmental impact	R111m	R222m	R280m	R378m
Value of finance approved for medium enterprises per year	Creating enabling environment for small medium micro enterprises to access retail finance and developmental impact	R 74m	R 148m	R 205m	R 210m
Value of finance disbursed to small enterprises per year	Creating enabling environment for small medium micro enterprises to access retail finance and developmental impact	R66.6m	R 222m	R 268m	R 338m
Value of finance disbursed to medium enterprises per year	Creating enabling environment for small medium micro enterprises to access retail finance and developmental impact	R51.8m	R 125.8m	R 187.9m	R 208.5m
Number of SMMEs financed per year	Creating enabling environment for small medium micro enterprises to access retail finance and developmental impact	292	951	1 166	1 456
Number of jobs created per year	Creating enabling environment for small medium micro enterprises to access retail finance and developmental impact	1 462	4 755	5 830	7 281
Value of finance approved per year for:	Increase product take up for wholesale lending and development impact				
- Business loans		R115m	R138m	R195m	R228m
- Credit indemnities		R90m	R90m	R90m	R90m
- Land reform empowerment facility		R50m	R55m	R60m	R65m
Value of finance disbursed per year for:	Increase product take up for wholesale lending and development impact				
- Business loans		R120m	R161.5m	R205.8m	R232.2m
- Credit indemnities (claims)		R 72m	R 72m	R 72m	R 72m
- Land reform empowerment facility		R68m	R 58m	R 63m	R 68m
Number of SMMEs financed per year	Increase product take up for wholesale lending and development impact	853	842	934	1 003
Number of jobs created per year	Increase product take up for wholesale lending and development impact	4 267	5 894	6 540	7 021
Value of finance approved per year	Micro-finance wholesale	R120 m	R180m	R250m	R360m
Value of finance disbursed per year	Micro-finance wholesale	R72 m	R108 m	R150 m	R216m
Number of financial intermediaries financed per year	Micro-finance wholesale	32	32	54	54
Number of new survivalist and micro enterprises financed per year	Micro-finance wholesale	10 667	16 000	22 667	29 333
Number of jobs created (new survivalist and micro enterprises financed counted as new jobs created in micro-enterprise lending) per year	Micro-finance wholesale	10 667	16 000	22 667	29 333
Average number of days between application and approval/rejection	Micro-finance wholesale	60 days	50 days	50 days	50 days

Expenditure estimates

Table 28.32 Small Enterprise Finance Agency

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
	R thousand				2009/10 - 2012/13	2013/14 - 2015/16					
Revenue											
Non-tax revenue	-	-	-	140 946	-	-	189 357	255 613	345 580	34.8%	44.4%
Sale of goods and services other than capital assets	-	-	-	140 946	-	-	189 357	255 613	345 580	34.8%	44.4%
of which:											
Administrative fees	-	-	-	20 207	-	-	24 990	29 748	29 645	13.6%	5.3%
Sales by market establishment	-	-	-	120 739	-	-	164 367	225 865	315 935	37.8%	39.1%
Transfers received	-	-	-	170 080	-	-	230 979	292 604	502 397	43.5%	55.6%
Total revenue	-	-	-	311 026	-	-	420 336	548 217	847 977	39.7%	100.0%
Expenses											
Current expenses	-	-	-	252 499	-	-	306 645	340 055	377 205	14.3%	89.3%
Compensation of employees	-	-	-	78 591	-	-	84 845	90 703	97 027	7.3%	24.8%
Goods and services	-	-	-	170 444	-	-	218 128	245 460	276 053	17.4%	63.4%
Depreciation	-	-	-	3 464	-	-	3 672	3 892	4 125	6.0%	1.1%
Transfers and subsidies	-	-	-	24 000	-	-	36 000	48 000	48 000	26.0%	10.7%
Total expenses	-	-	-	276 499	-	-	342 645	388 055	425 205	15.4%	100.0%
Surplus/(Deficit)	-	-	-	34 527	-	-	77 691	160 162	422 772	130.5%	
Statement of financial position											
Carrying value of assets	-	-	-	318 110	-	-	369 081	422 561	446 178	11.9%	17.0%
of which:											
Acquisition of assets	-	-	-	15 546	-	-	18 459	22 160	22 160	12.5%	0.9%
Loans	-	-	-	907 100	-	-	1 336 053	1 858 726	2 495 328	40.1%	68.8%
Cash and cash equivalents	-	-	-	579 549	-	-	341 708	171 453	38 224	-59.6%	14.3%
Total assets	-	-	-	1 804 759	-	-	2 046 842	2 452 740	2 979 730	18.2%	100.0%
Accumulated surplus/(deficit)	-	-	-	327 889	-	-	267 052	230 671	118 498	-28.8%	11.1%
Capital and reserves	-	-	-	339 660	-	-	389 660	439 660	639 660	23.5%	19.3%
Capital reserve fund	-	-	-	774 462	-	-	774 462	774 462	774 462	-	34.6%
Borrowings	-	-	-	251 000	-	-	528 204	921 388	1 361 388	75.7%	30.7%
Trade and other payables	-	-	-	50 661	-	-	27 595	27 597	27 435	-18.5%	1.6%
Provisions	-	-	-	61 087	-	-	59 869	58 962	58 287	-1.6%	2.7%
Total equity and liabilities	-	-	-	1 804 759	-	-	2 046 842	2 452 740	2 979 730	18.2%	100.0%

Expenditure trends

The Small Enterprise Finance Agency generates revenue from transfers from the department, interest from loans and investments, and revenue generated from the property portfolio.

The spending focus over the medium term will be on providing wholesale financing through retail finance and micro-finance intermediaries. The entity will continue to act as an indemnifier of credit and will offer institutional support for funding programmes.

2012/13 was the first year of the agency's existence. As part of the merger agreement, the Industrial Development Corporation of South Africa will provide a shareholder's loan to the merged entity of R921 million over the medium term, allocated as follows: R251 million in 2012/13, R277 million in 2013/14 and R393 million in 2014/15. The loan agreement provides for a five-year moratorium on the repayment of the principal. Together with the allocation from the department over the medium term, the funds will be used to expand the loan portfolio to improving both supply factors, such as finance and technical support, together with finding ways to strengthen market opportunities for small enterprises. The entity's main cost driver is expenditure on compensation of employees, impairments and goods and services.

The entity has a funded establishment of 155 posts. There were 7 vacancies at the end of December 2012, as the entity is a recently established and is still building capacity in key areas of the organisation. The number of posts filled is expected to increase to 200 over the medium term.

Consultants were used during the preparatory stages of the merger, specifically in legal and finance: auditing.

Additional Tables

Table 28.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	2011/12		2011/12	2012/13			2012/13
Administration	55 031	56 331	50 822	60 065	(7 765)	52 300	49 300
Economic Policy Development	23 327	23 500	12 498	29 056	(10 589)	18 467	13 467
Economic Planning and Coordination	499 898	502 071	501 013	565 462	47 543	613 005	577 005
Economic Development and Dialogue	16 284	16 457	13 269	18 149	(5 403)	12 746	9 746
Total	594 540	598 359	577 602	672 732	23 786	696 518	649 518
Economic classification							
Current payments	123 222	125 041	88 306	141 769	19 578	161 347	114 347
Compensation of employees	79 200	79 719	48 349	91 616	(27 727)	63 889	51 189
Goods and services	44 022	45 322	39 957	50 153	47 305	97 458	63 158
Transfers and subsidies	464 823	466 823	487 998	523 457	6 208	529 665	529 665
Departmental agencies and accounts	301 911	301 911	245 374	354 477	1 935	356 412	356 412
Higher education institutions	–	2 000	5 510	–	2 280	2 280	2 280
Public corporations and private enterprises	162 912	162 912	236 981	168 980	1 993	170 973	170 973
Households	–	–	133	–	–	–	–
Payments for capital assets	6 495	6 495	1 298	7 506	(2 000)	5 506	5 506
Machinery and equipment	5 196	5 196	1 150	6 005	(2 000)	4 005	4 005
Software and other intangible assets	1 299	1 299	148	1 501	–	1 501	1 501
Total	594 540	598 359	577 602	672 732	23 786	696 518	649 518

Table 28.B Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
Compensation of employees (R thousand)	7 865	25 156	48 349	63 889	98 004	104 386	110 704
Training expenditure (R thousand)	–	–	–	918	980	1 043	1 107
Training spend as percentage of compensation				1.4%	1.0%	1.0%	1.0%

BUDGET 2013
ESTIMATES OF NATIONAL EXPENDITURE

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