

BUDGET 2013



ESTIMATES OF NATIONAL EXPENDITURE VOTE 36: Trade and Industry



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.

Trade and Industry

**National Treasury
Republic of South Africa**



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Vote 36

Trade and Industry

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	690.1	681.4	2.6	6.1	720.6	748.3
International Trade and Economic Development	138.6	97.7	40.4	0.6	150.7	156.9
Broadening Participation	968.3	106.7	861.0	0.6	1 004.0	1 054.9
Industrial Development: Policy Development	1 606.5	122.8	1 482.8	0.9	1 771.3	2 049.8
Consumer and Corporate Regulation	256.2	71.8	183.6	0.8	248.2	258.3
Incentive Development: Incentive Administration	5 543.1	175.4	5 358.2	9.5	5 645.7	6 704.1
Trade and Investment South Africa	369.7	237.6	130.6	1.5	417.4	432.4
Total expenditure estimates	9 572.6	1 493.3	8 059.3	20.0	9 958.0	11 404.7

Executive authority Minister of Trade and Industry
Accounting officer Director General of Trade and Industry
Website address www.thedti.gov.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces 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

Lead and facilitate access to sustainable economic activity and employment for all South Africans through the understanding of the economy, knowledge of economic opportunities and potential, and anticipation of future economic trends. Catalyse economic transformation and development and provide a predictable, competitive, equitable and socially responsible environment for investment, enterprise and trade for economic citizens. Contribute to achieving government's vision of an adaptive and restructured economy, characterised by accelerated economic growth, employment creation and greater equity.

Mandate

The department's mandate is derived from a wide legislative framework that includes, among others:

- the Companies Act (2008)
- the Manufacturing Development Act (1993)
- the Broad Based Black Economic Empowerment Act (2003)
- the Consumer Protection Act (2008)
- the National Small Enterprise Act (1996)
- the Small Business Development Act (1981)
- the Customs and Excise Act (1964).

Strategic goals

The department's strategic goals over the medium term are to:

- facilitate the transformation of the economy to promote industrial development, investment, competitiveness and employment creation
- build mutually beneficial regional and global relations to advance South Africa's trade, industrial policy and economic development objectives

- facilitate broad based economic participation through targeted interventions to achieve more inclusive growth
- create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner
- promote a professional, ethical, dynamic, competitive and customer focused working environment that ensures effective and efficient service delivery.

Programme purposes

Programme 1: Administration

Purpose: Provide strategic leadership to the department and its entities to ensure the successful implementation of the department's mandate through sustainable and integrated resource solutions and services that are customer driven including conducting research on industrial development, growth and equity.

Programme 2: International Trade and Economic Development

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

Programme 3: Broadening Participation

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

Programme 4: Industrial Development: Policy Development

Purpose: Design and implement policies, strategies and programmes to develop the manufacturing and related sectors of the economy. Contribute to the creation of decent jobs, add value to manufactured products and enhance competitiveness in the domestic and export markets.

Programme 5: Consumer and Corporate Regulation

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

Programme 6: Incentive Development

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

Programme 7: Trade and Investment South Africa

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

Selected performance indicators

Table 36.1 Trade and Industry

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 bilateral and regional trade and investment agreements signed per year	International Trade and Economic Development		12	12	12	12	12	12	12
Number of successful technical and business missions to foreign countries and companies undertaken per year	International Trade and Economic Development	Outcome 11: Create a better South Africa and contribute to a better and safer Africa in a better world	15	23	15	15	16	17	18
Number of government-to-government platforms per year	International Trade and Economic Development		18	18	18	18	20	22	24
Number of projects supported under the support programme for industrial innovation per year	Broadening Participation	Outcome 4: Decent employment through inclusive economic growth	100	110	52	20	20	25	25
Value of support for industrial innovation projects per year	Broadening Participation		R160m	R110m	R153m	R20m	R43m	R46m	R46m
Number of technology incubators supported per year	Broadening Participation		29	34	34	38	42	46	52
Number of technology transfer interventions supported per year	Broadening Participation		40	40	33	40	- ¹	- ¹	- ¹
Number of students supported by the technology and human resources for industry programme per year	Broadening Participation	Outcome 5: A skilled and capable workforce to support an inclusive growth path	2 500	2 000	1 339	2 200	1 350	1 350	1 400
Number of researchers supported by technology and human resources for industry programme per year ¹	Broadening Participation		750	798	850	700	700	700	750
Number of quarterly reports on industrial policy action plan tabled at ministers review meetings ²	Industrial Development: Policy Development	Outcome 4: Decent Employment Through Inclusive Economic Growth	-	4	4	4	4	4	4
Number of templates submitted to National Treasury for designation of sectors or sub-sectors ²	Industrial Development: Policy Development		-	-	5	3	2	2	2
Number of students enrolled in the tool-making apprenticeship programme per year ²	Industrial Development: Policy Development		-	-	650	420	385	200	120
Number of workers trained through the industrial skills upgrading programme per year ²	Industrial Development: Policy Development		-	-	262	200	220	250	300
Total number of projects implemented under the national industrial participation programme since inception ¹	Industrial Development: Policy Development		250	275	-	-	-	-	-
Total value of investment and export credits under the national industrial participation programme since inception ¹	Industrial Development: Policy Development		US\$14bn	US\$15.4bn	-	-	-	-	-
Total number of direct jobs created under the national industrial participation programme since inception ¹	Industrial Development: Policy Development		18 500	19 000	-	-	-	-	-
Number of companies financially assisted per year through:	Incentive Development: Incentive Administration								
- Export market and investment assistance			1 500	1 753	664	692	891	922	933
- Black business supplier development programme			1 600	1 104	1 086	283	1 560	1 872	2 246
- Enterprise development programme ¹		1 800	600	300	-	-	-	-	
- Enterprise investment programme		300	759	530	316	235	250	265	
- Cooperatives incentive scheme		220	232	115	290	375	431	490	
- Automotive incentive scheme ³		-	36	92	20	25	25	25	
Number of film and television productions assisted per year	Industrial Development: Incentive Administration	80	49	40	36	65	70	76	
Key performance indicators for the critical infrastructure programme: Number of new projects per year	Industrial Development: Incentive Administration	12	12	6	3	12	13	13	

Table 36.1 Trade and Industry (continued)

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 direct jobs facilitated per year:	Industrial Development: Incentive Administration	Outcome 4: Decent Employment Through Inclusive Economic Growth	1 025	15 018	6 875	6 024	4 200	4 500	4 800
- Enterprise investment programme - Business process services and off-shoring			2 340	806	800	2 583	4 000	6 000	8 000
Number of new incubators created per year ²	Broadening Participation		-	-	-	-	4	6	8
Number of small medium micro enterprise supported (incubation, quality and technology transfers) per year ²	Broadening Participation		-	-	-	295	842	842	850

1. The measurement of these indicators has been discontinued.

2. No past data, as these are new indicators.

3. No past data, as reporting on this indicator began in 2010/11.

The national development plan

The department's strategic goals are aligned with the key priorities of the national development plan and the new growth path. These goals include working to achieve economic growth, generate employment and create equity by expanding the employment base, addressing regional inequality, diversifying the economy, promoting investment and reducing dependence on resources. The plan recognises the importance of broadening opportunities for historically disadvantaged sectors of the population, supporting small and expanding businesses, and working on the regulatory environment to improve growth.

Some of the department's initiatives in this regard include:

- deepening and broadening industrial development through the activities set out in the industrial policy action plan, including the provision of targeted financial incentives
- diversifying exports and developing a new pool of exporters through integrated trade policy and export facilitation initiatives
- encouraging programmes to address constraints to investment by improving the business environment and supporting integrated spatial planning through the industrial development and special economic zones
- stimulating domestic opportunities by promoting local procurement by both government and the private sector, and providing a supportive regulatory environment for entrepreneurship, black economic empowerment and small business development.

Expenditure estimates

Table 36.2 Trade and Industry

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	2009/10 - 2012/13	2013/14		
R million												
Administration	443.2	480.0	639.4	697.2	700.3	16.5%	8.4%	690.1	720.6	748.3	2.2%	7.3%
International Trade and Economic Development	123.0	106.9	132.9	134.7	135.7	3.3%	1.9%	138.6	150.7	156.9	5.0%	1.5%
Broadening Participation	1 160.6	798.1	887.5	940.0	950.0	-6.5%	14.2%	968.3	1 004.0	1 054.9	3.6%	10.1%
Industrial Development: Policy Development	425.5	1 145.1	1 321.7	1 492.7	1 502.7	52.3%	16.4%	1 606.5	1 771.3	2 049.8	10.9%	17.7%
Consumer and Corporate Regulation	133.8	145.0	218.6	248.1	248.1	22.9%	2.8%	256.2	248.2	258.3	1.3%	2.6%
Incentive Development: Incentive Administration	3 338.2	2 793.0	3 283.5	4 560.9	4 450.9	10.1%	51.7%	5 543.1	5 645.7	6 704.1	14.6%	56.9%
Trade and Investment South Africa	299.0	328.6	317.4	277.5	317.5	2.0%	4.7%	369.7	417.4	432.4	10.8%	3.9%
Total	5 923.3	5 796.7	6 801.0	8 351.1	8 305.2	11.9%	100.0%	9 572.6	9 958.0	11 404.7	11.2%	100.0%
Change to 2012 Budget estimate				(741.0)	(786.8)			(779.8)	(1 160.1)	(224.9)		

Table 36.2 Trade and Industry (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		
R million	935.1	990.0	1 160.8	1 422.2	1 486.4	16.7%	17.0%	1 493.3	1 569.2	1 641.6	3.4%	15.8%
Current payments												
Compensation of employees	437.7	514.5	567.0	736.0	779.0	21.2%	8.6%	854.2	897.9	955.0	7.0%	8.9%
Goods and services	497.4	475.2	593.7	686.3	707.4	12.5%	8.5%	639.1	671.3	686.6	-1.0%	6.9%
of which:												
Administration fees	5.1	3.1	6.6	5.5	5.5	3.1%	0.1%	7.3	4.4	8.0	13.0%	0.1%
Advertising	15.5	14.3	32.1	38.3	38.3	35.3%	0.4%	31.2	34.6	33.3	-4.5%	0.4%
Assets less than the capitalisation threshold	0.9	0.8	0.5	1.0	1.0	3.9%	0.0%	0.9	1.0	1.1	2.3%	0.0%
Audit cost: External	7.6	8.6	8.6	8.3	8.3	2.6%	0.1%	8.9	7.6	9.1	3.3%	0.1%
Bursaries: Employees	1.1	1.4	2.4	1.4	1.4	9.7%	0.0%	2.1	1.6	1.6	4.8%	0.0%
Catering: Departmental activities	2.8	3.1	4.6	6.9	6.9	34.8%	0.1%	5.9	1.3	6.3	-3.0%	0.1%
Communication	18.7	11.6	10.9	13.4	13.4	-10.6%	0.2%	13.0	22.7	18.6	11.6%	0.2%
Computer services	14.5	14.0	17.6	24.4	24.4	19.0%	0.3%	22.5	20.1	19.1	-7.8%	0.2%
Consultants and professional services: Business and advisory services	39.8	40.3	47.3	79.1	79.1	25.8%	0.8%	73.8	81.9	86.4	3.0%	0.8%
Consultants and professional services: Laboratory services	-	-	-	-	-	-	-	0.5	-	-	-	0.0%
Consultants and professional services: Legal costs	26.8	11.3	16.5	13.3	13.3	-20.8%	0.3%	10.0	14.5	14.5	2.8%	0.1%
Contractors	8.3	7.5	19.4	29.5	29.5	52.5%	0.2%	14.4	18.1	19.2	-13.2%	0.2%
Agency and support / outsourced services	9.6	4.7	5.1	2.9	2.9	-32.6%	0.1%	3.2	3.8	6.1	27.4%	0.0%
Entertainment	1.0	1.1	1.1	4.2	4.2	60.9%	0.0%	1.6	2.0	2.4	-16.6%	0.0%
Fleet services (including government motor transport)	-	0.2	0.4	0.7	0.7	-	0.0%	0.7	0.7	0.7	-1.2%	0.0%
Inventory: Fuel, oil and gas	-	-	-	0.1	0.1	-	0.0%	0.3	0.3	0.3	35.9%	0.0%
Inventory: Learner and teacher support material	-	0.1	-	-	-	-	0.0%	-	-	-	-	-
Inventory: Materials and supplies	0.1	0.5	0.4	0.6	0.6	69.8%	0.0%	0.7	0.8	0.8	12.6%	0.0%
Inventory: Medicine	-	0.1	0.0	-	-	-	0.0%	-	-	-	-	-
Inventory: Other consumables	0.4	0.4	1.0	1.0	1.0	36.7%	0.0%	0.8	0.3	0.8	-7.3%	0.0%
Inventory: Stationery and printing	10.5	12.9	15.4	13.0	14.2	10.3%	0.2%	14.3	16.9	16.0	4.2%	0.2%
Operating leases	179.4	191.4	200.0	209.1	209.1	5.2%	2.9%	202.6	196.5	203.6	-0.9%	2.1%
Property payments	14.4	16.6	20.6	16.2	16.2	4.2%	0.3%	19.8	25.3	28.9	21.1%	0.2%
Transport provided: Departmental activity	-	-	-	0.1	0.1	-	0.0%	-	-	-	-100.0%	0.0%
Travel and subsistence	74.7	78.7	110.4	123.0	133.0	21.2%	1.5%	127.7	119.9	124.8	-2.1%	1.3%
Training and development	8.9	9.4	16.3	14.7	14.7	18.0%	0.2%	14.3	14.0	17.2	5.4%	0.2%
Operating payments	15.4	16.8	25.4	23.5	23.5	15.0%	0.3%	24.0	29.8	30.2	8.7%	0.3%
Venues and facilities	41.8	26.2	31.2	55.7	65.7	16.3%	0.6%	38.6	53.3	37.7	-16.9%	0.5%
Rental and hiring	-	-	-	0.5	0.5	-	0.0%	-	-	-	-100.0%	0.0%
Interest and rent on land	-	0.3	0.1	-	-	-	0.0%	-	-	-	-	-
Transfers and subsidies	4 961.9	4 789.2	5 568.1	6 862.9	6 752.9	10.8%	82.3%	8 059.3	8 368.2	9 742.4	13.0%	83.9%
Departmental agencies and accounts	1 200.9	839.0	1 058.6	1 126.2	1 126.2	-2.1%	15.7%	1 234.7	1 316.5	1 425.1	8.2%	13.0%
Higher education institutions	15.5	14.8	14.8	10.0	10.0	-13.6%	0.2%	12.8	15.8	12.5	7.6%	0.1%
Foreign governments and international organisations	31.4	36.6	40.2	36.4	36.4	5.1%	0.5%	39.7	37.8	31.3	-5.0%	0.4%
Public corporations and private enterprises	3 704.0	3 859.3	4 440.6	5 668.7	5 558.7	14.5%	65.5%	6 751.2	6 939.7	8 212.5	13.9%	70.0%
Non-profit institutions	7.6	37.8	10.1	17.9	17.9	33.1%	0.3%	18.9	56.8	59.4	49.2%	0.4%
Households	2.6	1.7	3.8	3.7	3.7	12.3%	0.0%	1.9	1.6	1.7	-23.1%	0.0%
Payments for capital assets	23.2	15.2	36.5	66.0	66.0	41.8%	0.5%	20.0	20.7	20.6	-32.1%	0.3%
Machinery and equipment	20.4	12.9	20.1	38.8	38.8	23.8%	0.3%	10.9	12.0	11.4	-33.6%	0.2%
Software and other intangible assets	2.7	2.3	16.4	27.2	27.2	115.4%	0.2%	9.2	8.7	9.3	-30.2%	0.1%
Payments for financial assets	3.2	2.3	35.6	-	-	-100.0%	0.2%	-	-	-	-	-
Total	5 923.3	5 796.7	6 801.0	8 351.1	8 305.2	11.9%	100.0%	9 572.6	9 958.0	11 404.7	11.2%	100.0%

Personnel information

Table 36.3 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			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		
Trade and Industry	1 486	141	1 328	567.0	0.4	1 567	779.0	0.5	1 764	854.2	0.5	1 763	897.9	0.5	1 794	955.0	0.5	4.6%	100.0%
Salary level																			
1 – 6	228	89	194	72.4	0.4	242	195.0	0.8	258	227.6	0.9	257	256.3	1.0	260	287.3	1.1	2.4%	14.8%
7 – 10	647	42	587	152.2	0.3	704	196.8	0.3	789	206.2	0.3	789	210.7	0.3	793	215.8	0.3	4.1%	44.6%
11 – 12	379	5	328	158.2	0.5	375	183.0	0.5	427	194.6	0.5	427	212.0	0.5	439	229.0	0.5	5.4%	24.2%
13 – 16	232	5	219	184.2	0.8	246	204.2	0.8	290	225.8	0.8	290	218.8	0.8	302	222.9	0.7	7.1%	16.4%

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 implementing policies, strategies, programmes and incentives to promote industrial development while broadening participation in the economy. These activities are carried out mostly through the *Incentive Development: Incentive Administration* and *Industrial Development: Policy Development* programmes, which use the bulk of the department's allocation over the medium term.

Spending in the *Industrial Development: Policy Development* programme grew significantly between 2009/10 and 2012/13 due to the introduction of the clothing and textile production incentive programme. Expenditure in the *Consumer and Corporate Regulation* programme also increased significantly over this period due to the establishment of new entities such as the National Consumer Commission, the Companies and Intellectual Property Commission, and the Companies Tribunal.

Over the medium term, spending in the *Incentive Development: Incentive Administration* programme is projected to increase significantly due to the introduction of the economic competitive support package. This also accounts for the projected increase in spending on transfers and subsidies over the medium term. The department receives additional allocations of R45 million in 2013/14, R59 million in 2014/15 and R84 million in 2015/16 for improved conditions of service in the department and its public entities.

The department has effected Cabinet approved budget reductions of R1.3 billion over the medium term. The reductions have been made mainly in spending on goods and services and transfers and subsidies, the details of which are discussed within each programme.

The department has a funded establishment of 1 486 posts and 141 posts additional to the establishment. There were 60 vacancies across all subprogrammes at the end of September 2012. The vacancies were mostly due to resignations and the difficulty in recruiting individuals with the necessary skills. Over the medium term, filled positions are expected to increase to 1 794 due to the expanded mandate of the department, which includes new incentive schemes and the introduction of new policies.

Spending on consultants and professional services is also expected to increase over the medium term. Consultants are used to provide legal services for incentive contracts and industrial research, and conduct incentive reviews. As the department was not able to recruit staff on a timely basis, it had to appoint contractors with the applicable expertise while the recruitment process was under way. Payments to contractors increased significantly between 2009/10 and 2012/13.

Infrastructure spending

The department's spending on infrastructure relates mainly to the industrial development zones and the critical infrastructure programme.

Mega project: Industrial development zones

44 investors have invested R2.9 billion in the industrial development zones since the inception of the programme in 2001 and over 38 071 jobs have been created. In addition, R8.5 billion was allocated to the Coega, East London and Richard's Bay industrial development zones between 2002/03 and 2012/13. R5.3 billion of this was transferred by the department and R3.2 billion was transferred by provincial governments. The department has allocated R438 million in 2013/14 to these three industrial development zones and is considering a new policy on special economic zones.

The **Coega industrial development zone** was designated in 2001 to attract private sector investment in export orientated industries in order to create jobs, promote the growth of domestic industries and boost growth through increased exports. Since inception, 13 private investors have relocated to the zone since inception and another 7 investors have been secured, contributing about R1.6 billion and potentially 125 new jobs. Coega is in discussions to bring aboard another 5 investors. The sectors at Coega include agro-processing, general manufacturing, business process services, energy, automotives and petrochemicals. The infrastructure programmes include road construction, earthworks, electricity, water, sewerage, factories and office buildings. The total project cost is R5.7 billion to date for the Coega industrial development zone and R308.2 million has been allocated in 2013/14 to fund investment promotion efforts, infrastructure development and bulk municipal infrastructure for Nelson Mandela Bay logistics park, the servicing of each zone, operations, water infrastructure, and the expansion of the electricity supplies to serve Kalagadi and PetroSA in the future. The allocations include allowances for bulk minerals and infrastructure planning.

The **East London industrial development zone** was designated in 2001. Its key focus sectors are: automotive, marine aquaculture, agro-processing (bio-fuels, food and timber), pharmaceuticals, ICT and electronics, business process services, and the automotive supplier park. The latter supports the main component suppliers for the Mercedes Benz C-class export programme. The total project cost is R1.8 billion for the East London industrial development zone to date and R100 million has been allocated in 2013/14.

23 investors have committed R1.1 billion to this industrial development zone since 2002. The investment has created 1 223 direct jobs and 10 383 construction jobs. The East London industrial development zone is set to attract another 8 investors over the medium term to secure R2.2 billion worth of investment with the potential to create 1 100 jobs. 3 new investors were secured in 2012/13, providing R74.5 million worth of investment with the potential to create 318 jobs. The projects planned for the future include the expansion of the automotive supplier park, a new e-coating facility, a shared warehousing facility and a multimodal original equipment manufacturer.

The **Richards Bay industrial development zone** is located in KwaZulu-Natal and is in the process of developing infrastructure to attract investors. Its key strategic industrial sectors include aluminium clustering, wood, chemicals and mineral beneficiation. In 2009/10 and 2010/11, the industrial development zone attracted investments worth R650 million. The total project cost is R672 million for the Richards Bay industrial development zone to date and R30 million has been allocated in 2012/13.

The **OR Tambo International Airport industrial development zone** was designated in 2002 and received an operator permit in 2010. The first phase of construction, which is scheduled to begin in 2013/14, is to take place on the 6.1 hectares of land leased from the Airports Company of South Africa on a 45 year lease. The bulk works of the jewellery manufacturing precinct will be the first phase the industrial development zone, with the capital expenditure over two years estimated at R578 million.

The **Saldanha Bay industrial development zone** is scheduled to be designated in March 2013. R8.5 million was spent in 2012/13 to finalise the business case for the application for designation. The capital requirements for infrastructure projects would include the water demand management programme, bulk sewerage, upgrading of the Saldanha waste water treatment system, public transport facilities, bulk water supply services, solid waste transfer systems, and internal engineering services for inside the industrial development zone area. Funding will be considered for these capital projects during the next budget process.

Large project: Critical infrastructure development programme

The critical infrastructure development programme is a cost sharing grant for projects designed to improve critical infrastructure in South Africa. The programme supports infrastructure projects in mining, tourism, manufacturing and services on a reimbursement basis. R486.7 million was spent on this programme between 2009/10 and 2012/13. R190 million, R203 million and R209 million is allocated over the medium term for

grants that subsidise qualifying development costs, from a minimum of 10 per cent to a maximum of 30 per cent, towards the total development costs for qualifying infrastructure projects. Over the medium term, the programme expects to provide financial support to a total 38 enterprises with an estimated investment value of R19 billion.

New building for the National Metrology Institute of South Africa

The project for a new building for the National Metrology Institute of South Africa, which is responsible for South Africa's internationally accepted measurement system, is currently at the feasibility study stage, for which R25 million was allocated in 2011/12. R50 million in 2013/14 and R100 million in 2014/15 has been allocated to complete the feasibility study and acquire new equipment.

Departmental receipts

Table 36.4 Receipts

R thousand	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	2013/14	2014/15		
Departmental receipts	52 570	35 630	78 707	92 410	92 410	20.7%	100.0%	89 205	96 631	102 777	3.6%	100.0%
Tax receipts	3 008	3 161	3 280	5 000	5 000	18.5%	5.6%	5 200	5 300	5 350	2.3%	5.5%
Sales of goods and services produced by department	-	213	350	400	400	-	0.4%	391	413	516	8.9%	0.5%
Sales by market establishments of which:	-	213	189	200	200	-	0.2%	125	127	215	2.4%	0.2%
Rental of parking	-	213	189	200	200	-	0.2%	125	127	215	2.4%	0.2%
Administration fees of which:	-	-	51	-	-	-	-	1	1	1	-	-
Request Info: to Access Information Act	-	-	51	-	-	-	-	1	1	1	-	-
Other sales of which:	-	-	110	200	200	-	0.1%	265	285	300	14.5%	0.3%
Commission on insurance and garnishee orders	-	-	110	200	200	-	0.1%	210	230	240	6.3%	0.2%
Academic Service: Registration Tuition & Exam fees	-	-	-	-	-	-	-	55	55	60	-	-
Sales of scrap, waste, arms and other used current goods of which:	-	-	-	-	-	-	-	1	1	1	-	-
Waste paper: Recycling of paper - Mondi	-	-	-	-	-	-	-	1	1	1	-	-
Fines, penalties and forfeits	-	14	189	10	10	-	0.1%	195	195	210	175.9%	0.2%
Interest, dividends and rent on land	1 950	513	20 470	25 000	25 000	134.0%	18.5%	25 032	26 000	26 500	2.0%	26.9%
Interest	1 950	513	20 470	25 000	25 000	134.0%	18.5%	25 032	26 000	26 500	2.0%	26.9%
Sales of capital assets	2	93	10	-	-	-100.0%	-	150	200	200	-	0.1%
Transactions in financial assets and liabilities	47 610	31 636	54 408	62 000	62 000	9.2%	75.4%	58 236	64 522	70 000	4.1%	66.9%
Total	52 570	35 630	78 707	92 410	92 410	20.7%	100.0%	89 205	96 631	102 777	3.6%	100.0%

Programme 1: Administration

Expenditure estimates

Table 36.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
Ministry	27 561	30 031	37 663	37 358	10.7%	5.9%	39 407	41 783	43 706	5.4%	5.7%
Office of the Director General	39 866	49 641	66 919	84 547	28.5%	10.7%	84 600	97 108	102 434	6.6%	12.9%
Corporate Services	293 006	313 247	376 673	409 602	11.8%	61.6%	372 476	394 479	408 415	-0.1%	55.5%
Office Accommodation	7 110	7 821	8 292	5 177	-10.0%	1.3%	9 187	9 738	10 186	25.3%	1.2%
Financial Management	32 568	35 075	69 769	49 197	14.7%	8.3%	95 508	80 396	81 971	18.6%	10.8%
Media Relations and Public Relations	3 490	4 622	4 558	10 984	46.5%	1.0%	14 089	18 283	19 124	20.3%	2.2%
Communications	39 602	39 552	75 502	100 314	36.3%	11.3%	74 812	78 848	82 475	-6.3%	11.8%
Total	443 203	479 989	639 376	697 179	16.3%	100.0%	690 079	720 635	748 311	2.4%	100.0%
Change to 2012 Budget estimate				88 437			(394)	(1 578)	(7 124)		

Table 36.5 Administration (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2009/10 - 2012/13	Expenditure/total: Average (%)	2013/14	2014/15	2015/16	2012/13 - 2015/16	Expenditure/total: Average (%)
R thousand											
Current payments	419 531	464 233	571 616	659 846	16.3%	93.6%	681 359	712 122	739 362	3.9%	97.8%
Compensation of employees	122 114	151 610	178 053	222 342	22.1%	29.8%	278 736	280 949	288 843	9.1%	37.5%
Goods and services	297 417	312 348	393 490	437 504	13.7%	63.8%	402 623	431 173	450 519	1.0%	60.3%
of which:											
Administration fees	3 222	2 281	5 743	4 432	11.2%	0.7%	5 982	2 989	6 611	14.3%	0.7%
Advertising	12 277	10 833	29 632	37 097	44.6%	4.0%	28 677	33 733	32 349	-4.5%	4.6%
Assets less than the capitalisation threshold	551	369	131	384	-11.3%	0.1%	423	467	473	7.2%	0.1%
Audit cost: External	7 639	8 641	8 591	8 257	2.6%	1.5%	8 933	7 575	9 093	3.3%	1.2%
Bursaries: Employees	1 078	1 353	2 398	1 424	9.7%	0.3%	2 100	1 566	1 638	4.8%	0.2%
Catering: Departmental activities	974	1 235	2 184	3 495	53.1%	0.3%	2 712	(1 869)	3 036	-4.6%	0.3%
Communication	14 412	7 100	6 633	7 240	-20.5%	1.6%	8 369	16 180	11 740	17.5%	1.5%
Computer services	13 457	12 276	16 631	19 651	13.5%	2.7%	17 903	17 951	18 368	-2.2%	2.6%
Consultants and professional services:	12 888	15 038	16 022	29 419	31.7%	3.2%	31 728	30 119	30 451	1.2%	4.3%
Business and advisory services											
Consultants and professional services: Infrastructure and planning	43	-	-	-	-100.0%	-	25	-	-	-	-
Consultants and professional services: Legal costs	2 675	5 541	10 043	1 745	-13.3%	0.9%	5 096	7 848	7 736	64.3%	0.8%
Contractors	5 506	4 982	16 346	24 244	63.9%	2.3%	11 756	15 312	16 104	-12.7%	2.4%
Agency and support / outsourced services	4 776	2 800	2 451	2 713	-17.2%	0.6%	2 846	3 406	5 617	27.5%	0.5%
Entertainment	29	16	43	2 795	358.5%	0.1%	428	472	464	-45.1%	0.1%
Fleet services (including government motor transport)	-	43	75	170	-	-	452	479	502	43.4%	0.1%
Inventory: Fuel, oil and gas	-	-	-	120	-	-	271	287	301	35.9%	-
Inventory: Learner and teacher support material	-	90	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	114	537	413	551	69.1%	0.1%	697	744	780	12.3%	0.1%
Inventory: Medical supplies	-	-	2	-	-	-	-	-	-	-	-
Inventory: Medicine	-	55	32	-	-	-	-	-	-	-	-
Inventory: Other consumables	176	298	710	174	-0.4%	0.1%	241	(295)	162	-2.4%	-
Inventory: Stationery and printing	5 145	7 579	8 827	5 699	3.5%	1.2%	6 219	8 397	7 245	8.3%	1.0%
Operating leases	165 847	175 304	182 361	198 153	6.1%	31.9%	178 911	184 745	191 102	-1.2%	26.4%
Property payments	13 441	15 431	19 335	15 372	4.6%	2.8%	18 672	23 982	25 114	17.8%	2.9%
Travel and subsistence	13 905	17 173	28 289	31 669	31.6%	4.0%	31 054	32 120	36 031	4.4%	4.6%
Training and development	8 921	8 717	15 975	13 551	15.0%	2.1%	14 209	13 965	15 879	5.4%	2.0%
Operating payments	4 840	8 084	9 583	9 107	23.5%	1.4%	11 381	16 547	15 032	18.2%	1.8%
Venues and facilities	5 501	6 572	11 040	20 042	53.9%	1.9%	13 538	14 453	14 691	-9.8%	2.2%
Interest and rent on land	-	275	73	-	-	-	-	-	-	-	-
Transfers and subsidies	2 751	3 549	7 012	3 471	8.1%	0.7%	2 580	2 314	2 423	-11.3%	0.4%
Public corporations and private enterprises	596	2 600	4 630	650	2.9%	0.4%	680	724	760	5.3%	0.1%
Households	2 155	949	2 382	2 821	9.4%	0.4%	1 900	1 590	1 663	-16.2%	0.3%
Payments for capital assets	18 319	9 923	25 973	33 862	22.7%	3.9%	6 140	6 199	6 526	-42.2%	1.8%
Machinery and equipment	16 603	7 653	13 522	30 805	22.9%	3.0%	4 985	5 988	6 305	-41.1%	1.7%
Software and other intangible assets	1 716	2 270	12 451	3 057	21.2%	0.9%	1 155	211	221	-58.3%	0.2%
Payments for financial assets	2 602	2 284	34 775	-	-100.0%	1.8%	-	-	-	-	-
Total	443 203	479 989	639 376	697 179	16.3%	100.0%	690 079	720 635	748 311	2.4%	100.0%
Proportion of total programme expenditure to vote expenditure	7.5%	8.3%	9.4%	8.3%			7.2%	7.2%	6.6%		

Details of transfers and subsidies

Households											
Other transfers to households											
Current	1 164	703	2 140	2 821	34.3%	0.3%	1 900	1 590	1 663	-16.2%	0.3%
Gifts, donations and sponsorships	351	144	232	100	-34.2%	-	-	-	-	-100.0%	-
Employee social benefits	-	-	491	144	-	-	-	-	-	-100.0%	-
Bursaries non-employees	813	559	1 417	2 577	46.9%	0.2%	1 900	1 590	1 663	-13.6%	0.3%
Households											
Social benefits											
Current	991	246	242	-	-100.0%	0.1%	-	-	-	-	-
Gifts, donations and sponsorships	214	246	-	-	-100.0%	-	-	-	-	-	-
Employee social benefits	777	-	242	-	-100.0%	-	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	596	2 600	4 630	650	2.9%	0.4%	680	724	760	5.3%	0.1%
Industrial Development Corporation: Fund for research into industrial development, growth and equity	596	2 600	4 630	650	2.9%	0.4%	680	724	760	5.3%	0.1%

Personnel information

Table 36.6 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					
Administration																			
Salary level	558	93	499	178.1	0.4	591	224.3	0.4	669	278.7	0.4	669	280.9	0.4	689	288.8	0.4	5.2%	100.0%
1 – 6	148	50	134	19.3	0.1	167	26.9	0.2	177	55.6	0.3	177	51.1	0.3	177	53.0	0.3	2.0%	26.7%
7 – 10	227	37	196	58.8	0.3	246	70.6	0.3	281	69.8	0.2	281	73.8	0.3	281	73.2	0.3	4.5%	41.6%
11 – 12	123	5	114	49.5	0.4	118	63.0	0.5	136	69.4	0.5	136	77.2	0.6	147	94.3	0.6	7.6%	20.5%
13 – 16	60	1	55	50.5	0.9	60	63.8	1.1	75	83.9	1.1	75	78.8	1.1	84	68.4	0.8	11.9%	11.2%

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 providing for the department's accommodation, human resource and strategic management, and marketing needs through the *Office of the Director-General, Corporate Services* and *Communications* subprogrammes.

Spending on compensation of employees increased significantly between 2009/10 and 2012/13 as former *Communications and Marketing* programme was shifted into this programme in the *Media Relations and Public Relations* and *Communications* subprogrammes in 2012/13 in order to better align the department's activities and programmes. Over the same period, spending in the *Office of the Director General* subprogramme increased significantly due to the creation of the strategic planning, internal audit, monitoring and evaluation, strategic and agency management, and economic research and policy units in 2010/11. The new units increased spending on compensation of employees, goods and services and machinery, and equipment for the additional staff.

Expenditure in the *Communications* and *Media Relations and Public Relations* subprogrammes also increased significantly over this period due to an increase in publications and media statements released regarding the activities and initiatives of the department. These increases will have a carry through effect over the medium term, with increased spending planned for several multimedia awareness campaigns for the department's projects and programmes.

The significant increase in spending on the *Financial Management* subprogramme over the medium term is due to an upgrade of the chief financial officer's position to that of a deputy director general, and the creation of a new chief directorate in the finance unit in order to address increased volumes of payments on incentive schemes and financial reporting requirements.

To give effect to the Cabinet approved budget reductions, the department has reduced spending on goods and services by R29.4 million over the medium term. The reductions have been effected in spending on items such as operating leases, external audit and computer services, and are not expected to adversely affect service delivery.

The programme has a funded establishment of 558 posts and 93 additional positions. There were 60 vacant posts at the end of September 2012, mostly as a result of natural attrition. The number of filled posts is expected to increase to 689 in 2015/16, as the department fills vacancies and creates additional positions in, among others, the *Financial Management* subprogramme. Consultants are used to provide specialist business advisory and legal services to senior management, because the department does not have these skills and expertise.

Programme 2: International Trade and Economic Development

Objectives

- Promote African economic integration and development at bilateral, regional and continental levels by:

- consolidating the Southern African Customs Union and Southern African Development Community (SADC) free trade area by 2014
- launching the SADC-East African community common market by 2014.
- Advance South Africa's trade, industrial policy and economic development objectives through cooperation with key economies in order to overcome the tariff and non-tariff barriers that inhibit South African value-added exports by 2014.
- Build national consensus around trade and investment policy, strategy and negotiation by strengthening research and national consultation as a basis for agreed national policy positions by 2014.

Subprogrammes

- *International Trade Development* facilitates bilateral and multilateral trade relations and agreements. In 2013/14, trade negotiations will be finalised with the European Union (EU) in terms of the economic partnership agreement, and with the South African Customs Union, India and the SADC. Transfer payments are made annually to the Organisation for the Prohibition of Chemical Weapons and Protechnik Laboratories, an Armaments Corporation of South Africa institute, as part of South Africa's contribution to international non-proliferation treaties and regimes, and the World Trade Organisation for membership fees. This subprogramme had a staff complement of 99 in 2012/13.
- *African Economic Development* facilitates bilateral and multilateral African trade relations aimed at deepening regional integration. Transfer payments are made quarterly to the Development Bank of Southern Africa for regional spatial development initiatives. R18.6 million is allocated to the bank in 2013/14. This subprogramme had a staff complement of 54 in 2012/13.

Expenditure estimates

Table 36.7 International Trade and Economic Development

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R thousand											
International Trade Development	80 159	63 595	72 892	83 909	1.5%	60.4%	85 640	93 242	96 626	4.8%	61.9%
African Economic Development	42 839	43 354	60 028	50 754	5.8%	39.6%	52 998	57 491	60 246	5.9%	38.1%
Total	122 998	106 949	132 920	134 663	3.1%	100.0%	138 638	150 733	156 872	5.2%	100.0%
Change to 2012 Budget estimate				1 201			834	882	128		
Economic classification											
Current payments	88 831	75 772	98 903	99 179	3.7%	72.9%	97 653	106 084	114 667	5.0%	71.9%
Compensation of employees	47 201	53 459	63 539	72 990	15.6%	47.7%	77 316	81 996	84 974	5.2%	54.6%
Goods and services	41 630	22 313	35 364	26 189	-14.3%	25.2%	20 337	24 088	29 693	4.3%	17.3%
of which:											
Administration fees	48	1	24	20	-25.3%	-	20	21	13	-13.4%	-
Advertising	212	208	522	-	-100.0%	0.2%	-	-	-	-	-
Assets less than the capitalisation threshold	-	15	41	52	-	-	40	42	55	1.9%	-
Catering: Departmental activities	172	83	158	340	25.5%	0.2%	430	441	426	7.8%	0.3%
Communication	992	876	1 028	1 759	21.0%	0.9%	1 135	1 179	1 434	-6.6%	0.9%
Computer services	14	-	-	-	-100.0%	-	-	-	39	-	-
Consultants and professional services:	1 300	894	495	1 590	6.9%	0.9%	600	666	2 168	10.9%	0.9%
Business and advisory services											
Consultants and professional services:	20 567	3 773	1 303	820	-65.8%	5.3%	-	-	1 103	10.4%	0.3%
Legal costs											
Contractors	92	81	1 078	184	26.0%	0.3%	50	53	337	22.4%	0.1%
Agency and support / outsourced services	10	58	-	-	-100.0%	-	-	-	-	-	-
Entertainment	5	8	7	47	111.0%	-	40	44	40	-5.2%	-
Fleet services (including government motor transport)	-	1	5	2	-	-	-	-	-	100.0%	-
Inventory: Materials and supplies	-	1	3	-	-	-	-	-	6	-	-
Inventory: Other consumables	63	2	-	206	48.4%	0.1%	4	4	4	-73.1%	-
Inventory: Stationery and printing	925	424	746	826	-3.7%	0.6%	796	844	1 024	7.4%	0.6%
Operating leases	63	77	75	89	12.2%	0.1%	-	-	190	28.8%	-
Property payments	-	30	19	16	-	-	4	4	20	7.7%	-
Travel and subsistence	15 573	14 645	24 510	17 939	4.8%	14.6%	15 597	20 248	20 126	3.9%	12.7%
Operating payments	155	144	434	251	17.4%	0.2%	237	171	565	31.1%	0.2%
Venues and facilities	1 439	992	4 916	1 548	2.5%	1.8%	1 384	371	2 143	11.5%	0.9%
Rental and hiring	-	-	-	500	-	0.1%	-	-	-	-100.0%	0.1%

Table 36.7 International Trade and Economic Development (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		
	2009/10	2010/11	2011/12		2012/13	2009/10	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	
R thousand												
Transfers and subsidies	33 594	30 636	33 310	34 904	1.3%	26.6%	40 435	43 768	41 409	5.9%	27.6%	
Foreign governments and international organisations	10 312	10 832	12 360	12 900	7.7%	9.3%	18 243	19 277	15 791	7.0%	11.4%	
Public corporations and private enterprises	23 282	19 747	20 840	21 900	-2.0%	17.2%	22 192	24 491	25 618	5.4%	16.2%	
Households	-	57	110	104	-	0.1%	-	-	-	-100.0%	-	
Payments for capital assets	573	541	707	580	0.4%	0.5%	550	881	796	11.1%	0.5%	
Machinery and equipment	573	541	707	580	0.4%	0.5%	550	881	759	9.4%	0.5%	
Software and other intangible assets	-	-	-	-	-	-	-	-	37	-	-	
Total	122 998	106 949	132 920	134 663	3.1%	100.0%	138 638	150 733	156 872	5.2%	100.0%	
Proportion of total programme expenditure to vote expenditure	2.1%	1.8%	2.0%	1.6%			1.4%	1.5%	1.4%			

Details of transfers and subsidies

Households											
Other transfers to households											
Current	-	-	85	-	-	-	-	-	-	-	-
Other transfers: Cash	-	-	85	-	-	-	-	-	-	-	-
Foreign governments and international organisations											
Current	10 312	10 832	12 360	12 900	7.7%	9.3%	18 243	19 277	15 791	7.0%	11.4%
Organisation for the Prohibition of Chemical Weapons	2 596	2 312	2 647	3 400	9.4%	2.2%	4 220	4 473	4 678	11.2%	2.9%
World Trade Organisation	7 716	8 520	9 713	9 500	7.2%	7.1%	10 023	10 624	11 113	5.4%	7.1%
Council for Geosciences	-	-	-	-	-	-	1 000	1 030	-	-	0.3%
Comprehensive Nuclear Test-Ban Treaty Organisation	-	-	-	-	-	-	3 000	3 150	-	-	1.1%
Households											
Social benefits											
Current	-	57	25	104	-	-	-	-	-	-100.0%	-
Employee social benefits	-	57	25	104	-	-	-	-	-	-100.0%	-
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	18 001	18 747	19 846	20 900	5.1%	15.6%	21 137	23 373	24 460	5.4%	15.5%
Protechnik Laboratories	2 130	2 247	2 346	2 400	4.1%	1.8%	2 532	2 684	2 797	5.2%	1.8%
Development Bank of Southern Africa: Regional spatial development initiative	15 871	16 500	17 500	18 500	5.2%	13.7%	18 605	20 689	21 663	5.4%	13.7%
Capital	5 281	1 000	994	1 000	-42.6%	1.7%	1 055	1 118	1 158	5.0%	0.7%
Protechnik Laboratories	5 281	1 000	994	1 000	-42.6%	1.7%	1 055	1 118	1 158	5.0%	0.7%

Personnel information**Table 36.8 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			Revised estimate ³			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16											
International Trade and Economic Development			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	148	1	141	63.5	0.5	153	74.0	0.5	153	77.3	0.5	153	82.0	0.5	153	85.0	0.6	-	100.0%
1 - 6	-	-	1	1.2	1.2	1	(6.0)	(6.0)	1	(2.8)	(2.8)	1	1.7	1.7	1	4.5	4.5	-	0.7%
7 - 10	57	1	63	13.7	0.2	69	22.7	0.3	69	22.7	0.3	69	22.7	0.3	69	22.7	0.3	-	45.1%
11 - 12	58	-	41	20.1	0.5	47	28.3	0.6	47	28.3	0.6	47	28.3	0.6	47	28.3	0.6	-	30.7%
13 - 16	33	-	36	28.5	0.8	36	29.1	0.8	36	29.2	0.8	36	29.4	0.8	36	29.5	0.8	-	23.5%

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 developing international trade relations and facilitating African economic development initiatives in order to build mutually beneficial regional and global relations to advance South Africa's trade, industrial policy and economic development objectives. This accounts for the significant spending on compensation of employees, travel and subsistence, and transfers to international organisations and public corporations over this period.

Spending on compensation of employees increased between 2009/10 and 2012/13 due to expanding personnel capacity in the programme to strengthen trade relations on the continent and globally. Over the medium term, expenditure on transfers is expected to increase due to additional payments for international trade development and the Comprehensive Nuclear Test-Ban Treaty Organisation.

In 2012/13, South Africa will host the fifth Brazil-Russia-India-China-South Africa (BRICS) group of countries summit in March 2013 in Durban. The summit will allow participants to work towards fostering stronger economic relations among the BRICS group of countries, resolving issues around inter-country trade, and championing cooperation and collaboration to advance the economic development agenda for developing countries.

To give effect to the Cabinet approved budget reductions, the department has reduced spending in this programme by R3.8 million over the medium term. These reductions have been effected in spending on compensation of employees, catering and entertainment, and are not expected to adversely affect service delivery.

The programme has a funded establishment of 148 posts and 1 post additional to the establishment. Consultants are used for specialised business and legal services due to shortages of relevant skills and expertise within the department.

Programme 3: Broadening Participation

Objectives

- Enhance economic growth and employment through fostering the growth of SMMEs and cooperatives by:
 - facilitating an increase in the number of SMMEs receiving business development support from the Small Enterprise Development Agency to 2 738 over the medium term and the creation of 1 976 new enterprises and 5 900 jobs over the period
 - assisting in the establishment of 1 026 small scale cooperatives to contribute to poverty reduction over the medium term
 - promoting entrepreneurship through the creation and support of centres of entrepreneurship, and increasing the number of centres over the medium term
 - supporting 70 industrial innovation projects and enabling 4 100 students to participate in the development of new technologies over the medium term
 - supporting the development of 15 industrial clusters in underdeveloped areas by 2016
 - strengthening the incubator programme to increase the number of incubators to 84 by 2016.
- Supporting 900 companies through the workplace challenge programme by:
 - developing the informal sector strategy over the medium term
 - implementing the youth enterprise development strategy by 2016.
- Strengthen the department's capacity to implement the Broad Based Black Economic Empowerment Act (2003) by, among other interventions, establishing the BEE Commission by 2013/14.

Subprogrammes

- *Enterprise Development* creates an enabling environment that is conducive to the development and growth of SMMEs and cooperative enterprises, and provides a broad range of business development support services. This entails making transfer payments to the Small Enterprise Development Agency, which provides non-financial business development and support services for small enterprises. R595 million was transferred in 2012/13. Over the medium term, the focus will be on technology and skills development programmes and promoting centres of entrepreneurship as part of improving the enabling environment for the development of SMMEs. This subprogramme had a staff complement of 37 in 2012/13.
- *Equity and Empowerment* promotes broad based black economic empowerment (BEE) and women empowerment. This entails making transfer payments to organisations that support entrepreneurial empowerment and transformation. In 2012/13, R7.9 million was transferred to the South African Women

Entrepreneurs' Network, which supports women's entrepreneurship through networking facilities. This subprogramme had a staff complement of 31 in 2012/13.

- *Regional Economic Development* promotes spatially balanced economic development and productivity improvements by developing policies, strategies and programmes that focus on underdeveloped regions. This entails making monthly transfer payments to the University of Johannesburg's capacity building programme for economic development. In 2012/13, R10 million was transferred. This subprogramme had a staff complement of 63 in 2012/13.

Expenditure estimates

Table 36.9 Broadening Participation

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	
R thousand											
Enterprise Development	657 651	732 170	816 799	847 882	8.8%	80.7%	876 088	904 625	947 712	3.8%	90.1%
Equity and Empowerment	461 601	39 547	35 970	38 475	-56.3%	15.2%	42 798	46 549	51 694	10.3%	4.5%
Regional Economic Development	41 349	26 360	34 744	53 623	9.1%	4.1%	49 421	52 779	55 451	1.1%	5.3%
Total	1 160 601	798 077	887 513	939 980	-6.8%	100.0%	968 307	1 003 953	1 054 857	3.9%	100.0%
Change to 2012 Budget estimate				60 089			39 945	18 365	23 932		
Economic classification											
Current payments	63 423	62 046	77 933	99 115	16.0%	8.0%	106 737	111 518	119 458	6.4%	11.0%
Compensation of employees	35 709	40 989	49 503	60 694	19.3%	4.9%	74 222	75 713	88 586	13.4%	7.5%
Goods and services	27 714	21 057	28 430	38 421	11.5%	3.1%	32 515	35 805	30 872	-7.0%	3.5%
of which:											
Administration fees	422	160	99	235	-17.7%	-	213	161	187	-7.3%	-
Advertising	848	869	17	109	-49.5%	-	114	5	128	5.5%	-
Assets less than the capitalisation threshold	5	16	16	56	123.7%	-	47	7	4	-58.5%	-
Catering: Departmental activities	784	510	352	560	-10.6%	0.1%	719	718	748	10.1%	0.1%
Communication	277	337	351	477	19.9%	-	493	607	534	3.8%	0.1%
Computer services	-	647	100	121	-	-	1 500	-	-	-100.0%	-
Consultants and professional services:	10 572	6 470	8 580	13 928	9.6%	1.0%	12 121	15 080	12 779	-2.8%	1.4%
Business and advisory services											
Consultants and professional services:	150	-	1 055	825	76.5%	0.1%	1 042	2 459	1 066	8.9%	0.1%
Legal costs											
Contractors	318	509	263	557	20.5%	-	585	620	651	5.3%	0.1%
Agency and support / outsourced services	3 043	419	1 956	111	-66.8%	0.1%	195	140	167	14.6%	-
Entertainment	4	4	5	21	73.8%	-	18	19	13	-14.8%	-
Fleet services (including government motor transport)	-	4	20	26	-	-	-	-	-	-100.0%	-
Inventory: Other consumables	6	10	6	7	5.3%	-	-	-	-	-100.0%	-
Inventory: Stationery and printing	459	722	741	971	28.4%	0.1%	888	1 030	978	0.2%	0.1%
Operating leases	86	166	124	335	57.3%	-	358	392	403	6.4%	-
Property payments	-	2	4	-	-	-	-	423	2 772	-	0.1%
Travel and subsistence	8 036	7 047	12 074	14 982	23.1%	1.1%	10 996	10 497	7 701	-19.9%	1.1%
Training and development	-	594	172	1 068	-	-	71	-	1 242	5.2%	0.1%
Operating payments	359	620	129	1 198	49.4%	0.1%	598	588	1 499	7.8%	0.1%
Venues and facilities	2 345	1 951	2 366	2 834	6.5%	0.3%	2 557	3 059	-	-100.0%	0.2%
Transfers and subsidies	1 096 766	735 528	808 740	839 903	-8.5%	91.9%	860 980	891 820	934 756	3.6%	88.9%
Departmental agencies and accounts	1 012 492	640 121	726 764	761 970	-9.0%	83.0%	772 952	799 393	842 394	3.4%	80.1%
Higher education institutions	11 500	-	-	10 001	-4.5%	0.6%	12 831	15 748	12 471	7.6%	1.3%
Public corporations and private enterprises	65 060	85 000	78 490	59 742	-2.8%	7.6%	66 862	67 844	70 650	5.7%	6.7%
Non-profit institutions	7 597	10 300	3 125	7 900	1.3%	0.8%	8 335	8 835	9 241	5.4%	0.9%
Households	117	107	361	290	35.3%	-	-	-	-	-100.0%	-
Payments for capital assets	412	503	840	962	32.7%	0.1%	590	615	643	-12.6%	0.1%
Machinery and equipment	412	503	840	962	32.7%	0.1%	590	615	643	-12.6%	0.1%
Total	1 160 601	798 077	887 513	939 980	-6.8%	100.0%	968 307	1 003 953	1 054 857	3.9%	100.0%
Proportion of total programme expenditure to vote expenditure	19.6%	13.8%	13.0%	11.3%			10.1%	10.1%	9.2%		
Details of transfers and subsidies											
Households											
Other transfers to households											
Current	109	107	246	265	34.5%	-	-	-	-	-100.0%	-
Bursaries: non-employees	100	57	-	-	-100.0%	-	-	-	-	-	-
Gifts, donations and sponsorships	9	50	-	100	123.1%	-	-	-	-	-100.0%	-
Other transfers (cash)	-	-	246	165	-	-	-	-	-	-100.0%	-

Table 36.9 Broadening Participation (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 (%)
	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	700 850	640 121	726 764	761 970	2.8%	74.7%	772 952	799 393	842 394	3.4%	80.1%
Small Enterprise Development Agency	331 177	401 621	441 514	442 270	10.1%	42.7%	484 451	498 282	527 470	6.0%	49.2%
National Empowerment Fund	116 000	–	–	–	-100.0%	3.1%	–	–	–	–	–
Small Enterprise Development Agency: Technology Programme	78 320	76 000	120 000	153 000	25.0%	11.3%	119 215	126 368	132 181	-4.8%	13.4%
National Research Foundation: Technology and human resource for Industry programme	163 823	151 000	155 000	157 000	-1.4%	16.6%	160 635	165 573	174 649	3.6%	16.6%
National Productivity Institute: Workplace Challenge	11 530	11 500	9 500	8 200	-10.7%	1.1%	8 651	9 170	8 094	-0.4%	0.9%
Independent Regulatory Board of Auditors	–	–	750	1 500	–	0.1%	–	–	–	-100.0%	–
Capital	311 642	–	–	–	-100.0%	8.2%	–	–	–	–	–
National Empowerment Fund	311 642	–	–	–	-100.0%	8.2%	–	–	–	–	–
Non-profit institutions											
Current	7 597	10 300	3 125	7 900	1.3%	0.8%	8 335	8 835	9 241	5.4%	0.9%
South African Women Entrepreneurs Network	7 597	10 300	3 125	7 900	1.3%	0.8%	8 335	8 835	9 241	5.4%	0.9%
Higher education institutions											
Current	11 500	–	–	10 001	-4.5%	0.6%	12 831	15 748	12 471	7.6%	1.3%
University of Johannesburg: Capacity building programme for economic development	5 000	–	–	10 000	26.0%	0.4%	12 830	15 747	12 471	7.6%	1.3%
Wits Business School: Centre for entrepreneurship	6 500	–	–	1	-94.6%	0.2%	1	1	–	-100.0%	–
Households											
Social benefits											
Current	8	–	115	25	46.2%	–	–	–	–	-100.0%	–
Gifts, donations and sponsorships	8	–	–	25	46.2%	–	–	–	–	-100.0%	–
Employees Social Benefit	–	–	115	–	–	–	–	–	–	–	–
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	9 930	10 500	10 700	–	-100.0%	0.8%	11 500	11 190	11 251	–	0.9%
Industrial Development Corporation:	9 930	10 500	10 700	–	-100.0%	0.8%	11 500	11 190	11 251	–	0.9%
Isivande Women's Fund	–	–	–	–	–	–	–	–	–	–	–
Capital	53 130	74 500	64 790	57 741	2.8%	6.6%	53 861	55 153	57 827	–	5.7%
Industrial Development Corporation: Support Programme for Industrial Innovation	47 661	74 500	59 789	52 740	3.4%	6.2%	53 860	55 152	57 827	3.1%	5.5%
Industrial Development Corporation: Technology venture capital	5 469	–	5 001	5 001	-2.9%	0.4%	1	1	–	-100.0%	0.1%
Public corporations and private enterprises											
Public corporations											
Public corporations - subsidies on products and production											
Current	2 000	–	3 000	2 001	–	0.2%	1 501	1 501	1 572	-7.7%	0.2%
Council for Scientific and Industrial Research: Fibre and textile centre of excellence	2 000	–	3 000	2 001	–	0.2%	1 501	1 501	1 572	-7.7%	0.2%

Personnel information

Table 36.10 Details of approved establishment and personnel numbers according to salary level¹

Salary level	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	2012/13 - 2015/16									
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost
Broadening Participation																	
	133	15	115	49.5	0.4	129	70.7	0.5	179	74.2	0.4	179	75.7	0.4	179	88.6	0.5
1–6	17	11	9	0.2	0.0	13	18.9	1.5	15	18.7	1.2	15	19.1	1.3	15	29.2	1.9
7–10	45	–	40	9.9	0.2	46	10.6	0.2	65	11.2	0.2	65	11.7	0.2	65	12.3	0.2
11–12	33	–	31	13.0	0.4	33	13.0	0.4	55	13.6	0.2	55	14.3	0.3	55	15.0	0.3
13–16	38	4	35	26.5	0.8	37	28.2	0.8	44	30.7	0.7	44	30.6	0.7	44	32.1	0.7

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 financing the development of small enterprises, promoting entrepreneurship and small enterprise development, and implementing the cooperatives development strategy. This will facilitate the development and growth of SMMEs and cooperative enterprises, and expand their contribution to job creation and economic growth. These activities will be undertaken through the *Enterprise Development* subprogramme, which uses 88.9 per cent of the programme's allocation over the medium term to make transfers payments to the Small Enterprise Development Agency, the National Research Foundation and the Industrial Development Corporation of South Africa.

Between 2009/10 and 2012/13, spending decreased due to the discontinuation of transfer payments to the National Empowerment Fund in 2010/11. The increase in expenditure in 2011/12 was due to the disbursement of R809 million to provide financial and business development support to SMMEs and cooperatives, the support programme for industrial innovation, the technology and human resources for industry programme, the workplace challenge manufacturing programme, and the Isivande Women's Fund.

To give effect to the Cabinet approved budget reductions, the department reduced spending in the programme by R59.3 million over the medium term. These reductions were effected in spending on compensation of employees, consultants and travel and subsistence. No adverse effects on service delivery are expected.

The programme has a funded establishment of 133 posts and 15 posts are additional to the establishment. There were 19 vacancies at the end of September 2012 due to resignations. Over the medium term, the BEE Commission and the Cooperatives Agency and Tribunal are to be established, which requires the department to increase personnel to strengthen the capacity for the department to exercise oversight over the new entities. R14.8 million was spent on consultants in 2012/13, mainly for policy research for cooperatives and BEE strategies.

Programme 4: Industrial Development: Policy Development

Objectives

- Grow the economy, and add value and competitiveness in the domestic and export markets by:
 - facilitating the ongoing diversification of commodities and non-tradable services and converting them, through value addition, into tradable goods and services
 - implementing the three-year industrial policy action plan by 2014/15.
- Promote the long term industrialisation process by moving towards a knowledge economy, expanding the trade of information, and producing and consuming goods and services in the ICT sector by 2018.
- Improve employment creation by promoting a labour absorbing industrialisation path emphasising tradable labour absorbing goods and services and economic linkages by 2018.
- Promote a broad based industrialisation path by increasing the participation of historically disadvantaged people in the economy and promote economic development of underdeveloped regions by 2016.
- Contribute to industrial development on the African continent by attracting foreign direct investment, skills and technology by 2018, showing annual achievements over the five years.

Subprogrammes

- *Industrial Competitiveness* develops policies, strategies and programmes to strengthen the ability of manufacturing and other value adding sectors to create decent jobs, and increase value addition and competitiveness in domestic and export markets, as set out in the annual three-year rolling industrial policy action plan. This subprogramme makes annual transfer payments to various public entities. In 2012/13, transfers payments were made as follows: R187.2 million to the South African Bureau of Standards, R82.2 million to the National Metrology Institute of South Africa; R79.7 million to the National Regulator for Compulsory Specifications, and R30.6 million to the South African National Accreditation System. This subprogramme had a staff complement of 49 in 2012/13.
- *Customised Sector Programmes* develops and implements high impact sector strategies focused on manufacturing and other value added sectors, to create decent jobs, and increase value addition and

competitiveness in domestic and export markets, as set out in the annual three-year rolling industrial policy action plan. This subprogramme makes annual transfer payments various public entities. In 2012/13, transfer payments were made as follows: R750 million to the Industrial Development Corporation of South Africa for the clothing and textiles production incentive, and R56.4 million for the customised sector programmes; R21.3 million to the Council for Scientific and Industrial Research for the aerospace industry programme and R41.2 million for the national cleaner production centre; R21 million to the National Foundry Technology Network; R49 million to the Intsimbi national tooling initiative; and R15 million to the Centurion Aerospace Village. This subprogramme had a staff complement of 120 in 2012/13.

Expenditure estimates

Table 36.11 Industrial Development: Policy Development

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16		
R thousand											
Industrial Competitiveness	323 629	538 952	512 468	508 118	16.2%	42.9%	589 590	684 055	786 681	15.7%	37.1%
Customised Sector Programmes	101 841	606 177	809 203	984 627	113.0%	57.1%	1 016 934	1 087 258	1 263 149	8.7%	62.9%
Total	425 470	1 145 129	1 321 671	1 492 745	52.0%	100.0%	1 606 524	1 771 313	2 049 830	11.2%	100.0%
Change to 2012 Budget estimate				9 889			70 651	98 135	299 686		
Economic classification											
Current payments	62 385	69 794	85 693	102 305	17.9%	7.3%	122 787	133 808	132 602	9.0%	7.1%
Compensation of employees	45 053	54 046	62 140	77 537	19.8%	5.4%	89 413	98 196	95 715	7.3%	5.2%
Goods and services	17 332	15 748	23 553	24 768	12.6%	1.9%	33 374	35 612	36 887	14.2%	1.9%
of which:											
Administration fees	217	30	19	224	1.1%	-	218	236	206	-2.8%	-
Advertising	328	584	-	-	-100.0%	-	-	-	-	-	-
Assets less than the capitalisation threshold	9	15	25	68	96.2%	-	70	78	80	5.6%	-
Catering: Departmental activities	196	311	356	385	25.2%	-	396	430	426	3.4%	-
Communication	420	463	500	616	13.6%	-	794	877	875	12.4%	-
Computer services	-	31	-	67	-	-	80	88	92	11.1%	-
Consultants and professional services: Business and advisory services	6 386	3 363	10 020	7 748	6.7%	0.6%	12 763	14 416	16 513	28.7%	0.7%
Consultants and professional services: Legal costs	56	-	273	-	-100.0%	-	-	-	-	-	-
Contractors	78	15	6	100	8.6%	-	100	115	119	6.0%	-
Agency and support / outsourced services	118	203	130	50	-24.9%	-	-	183	190	56.0%	-
Entertainment	3	5	2	43	142.9%	-	48	56	57	9.9%	-
Fleet services (including government motor transport)	-	2	1	2	-	-	-	-	-	-100.0%	-
Inventory: Learner and teacher support material	-	1	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	1	10	-	-	10	11	12	6.3%	-
Inventory: Other consumables	2	9	14	40	171.4%	-	32	32	34	-5.3%	-
Inventory: Stationery and printing	647	765	795	1 242	24.3%	0.1%	1 335	1 452	1 461	5.6%	0.1%
Operating leases	91	99	89	100	3.2%	-	143	142	149	14.2%	-
Property payments	-	2	-	-	-	-	-	-	-	-	-
Travel and subsistence	7 270	7 399	8 181	10 624	13.5%	0.8%	12 655	12 306	11 546	2.8%	0.7%
Training and development	-	6	-	-	-	-	27	31	33	-	-
Operating payments	723	1 113	1 832	1 507	27.7%	0.1%	2 036	1 940	1 980	9.5%	0.1%
Venues and facilities	788	1 332	1 309	1 942	35.1%	0.1%	2 667	3 219	3 114	17.0%	0.2%
Transfers and subsidies	362 792	1 074 809	1 234 108	1 389 293	56.5%	92.6%	1 482 795	1 636 844	1 916 537	11.3%	92.8%
Departmental agencies and accounts	105 446	108 800	155 377	192 593	22.2%	12.8%	282 415	348 011	404 659	28.1%	17.7%
Higher education institutions	4 000	14 793	14 800	3	-90.9%	0.8%	3	3	3	-	-
Foreign governments and international organisations	8 069	12 096	12 996	7 200	-3.7%	0.9%	7 475	7 792	8 150	4.2%	0.4%
Public corporations and private enterprises	245 277	938 903	1 050 669	1 189 447	69.3%	78.1%	1 192 902	1 281 038	1 503 725	8.1%	74.7%
Households	-	217	266	50	-	-	-	-	-	-100.0%	-
Payments for capital assets	293	526	1 070	1 147	57.6%	0.1%	942	661	691	-15.5%	-
Machinery and equipment	293	526	1 070	1 147	57.6%	0.1%	942	661	691	-15.5%	-
Payments for financial assets	-	-	800	-	-	-	-	-	-	-	-
Total	425 470	1 145 129	1 321 671	1 492 745	52.0%	100.0%	1 606 524	1 771 313	2 049 830	11.2%	100.0%
Proportion of total programme expenditure to vote expenditure	7.2%	19.8%	19.4%	17.9%			16.8%	17.8%	18.0%		

Table 36.11 Industrial Development: Policy Development (continued)

R thousand	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		
Details of transfers and subsidies											
Households											
Other transfers to households											
Current	-	67	-	-	-	-	-	-	-	-	-
Gifts, donations and sponsorships	-	67	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	105 446	108 800	130 377	192 593	22.2%	12.3%	222 415	237 011	250 060	9.1%	13.0%
South African National Accreditation System	14 707	18 239	30 623	30 676	27.8%	2.1%	33 473	35 712	37 652	7.1%	2.0%
National Metrology Institute of South Africa	54 806	57 519	62 581	82 233	14.5%	5.9%	85 942	91 565	96 296	5.4%	5.1%
National Regulator for Compulsory Specifications	35 933	33 042	37 173	79 684	30.4%	4.2%	103 000	109 734	116 112	13.4%	5.9%
Capital	-	-	25 000	-	-	0.6%	60 000	111 000	154 599	-	4.7%
National Metrology Institute of South Africa: Infrastructure	-	-	25 000	-	-	0.6%	60 000	111 000	154 599	-	4.7%
Higher education institutions											
Current	4 000	14 793	14 800	3	-90.9%	0.8%	3	3	3	-	-
University of the Witwatersrand: National aerospace skills sector support centre	4 000	9 000	6 300	1	-93.7%	0.4%	1	1	1	-	-
University of the North West: Advanced manufacturing skills sector support programme	-	5 793	8 500	1	-	0.3%	1	1	1	-	-
University of Pretoria: Advanced engineering centre of excellence	-	-	-	1	-	-	1	1	1	-	-
Foreign governments and international organisations											
Current	8 069	12 096	12 996	7 200	-3.7%	0.9%	7 475	7 792	8 150	4.2%	0.4%
United Nations Industrial Development Organisation	3 069	3 096	3 644	5 000	17.7%	0.3%	5 275	5 592	5 849	5.4%	0.3%
United Nations Industrial Development Organisation: Automotive component supplier development programme	5 000	7 000	7 152	-	-100.0%	0.4%	-	-	-	-	-
French Institute of South Africa: African programme on rethinking development economics	-	2 000	2 200	2 200	-	0.1%	2 200	2 200	2 301	1.5%	0.1%
Households											
Social benefits											
Current	-	150	266	50	-	-	-	-	-	-100.0%	-
Employee social benefits	-	150	266	50	-	-	-	-	-	-100.0%	-
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	227 896	669 908	887 198	1 055 927	66.7%	64.8%	1 097 442	1 180 090	1 398 321	9.8%	68.4%
Council for Mineral Technology and Research: Customised sector programmes	-	400	-	-	-	-	-	-	-	-	-
Council for Scientific and Industrial Research: National cleaner production centre	18 966	32 000	40 141	41 225	29.5%	3.0%	43 678	55 179	70 522	19.6%	3.0%
South African Bureau of Standards: Research contribution	153 731	178 845	181 496	185 930	6.5%	16.0%	204 967	220 078	253 268	10.9%	12.5%
South African Bureau of Standards: Small business consulting	1 201	1 071	1 134	1 300	2.7%	0.1%	1 312	1 381	1 445	3.6%	0.1%
Industrial Development Corporation: Clothing and textile production incentive	-	400 000	600 000	750 000	-	39.9%	758 250	803 744	950 714	8.2%	47.1%
Council for Scientific and Industrial Research: Maritime industry project	-	-	-	1	-	-	-	-	-	-100.0%	-
Industrial Development Corporation: Customised sector programmes	48 657	51 092	57 427	56 471	5.1%	4.9%	68 041	75 465	87 245	15.6%	4.2%
South African Nuclear Energy Corporation: Nuclear skills development	5 341	-	-	-	-100.0%	0.1%	-	-	-	-	-
Council for Scientific and Industrial Research: National foundry technology network: Metals	-	6 500	7 000	21 000	-	0.8%	21 194	24 243	35 127	18.7%	1.5%
Capital	9 931	184 141	117 471	69 352	91.1%	8.7%	21 226	22 500	23 534	-30.2%	2.0%
South African Bureau of Standards: Upgrading of vehicle testing facility	-	-	7 000	-	-	0.2%	-	-	-	-	-
South African Bureau of Standards	-	174 240	93 180	48 000	-	7.2%	-	-	-	-100.0%	0.7%
Council for Scientific and Industrial Research: Aerospace industry	9 931	9 901	17 291	21 352	29.1%	1.3%	21 226	22 500	23 534	3.3%	1.3%
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	7 450	52 400	46 000	64 168	105.0%	3.9%	74 234	78 448	81 870	8.5%	4.3%
Intsimbi national tooling initiative	7 450	47 400	36 000	49 168	87.6%	3.2%	54 434	57 700	60 353	7.1%	3.2%
Centurion Aerospace Village	-	5 000	10 000	15 000	-	0.7%	15 800	16 748	17 517	5.3%	0.9%
Trade and Industrial Policy Strategies	-	-	-	-	-	-	4 000	4 000	4 000	-	0.2%
Capital	-	32 454	-	-	-	0.7%	-	-	-	-	-
Centurion Aerospace Village	-	32 454	-	-	-	0.7%	-	-	-	-	-

Personnel information

Table 36.12 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		Unit Cost	2012/13		Unit Cost	2013/14		Unit Cost	2014/15		Unit Cost			2015/16		Unit Cost	
Industrial Development: Policy Development		Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	2012/13 - 2015/16		
Salary level	162	15	137	62.1	0.5	164	87.5	0.5	169	89.4	0.5	169	98.2	0.6	179	95.7	0.5	3.0%	100.0%
1 – 6	12	12	2	(5.5)	(2.8)	10	18.4	1.8	10	16.9	1.7	10	22.0	2.2	11	15.7	1.4	4.7%	6.1%
7 – 10	62	3	57	13.9	0.2	64	17.5	0.3	65	18.3	0.3	65	19.3	0.3	69	20.2	0.3	2.8%	38.7%
11 – 12	44	–	36	17.7	0.5	45	18.6	0.4	47	19.5	0.4	47	20.5	0.4	48	21.5	0.4	2.1%	27.4%
13 – 16	44	–	42	36.0	0.9	45	33.0	0.7	47	34.7	0.7	47	36.4	0.8	50	38.2	0.8	3.7%	27.8%

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 implementing the clothing and textile production incentive, which is the core funding mechanism of the clothing and textile competitiveness programme, and addressing the manufacturing skills gap through the Intsimbi South African national tooling initiative. The clothing and textile programme and production incentive are administered by the Industrial Development Corporation and assist this key, labour absorbing sector to upgrade processes, improve products and develop people in order for the sector to compete in local and international markets.

Between 2009/10 and 2012/13, expenditure increased significantly due the introduction of the clothing and textile competitiveness programme in 2010/11, which increased expenditure in the *Customised Sector Programmes* subprogramme over the period. Spending on transfers and subsidies also increased significantly over this period to provide for additional resources for the National Regulator for Compulsory Specifications to build a culture of compliance. Expenditure on transfers and subsidies is expected to continue increasing over the medium term for the same reason.

To give effect to the Cabinet approved budget reductions, the department reduced spending in this programme by R2.1 million over the medium term. The reductions were effected in spending on consultants, and travel and subsistence. The reductions are not expected to adversely affect service delivery.

The programme has a funded establishment of 162 posts and 15 additional posts. There were 13 vacancies at the end of September 2012, mostly due to natural attrition. Consultants are mainly used to provide skills which the department does not possess.

Programme 5: Consumer and Corporate Regulation

Objectives

- Increase access to economic opportunities for small businesses and historically disadvantaged citizens by attracting domestic and foreign investment by 2016.
- Increase investor confidence and certainty in the economy by:
 - developing world class regulatory frameworks for monitoring, compliance and enforcement by 2017
 - conducting regulatory impact assessments that address financial, economic and social assessments, annually.
- Create competitive, fair and efficient markets by:
 - having effective financial, economic, governance and related regulatory institutions in place by 2015
 - conducting biannual regulatory impact assessments.

- Enhance and protect consumer rights through improved consumer awareness of the dispute resolution institutions by monitoring the performance of the institutions on an ongoing basis.
- Improve the distribution of lotteries grants by finalising the regulatory framework for gaming and lotteries by 2015.
- Protect intellectual property rights by formulating policies and drafting legislation by 2018.

Subprogrammes

- *Policy and Legislative Development* develops policies, laws and regulatory frameworks. Key activities include research and stakeholder consultation to facilitate drafting. This subprogramme had a staff complement of 21 in 2012/13.
- *Enforcement and Compliance* conducts trends analyses, impact assessments, and market surveys, and monitors the effectiveness of regulation. Key activities include research. This subprogramme had a staff complement of 29 in 2012/13.
- *Regulatory Services* transfers funds to and oversees the following regulatory agencies: the National Consumer Tribunal, which adjudicates credit and consumer disputes, and received R33 million in 2012/13; the National Credit Regulator, which regulates the consumer credit industry to enhance consumer protection in the credit market and provides debt counselling and reviews mechanisms, and received R54.6 million in 2012/13; the National Gambling Board, which provides a regulatory framework for gambling and monitors the socioeconomic effects of gambling on citizens, and received R25.9 million in 2012/13; the National Consumer Commission, which ensures well-functioning markets that are fair, competitive and responsible to consumers, and received R48 million in 2012/13; the Companies and Intellectual Property Commission, which manages the registration of companies, adherence to financial standards, the provision of business rescue interventions and enforcement in cases of non-compliance, and received R4.1 million in 2012/13; the Companies Tribunal, a new agency which is responsible for adjudicating disputes arising in terms of the Companies Act (2008), and received R10 million in 2012/13; the National Lotteries Board, which does not receive funding from the department but regulates the lotteries sector and facilitates the distribution of lottery funds to worthy organisations that serve public interest; and the Takeover Regulations Panel and the Financial Reporting Standards Council, which do not receive funding from the department but are responsible for regulating applicable transactions and the issuance of standards. This subprogramme had a staff complement of 19 in 2012/13.

Expenditure estimates

Table 36.13 Consumer and Corporate Regulation

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											
Policy and Legislative Development	10 131	9 637	12 912	26 967	38.6%	8.0%	25 400	21 692	24 083	-3.7%	9.7%
Enforcement and Compliance	32 948	36 348	16 118	20 270	-14.9%	14.2%	24 248	39 351	40 493	25.9%	12.3%
Regulatory Services	90 746	99 036	189 534	200 906	30.3%	77.8%	206 509	187 199	193 699	-1.2%	78.0%
Total	133 825	145 021	218 564	248 143	22.9%	100.0%	256 157	248 242	258 275	1.3%	100.0%
Change to 2012 Budget estimate				3 430			(3 423)	(248)	(1 646)		

Table 36.13 Consumer and Corporate Regulation (continued)

R thousand	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		
Economic classification											
Current payments	48 051	51 830	38 521	71 025	13.9%	28.1%	71 777	73 711	75 549	2.1%	28.9%
Compensation of employees	36 395	39 711	26 482	40 167	3.3%	19.1%	49 328	49 562	52 311	9.2%	18.9%
Goods and services	11 656	12 119	12 039	30 858	38.3%	8.9%	22 449	24 149	23 238	-9.0%	10.0%
of which:											
Administration fees	42	-	-	80	24.0%	-	70	20	22	-35.0%	-
Advertising	540	193	709	900	18.6%	0.3%	2 000	500	525	-16.4%	0.4%
Assets less than the capitalisation threshold	2	6	-	21	119.0%	-	-	-	-	-100.0%	-
Catering: Departmental activities	394	372	333	1 329	50.0%	0.3%	647	665	699	-19.3%	0.3%
Communication	222	223	153	201	-3.3%	0.1%	258	412	432	29.1%	0.1%
Computer services	3	-	-	3 000	900.0%	0.4%	2 000	1 500	-	-100.0%	0.6%
Consultants and professional services:	2 804	4 258	3 184	9 774	51.6%	2.7%	5 765	10 017	10 919	3.8%	3.6%
Business and advisory services											
Consultants and professional services: Legal costs	1 257	386	516	260	-40.9%	0.3%	500	500	525	26.4%	0.2%
Contractors	132	60	113	223	19.1%	0.1%	115	100	77	-29.8%	0.1%
Agency and support / outsourced services	413	32	222	-	-100.0%	0.1%	-	-	-	-	-
Entertainment	1	5	3	10	115.4%	-	5	7	7	-11.2%	-
Fleet services (including government motor transport)	-	1	2	1	-	-	-	-	-	-100.0%	-
Inventory: Other consumables	8	1	5	-	-100.0%	-	-	-	-	-	-
Inventory: Stationery and printing	569	486	634	559	-0.6%	0.3%	653	689	723	9.0%	0.3%
Operating leases	85	175	85	85	-	0.1%	103	46	48	-17.3%	-
Travel and subsistence	3 039	4 730	4 458	8 111	38.7%	2.7%	7 144	6 255	5 828	-10.4%	2.7%
Operating payments	1 201	325	694	1 044	-4.6%	0.4%	1 520	1 643	1 726	18.2%	0.6%
Venues and facilities	944	866	928	5 260	77.3%	1.1%	1 669	1 795	1 707	-31.3%	1.0%
Transfers and subsidies	85 513	92 908	179 610	175 632	27.1%	71.6%	183 580	173 531	182 726	1.3%	70.8%
Departmental agencies and accounts	82 948	90 059	176 458	171 632	27.4%	69.9%	179 360	169 058	178 047	1.2%	69.1%
Foreign governments and international organisations	2 565	2 630	3 066	4 000	16.0%	1.6%	4 220	4 473	4 679	5.4%	1.7%
Households	-	219	86	-	-	-	-	-	-	-	-
Payments for capital assets	261	283	429	1 486	78.6%	0.3%	800	1 000	-	-100.0%	0.3%
Machinery and equipment	261	283	429	1 486	78.6%	0.3%	800	1 000	-	-100.0%	0.3%
Payments for financial assets	-	-	4	-	-	-	-	-	-	-	-
Total	133 825	145 021	218 564	248 143	22.9%	100.0%	256 157	248 242	258 275	1.3%	100.0%
Proportion of total programme expenditure to vote expenditure	2.3%	2.5%	3.2%	3.0%			2.7%	2.5%	2.3%		
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	82 948	90 059	176 458	171 632	27.4%	69.9%	179 360	169 058	178 047	1.2%	69.1%
National Credit Regulator	43 859	46 000	53 042	54 690	7.6%	26.5%	60 691	59 845	63 227	5.0%	23.6%
National Gambling Board	21 570	22 000	37 605	25 900	6.3%	14.4%	27 717	27 220	28 605	3.4%	10.8%
National Consumer Tribunal	17 519	22 059	28 833	33 035	23.5%	13.6%	36 099	38 164	40 029	6.6%	14.6%
Companies and Intellectual Property Commission	-	-	13 990	-	-	1.9%	-	-	-	-	-
National Consumer Commission	-	-	32 988	48 007	-	10.9%	44 516	43 376	45 596	-1.7%	18.0%
Companies Tribunal	-	-	10 000	10 000	-	2.7%	10 337	453	590	-61.1%	2.1%
Foreign governments and international organisations											
Current	2 565	2 630	3 066	4 000	16.0%	1.6%	4 220	4 473	4 679	5.4%	1.7%
World Intellectual Property Organisation	2 565	2 630	3 066	4 000	16.0%	1.6%	4 220	4 473	4 679	5.4%	1.7%
Households											
Social benefits											
Current	-	219	86	-	-	-	-	-	-	-	-
Employee social benefits	-	219	86	-	-	-	-	-	-	-	-

Personnel information

Table 36.14 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			Revised estimate ³			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)
		2011/12		Unit Cost	2012/13		Unit Cost	2013/14			2014/15			2015/16				
Consumer and Corporate Regulation		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2012/13 - 2015/16	
69	1	61	26.5	0.4	69	40.2	0.6	87	49.4	0.6	86	49.6	0.6	87	52.3	0.6	8.2%	100.0%
1-6	1	2	(4.3)	(2.1)	1	9.3	9.3	1	16.9	16.9	-	15.5	-	1	16.6	16.6	-	0.9%
7-10	35	30	9.9	0.3	34	9.9	0.3	35	10.4	0.3	35	11.0	0.3	35	11.5	0.3	1.3%	42.4%
11-12	16	13	6.7	0.5	17	6.8	0.4	17	7.1	0.4	17	7.5	0.4	17	7.9	0.5	-	20.6%
13-16	17	16	14.2	0.9	17	14.2	0.8	34	14.9	0.4	34	15.6	0.5	34	16.4	0.5	26.1%	36.1%

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 optimising the business regulatory environment to promote competitive, fair and efficient markets through making transfers to the National Credit Regulator, the National Consumer Tribunal and the National Consumer Commission. Specific attention will be directed through these entities towards enforcement and compliance with the regulatory framework.

Expenditure on transfers and subsidies increased significantly in 2011/12 due to the establishment of several new entities, including the National Consumer Commission, the Companies Tribunal, and the Companies and Intellectual Property Commission. Over the medium term, expenditure on transfers and subsidies is expected to increase due to increased allocations to these entities to enhance regulation capacity.

To give effect to the Cabinet approved budget reductions, the department reduced spending in this programme by R15.3 million over the medium term. The reductions were effected in spending on compensation of employees and are not expected to adversely affect service delivery.

The programme has a funded establishment of 69 posts and 1 post is additional to the establishment. There was 1 vacancy in the programme at the end of September 2012. Consultants in this programme are mainly used to provide regulatory skills, which are scarce and the department does not possess.

Programme 6: Incentive Development: Incentive Administration

Objectives

- Improve incentive administration by:
 - designing and implementing incentives and programmes that support investment, competitiveness, employment creation and equity by 2013/14
 - improving the impact of incentive programmes through implementing a monitoring and evaluation system by 2013/14
 - implementing an online system for incentive administration by 2013.

Subprogrammes

- *Broadening Participation Incentives* provides incentive programmes that promote the broader participation in the economy of businesses owned by individuals from historically disadvantaged communities. In 2012/13, transfer payments were made to the following incentive schemes: R100 million to the black business supplier development programme for incentives to qualifying companies through which black business suppliers are supported, and R65 million to the cooperatives incentive scheme for incentives to qualifying companies, through which cooperative enterprises in the emerging economy acquire business development services. This subprogramme had a staff complement of 43 in 2012/13.

- *Manufacturing Investment Incentives* is discussed in more detail below.
- *Services Investment Incentives* is discussed in more detail below.
- *Infrastructure Development Support* leverages off investments in the South African economy by providing infrastructure critical to industrial development, thereby increasing the export of value added commodities and creating employment opportunities. In 2012/13, transfer payments were made as follows: R417.97 million in 2012/13 to the Coega Development Corporation for bulk infrastructure development, R150 million the East London industrial development zone for bulk infrastructure development, R182 million to the Richards Bay industrial development zone, R182 million to the critical infrastructure programme for bulk infrastructure development in South Africa, and R20 million as part of the economic support package. Additional funding of R2.2 billion over the medium term is allocated to the industrial development zones programme. This subprogramme had a staff complement of 19 in 2012/13.
- *Product and Systems Development* reviews, monitors and develops incentive programmes to support the industrial policy action plan and develops sector strategies to address market failures. In 2010/11, the subprogramme reviewed the revised business process services and offshoring incentive, and revised the automotive investment scheme. Key activities include development of products and enhancement of existing ones. This subprogramme had a staff complement of 24 in 2012/13.
- *Business Development and After Care* facilitates access to targeted enterprises by reviewing the success of incentive schemes and improving such schemes. The main activity has been to assess potential partnerships. In 2010/11, a customer satisfaction survey was completed, its results were analysed and a report was presented to management. This subprogramme had a staff complement of 29 in 2012/13.

Expenditure estimates

Table 36.15 Incentive Development: Incentive Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
Broadening Participation Incentives	118 042	183 832	112 054	179 733	15.0%	4.2%	167 477	176 387	181 650	0.4%	3.1%
Manufacturing Investment Incentives	1 526 384	1 336 769	2 100 825	2 878 642	23.5%	56.1%	3 600 261	3 839 723	3 958 376	11.2%	63.6%
Services Investment Incentives	258 473	233 551	306 589	508 054	25.3%	9.3%	600 165	630 588	652 348	8.7%	10.6%
Infrastructure Development Support	1 418 673	1 020 607	742 582	963 862	-12.1%	29.7%	1 141 518	963 870	1 873 692	24.8%	22.0%
Product and Systems Development	5 504	5 817	8 489	13 334	34.3%	0.2%	15 125	15 798	16 513	7.4%	0.3%
Business Development and After Care	11 158	12 418	13 009	17 245	15.6%	0.4%	18 588	19 382	21 504	7.6%	0.3%
Total	3 338 234	2 792 994	3 283 548	4 560 870	11.0%	100.0%	5 543 134	5 645 748	6 704 083	13.7%	100.0%
Change to 2012 Budget estimate				(876 695)			(928 949)	(1 314 764)	(576 613)		
Economic classification											
Current payments	88 650	99 115	114 036	162 524	22.4%	3.3%	175 388	180 512	197 196	6.7%	3.2%
Compensation of employees	67 677	73 536	83 062	127 300	23.4%	2.5%	142 013	143 393	158 502	7.6%	2.5%
Goods and services	20 973	25 579	30 974	35 224	18.9%	0.8%	33 375	37 119	38 694	3.2%	0.6%
of which:											
Administration fees	66	180	441	146	30.3%	-	453	506	508	51.5%	-
Advertising	30	300	954	20	-12.6%	-	-	-	-	-100.0%	-
Assets less than the capitalisation threshold	72	118	20	188	37.7%	-	72	85	96	-20.1%	-
Catering: Departmental activities	196	185	330	298	15.0%	-	449	480	509	19.5%	-
Communication	405	419	370	849	28.0%	-	815	887	939	3.4%	-
Computer services	688	355	63	-	-100.0%	-	-	-	-	-	-
Consultants and professional services: Business and advisory services	4 331	8 726	7 044	9 608	30.4%	0.2%	6 022	8 285	9 265	-1.2%	0.1%
Consultants and professional services: Legal costs	1 477	1 438	3 054	2 000	10.6%	0.1%	3 117	3 244	3 393	19.3%	0.1%
Contractors	4	1	4	113	204.6%	-	10	10	10	-55.4%	-
Agency and support / outsourced services	1 225	779	157	50	-65.6%	-	120	120	119	33.5%	-
Entertainment	9	12	25	85	111.4%	-	79	84	88	1.2%	-
Fleet services (including government motor transport)	-	42	104	510	-	-	163	175	184	-28.8%	-
Inventory: Materials and supplies	-	2	1	2	-	-	5	5	5	35.7%	-
Inventory: Other consumables	28	7	28	30	2.3%	-	32	34	36	6.3%	-
Inventory: Stationery and printing	1 832	1 577	1 879	2 461	10.3%	0.1%	2 309	2 918	2 898	5.6%	-
Operating leases	961	962	751	640	-12.7%	-	567	604	626	-0.7%	-
Property payments	47	36	57	100	28.6%	-	65	70	70	-11.2%	-
Travel and subsistence	8 770	9 078	13 922	15 277	20.3%	0.3%	16 614	16 997	17 217	4.1%	0.3%
Training and development	-	-	55	-	-	-	-	-	-	-	-
Operating payments	155	576	339	358	32.2%	-	483	515	541	14.8%	-
Venues and facilities	677	786	1 376	2 489	54.3%	-	2 000	2 100	2 190	-4.2%	-

Table 36.15 Incentive Development: Incentive Administration(continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure 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													
Transfers and subsidies	3 247 549	2 692 604	3 164 897	4 372 706	10.4%	96.4%	5 358 246	5 455 236	6 496 294	14.1%	96.6%			
Public corporations and private enterprises	3 247 343	2 692 596	3 164 421	4 372 319	10.4%	96.4%	5 358 246	5 455 236	6 496 294	14.1%	96.6%			
Households	206	8	476	387	23.4%	-	-	-	-	-100.0%	-			
Payments for capital assets	1 800	1 274	4 615	25 640	142.4%	0.2%	9 500	10 000	10 593	-25.5%	0.2%			
Machinery and equipment	796	1 274	731	1 530	24.3%	-	1 500	1 500	1 593	1.4%	-			
Software and other intangible assets	1 004	-	3 884	24 110	188.5%	0.2%	8 000	8 500	9 000	-28.0%	0.2%			
Payments for financial assets	235	1	-	-	-100.0%	-	-	-	-	-	-			
Total	3 338 234	2 792 994	3 283 548	4 560 870	11.0%	100.0%	5 543 134	5 645 748	6 704 083	13.7%	100.0%			
Proportion of total programme expenditure to vote expenditure	56.4%	48.2%	48.3%	54.6%			57.9%	56.7%	58.8%					

Details of transfers and subsidies

Households											
Other transfers to households											
Current	-	-	3	-	-	-	-	-	-	-	-
Households cash	-	-	3	-	-	-	-	-	-	-	-
Households											
Social benefits											
Current	206	8	473	387	23.4%	-	-	-	-	-100.0%	-
Employee social benefits	206	8	473	387	23.4%	-	-	-	-	-100.0%	-
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Capital	1 301 685	932 000	615 682	609 876	-22.3%	24.8%	438 195	-	-	-100.0%	4.7%
Coega Development Corporation	859 889	714 000	383 718	417 858	-21.4%	17.0%	308 195	-	-	-100.0%	3.2%
East London Industrial Development Zone	373 373	198 000	171 282	150 000	-26.2%	6.4%	100 000	-	-	-100.0%	1.1%
Richards Bay Industrial Development Zone Company	68 423	20 000	60 682	42 018	-15.0%	1.4%	30 000	-	-	-100.0%	0.3%
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	230 676	308 911	270 348	397 000	19.8%	8.6%	356 000	375 000	393 580	-0.3%	6.8%
Broadening participation development incentives	108 373	175 033	101 740	165 000	15.0%	3.9%	147 000	155 000	159 380	-1.1%	2.8%
Export market and investment assistance	122 303	133 878	168 608	232 000	23.8%	4.7%	209 000	220 000	234 200	0.3%	4.0%
Capital	105 601	80 642	118 473	182 000	19.9%	3.5%	190 000	200 000	209 188	4.8%	3.5%
Critical infrastructure programme	105 601	80 642	118 473	182 000	19.9%	3.5%	190 000	200 000	209 188	4.8%	3.5%
Public corporations and private enterprises											
Private enterprises											
Private enterprises - subsidies on products and production											
Current	1 609 381	1 371 043	2 159 918	3 023 443	23.4%	58.4%	3 874 051	4 130 236	4 243 526	12.0%	68.0%
Services sector development incentives	253 993	226 782	298 759	499 000	25.2%	9.1%	590 000	620 000	641 280	8.7%	10.5%
Manufacturing development incentives	1 350 631	1 144 261	1 861 159	2 524 443	23.2%	49.2%	3 284 051	3 510 236	3 602 259	12.6%	57.5%
Staple food fortification programme	282	-	-	-	-100.0%	-	-	-	-	-	-
Industrial development zones: Other Sector development programme	4 475	-	-	-	-100.0%	-	-	-	-	-	-
Capital	-	-	-	160 000	-	1.1%	500 000	750 000	1 650 000	117.7%	13.6%
Special economic zones: Investment incentives	-	-	-	160 000	-	1.1%	500 000	750 000	1 650 000	117.7%	13.6%

Personnel information

Table 36.16 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	2012/13 - 2015/16											
Incentive Development: Incentive Administration			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Salary level	259	16	237	83 062	350	276	127 300	461	320	142 014	444	320	143 396	448	320	158 502	496	5.0%	100.0%
1 - 6	30	16	23	8 930	388	30	36 597	1 220	34	41 453	1 217	34	43 752	1 285	34	59 332	1 743	4.3%	10.7%
7 - 10	155	-	143	30 204	211	163	43 197	265	191	50 347	264	191	47 625	250	191	50 006	262	5.4%	59.5%
11 - 12	53	-	47	24 419	520	54	25 826	478	64	27 715	433	64	33 970	531	64	30 211	472	5.8%	19.9%
13 - 16	21	-	24	19 509	813	29	21 681	748	31	22 500	726	31	18 050	582	31	18 952	611	2.2%	9.9%

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

2. Rand thousand.

3. As at 30 September 2012.

Expenditure trends

The spending focus over the medium term will be on continuing to incentivise investment in the manufacturing and services sectors, and providing development incentives and support for the accompanying infrastructure development in order to support job creation and regional economic development. The manufacturing and services investment incentives are discussed individually in the sections that follow.

Between 2009/10 and 2012/13, spending on compensation of employees increased significantly due additional funding to provide for improved conditions of service. The decrease in expenditure on transfers and subsidies over this period is primarily due to a decrease in allocations to the industrial development zones. Over this period, the East London industrial development zone received R892.7 million, the Richards Bay industrial development zone received R191.1 million and the Coega industrial development zone received R2.8 billion for infrastructure development through the *Infrastructure Development Support* subprogramme. Over the medium term, expenditure is expected to increase by R2.3 billion, mainly due to an increase in allocations to these industrial development zones.

To give effect to the Cabinet approved budget reductions, the department reduced spending in the programme by R3.2 billion over the medium term. The reductions will be effected on transfers to public corporations and private enterprises, and are not expected to have any adverse effect on service delivery.

The programme has a funded establishment of 259 posts and 16 additional posts. Spending on consultants made up 27.4 per cent of the goods and services budget in 2012/13. Consultants are used to provide specialist skills that the department does not possess.

Subprogramme: Manufacturing Investment Incentives

This subprogramme provides incentives to attract manufacturers. The manufacturing investment cluster comprises the following programmes and schemes: the manufacturing competitive enhancement programme, which was launched in 2012/13 and provides funds for manufacturers in distress following the economic downturn; the enterprise investment programme, which provides incentives to qualifying local and foreign owned manufacturing companies establishing new or expanding production facilities as from 2009/10; the small and medium enterprise development programme, which provides incentives to qualifying companies starting or expanding current operations; the automotive investment scheme, which provides incentives to qualifying motor vehicle manufacturers in South Africa; and the section 12I tax incentive scheme provides incentives to qualifying investors.

Transfer payments were made as follows: R847 million to the enterprise investment programme; R924 million to the manufacturing competitiveness enhancement programme; R50 million to the small and medium enterprise development programme; R703.4 million for incentives to qualifying motor vehicle manufacturers in South Africa.

Expenditure estimates

Table 36.17 Manufacturing Investment Incentives

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
Current payments	51 966	57 585	66 123	96 172	22.8%	3.5%	97 710	99 487	111 324	5.0%	2.8%
Compensation of employees	37 042	39 155	44 659	71 869	24.7%	2.5%	75 703	73 967	84 439	5.5%	2.1%
Goods and services	14 924	18 430	21 464	24 303	17.6%	1.0%	22 007	25 520	26 885	3.4%	0.7%
of which:											
Advertising	17	142	954	20	5.6%	-	-	-	-	-100.0%	-
Assets less than the capitalisation threshold	72	109	20	188	37.7%	-	72	85	96	-20.1%	-
Catering: Departmental activities	196	183	327	298	15.0%	-	449	480	509	19.5%	-
Communication	201	196	173	396	25.4%	-	315	375	420	2.0%	-
Consultants and professional services: Business and advisory services	4 331	8 726	6 945	9 608	30.4%	0.4%	6 022	8 285	9 265	-1.2%	0.2%
Consultants and professional services: Legal costs	1 477	1 438	3 054	2 000	10.6%	0.1%	3 117	3 244	3 393	19.3%	0.1%

Table 36.17 Manufacturing Investment Incentives (continued)

Economic classification	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										
Contractors	4	1	4	113	204.6%	-	10	10	10	-55.4%	-
Entertainment	9	12	25	85	111.4%	-	79	84	88	1.2%	-
Fleet services (including government motor transport)	-	27	60	420	-	-	103	103	101	-37.8%	-
Inventory: Materials and supplies	-	2	1	2	-	-	5	5	5	35.7%	-
Inventory: Other consumables	28	7	26	30	2.3%	-	32	34	36	6.3%	-
Inventory: Stationery and printing	1 687	1 428	1 677	2 451	13.3%	0.1%	2 309	2 918	2 898	5.7%	0.1%
Operating leases	136	273	314	200	13.7%	-	85	90	95	-22.0%	-
Property payments	47	36	57	100	28.6%	-	65	70	70	-11.2%	-
Travel and subsistence	3 908	3 394	5 797	5 481	11.9%	0.2%	6 389	6 597	6 642	6.6%	0.2%
Training and development	-	-	-	-	-	-	-	-	-	-	-
Operating payments	155	507	249	358	32.2%	-	382	414	440	7.1%	-
Venues and facilities	677	786	1 376	2 397	52.4%	0.1%	2 000	2 100	2 190	-3.0%	0.1%
Interest and rent on land	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 473 422	1 278 147	2 030 087	2 756 830	23.2%	96.1%	493 051	3 730 236	3 836 459	11.6%	96.8%
Households	206	8	320	387	23.4%	-	-	-	-	-100.0%	-
Payments for capital assets	761	1 036	4 615	25 640	223.0%	0.4%	9 500	10 000	10 593	-25.5%	0.4%
Machinery and equipment	761	1 036	731	1 530	26.2%	0.1%	1 500	1 500	1 593	1.4%	-
Payments for financial assets	235	1	-	-	-100.0%	-	-	-	-	-	-
Total	1 526 384	1 336 769	2 100 825	2 878 642	23.5%	100.0%	600 261	3 839 723	3 958 376	11.2%	100.0%
Proportion of total subprogramme expenditure to programme expenditure	45.7%	47.9%	64.0%	63.1%			64.9%	68.0%	59.0%		

Personnel information

Table 36.18 Details of approved establishment and personnel numbers according to salary level¹

Manufacturing Investment Incentives	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		
Salary level	137	9	144	44.7	0.3	149	71.9	0.5	176	75.7	0.4	176	74.0	0.4	176	84.4	0.5	5.7%	100.0%
1 - 6	17	9	15	1.3	0.1	14	23.3	1.7	15	24.8	1.6	15	26.1	1.7	15	34.2	2.3	2.4%	8.7%
7 - 10	89	-	91	19.5	0.2	97	25.7	0.3	115	27.0	0.2	115	28.3	0.2	115	29.7	0.3	5.7%	65.2%
11 - 12	22	-	24	12.4	0.5	25	11.0	0.4	31	11.6	0.4	31	12.2	0.4	31	12.8	0.4	7.4%	17.4%
13 - 16	9	-	14	11.5	0.8	13	11.9	0.9	15	12.3	0.8	15	7.4	0.5	15	7.7	0.5	4.9%	8.6%

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 funding transfers to public corporations and private enterprises to provide incentives for investing in manufacturing and support for the accompanying infrastructure development.

Expenditure increased between 2009/10 and 2012/13 mainly due to the implementation of new incentives, such as the automotive incentives scheme and the enterprise investment programme to increase capital equipment and improve the production process. Over the medium term, expenditure in manufacturing investment incentives is expected to increase due to the introduction of the manufacturing competitive enhancement programme in 2012/13.

In 2011/12, 752 applications (468 in 2010/11) valued at R976 million were approved, creating a total of 22 899 jobs. The manufacturing investment programme created 15 586 jobs (68 per cent), the automotive incentive scheme supported 5 344 jobs (23 per cent), and the section 12I tax allowance incentive contributed 1 969 jobs (9 per cent). In 2012/13, the manufacturing competitive enhancement programme received 144 applications and disbursements commenced in October 2012. The automotive investment scheme supported 134 projects to create and sustain current jobs in the same year.

To give effect to the Cabinet approved budget reductions, the department reduced spending in this subprogramme by R2.7 billion over the medium term, mainly in transfer payments.

The programme has a funded establishment of 137 posts and 9 additional posts. Consultants in this programme are mainly used for drafting of grant agreements.

Subprogramme: Service Investment Incentives

This subprogramme provides incentive programmes that promote increased investment and employment growth in the targeted subsectors. The services investment cluster provides incentive programmes that promote investment, job creation and growth in the services sector. These include the business process services programme; the film and television production incentive support programme for South African and foreign productions; and the tourism support programme, which will be closed down over the medium term and its functions transferred to the Department of Tourism. Between 2007/08 and 2011/12, the incentive programmes approved 822 projects and disbursed R1.2 billion, of which R677 million (55 per cent) was disbursed to the film and television production programme, R274 million (22 per cent) to the business process services scheme; R204 million (17 per cent) to the tourism support programme; and R71 million (6 per cent) to the business process services programme. Transfer payments to incentive schemes were made in 2012/13 as follows: R82.2 million to the business process services programme to attract business process services operations and R290 million to the film and television production incentive scheme for incentives to qualifying companies to support film and television production in South Africa. This subprogramme had a staff complement of 12 in 2012/13.

Expenditure estimates

Table 36.19 Services Investment Incentives

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
Current payments	4 480	6 531	7 824	9 054	26.4%	2.1%	10 165	10 588	11 081	7.0%	1.7%
Compensation of employees	3 737	5 397	6 320	7 391	25.5%	1.7%	8 358	8 751	9 150	7.4%	1.4%
Goods and services	743	1 134	1 504	1 663	30.8%	0.4%	1 807	1 837	1 931	5.1%	0.3%
of which:											
Administration fees	–	–	193	40	–	–	–	–	–	-100.0%	–
Advertising	7	17	–	–	-100.0%	–	–	–	–	–	–
Assets less than the capitalisation threshold	–	9	–	–	–	–	–	–	–	–	–
Communication	49	52	52	107	29.7%	–	112	112	112	1.5%	–
Computer services	–	–	63	–	–	–	–	–	–	–	–
Fleet services (including government motor transport)	–	3	–	–	–	–	–	–	–	–	–
Inventory: Stationery and printing	39	32	43	10	-36.5%	–	–	–	–	-100.0%	–
Operating leases	51	81	36	15	-33.5%	–	25	25	25	18.6%	–
Travel and subsistence	597	940	1 117	1 399	32.8%	0.3%	1 670	1 700	1 794	8.6%	0.3%
Venues and facilities	–	–	–	92	–	–	–	–	–	-100.0%	–
Transfers and subsidies	253 993	226 782	298 765	499 000	25.2%	97.8%	590 000	620 000	641 267	8.7%	98.3%
Public corporations and private enterprises	253 993	226 782	298 759	499 000	25.2%	97.8%	590 000	620 000	641 267	8.7%	98.3%
Households	–	–	6	–	–	–	–	–	–	–	–
Payments for capital assets	–	238	–	–	–	–	–	–	–	–	–
Machinery and equipment	–	238	–	–	–	–	–	–	–	–	–
Total	258 473	233 551	306 589	508 054	25.3%	100.0%	600 165	630 588	652 348	8.7%	100.0%
Proportion of total subprogramme expenditure to programme expenditure	7.7%	8.4%	9.3%	11.1%			10.8%	11.2%	9.7%		

Personnel information

Table 36.20 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		
Services Investment Incentives	15	-	7	6	0.9	12	7	0.6	12	8	0.7	12	9	0.7	12	9	0.8	-	100.0%
Salary level																			
1-6	-	-	-	3	-	1	-	-	1	-	-	1	0	0.3	1	0	0.3	-	8.3%
7-10	6	-	3	0.6	0.2	5	1.9	0.4	5	2.0	0.4	5	2.1	0.4	5	2.2	0.4	-	41.7%
11-12	5	-	2	1.3	0.7	2	2.5	1.2	2	3.2	1.6	2	3.0	1.5	2	3.2	1.6	-	16.7%
13-16	4	-	2	1.4	0.7	4	3.1	0.8	4	3.2	0.8	4	3.4	0.8	4	3.5	0.9	-	33.3%

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 transfers to public corporations and private enterprises to provide support to film and television production in South Africa through the film and television production incentive scheme.

Expenditure increases significantly over the seven-year period due to a different approach to supporting the film industry by introducing milestone payments in 2010/11, which will have a carry through effect over the medium.

The subprogramme has a funded establishment of 15 posts. At the end of September 2012, there were 3 posts vacant due to resignations and transfers of staff to other divisions.

Programme 7: Trade and Investment South Africa

Objectives

- Increase the quality and quantity of domestic and foreign direct investment by reviewing the investment strategies over the MTEF period.
- Review the export strategy over the MTEF period in order to enhance South African export capabilities.
- Promote South African products in targeted high growth markets through reaching agreement on 6 international trade and investment initiatives, participating in 54 pavilions, and funding 129 trade missions by March 2014.
- Facilitate markets for South African manufactured products and services by promoting and implementing export and investment projects in high yield targeted countries such as the Brazil-Russia-India-China-South Africa (BRICS) group of countries, African countries, and other developing countries by March 2014.
- Enhance the ongoing promotion of exports and investment through the placement of trade attaches, who would be responsible for attracting foreign direct investment and promoting South African goods and services internationally, in 29 foreign economic missions over the medium term.

Subprogrammes

- *Investment Promotion and Facilitation* facilitates the increase in the quality and quantity of foreign and domestic direct investment by providing recruitment, problem solving and information services. The investment target is R115 billion over 3 years ending March 2014. The target for 2012/13 was R45 billion. The subprogramme is also responsible for organising the Africa Dialogue, an annual international investment conference; as well as for the promotion of outward investment. This subprogramme had a staff complement of 76 in 2012/13.

- *Export Development and Promotion* promotes exports of South African value added goods and services to increase market share in targeted high growth markets, and to sustain market share in traditional markets. The subprogramme also administers the export market and investment assistance incentives; and manages the national exporter development programme, which aims to expand exports and improve government and private sector interaction. In 2012/13, trade promotions were held in China, and R7 million and R11.8 million were allocated to the Proudly South African campaign and the Export Consultancy Trust Fund of the International Bank for Reconstruction and Development and the International Finance Corporation. This subprogramme had a staff complement of 86 in 2012/13.
- *International Operations* promotes trade and investment, and manages the department's 32 foreign representatives in 45 countries. Key activities include engagements with potential investors. This subprogramme had a staff complement of 31 in 2012/13.

Expenditure estimates

Table 36.21 Trade and Investment South Africa

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
Investment Promotion and Facilitation	42 141	54 776	34 984	61 036	13.1%	15.8%	53 248	86 619	100 052	17.9%	20.1%
Export Development and Promotion	157 680	156 969	167 082	100 623	-13.9%	47.6%	171 189	185 708	176 528	20.6%	42.4%
International Operations	99 158	116 837	115 322	115 847	5.3%	36.6%	145 304	145 078	155 857	10.4%	37.5%
Total	298 979	328 582	317 388	277 506	-2.5%	100.0%	369 741	417 405	432 437	15.9%	100.0%
Change to 2012 Budget estimate				(27 320)			41 568	39 103	36 733		
Economic classification											
Current payments	164 205	167 250	174 091	228 238	11.6%	60.0%	237 598	251 410	262 764	4.8%	65.5%
Compensation of employees	83 561	101 173	104 205	134 923	17.3%	34.7%	143 218	168 089	186 070	11.3%	42.2%
Goods and services	80 644	66 077	69 886	93 315	5.0%	25.4%	94 380	83 321	76 694	-6.3%	23.2%
<i>of which:</i>											
Administration fees	1 043	487	254	411	-26.7%	0.2%	308	447	468	4.4%	0.1%
Advertising	1 243	1 289	252	175	-48.0%	0.2%	360	320	336	24.3%	0.1%
Assets less than the capitalisation threshold	264	279	274	243	-2.7%	0.1%	258	357	375	15.6%	0.1%
Catering: Departmental activities	98	412	908	491	71.1%	0.2%	555	422	443	-3.4%	0.1%
Communication	2 009	2 184	1 885	2 265	4.1%	0.7%	1 169	2 559	2 687	5.9%	0.6%
Computer services	312	664	813	1 550	70.6%	0.3%	1 020	604	634	-25.8%	0.3%
Consultants and professional services: Business and advisory services	1 473	1 534	1 929	7 016	68.3%	1.0%	4 765	3 291	4 271	-15.2%	1.3%
Consultants and professional services: Laboratory services	-	-	-	-	-	-	450	-	-	-	-
Consultants and professional services: Legal costs	585	165	237	7 660	135.7%	0.7%	275	418	657	-55.9%	0.6%
Contractors	2 178	1 860	1 638	4 029	22.8%	0.8%	1 785	1 844	1 930	-21.8%	0.6%
Agency and support / outsourced services	39	436	140	20	-20.0%	0.1%	-	-	-	-100.0%	-
Entertainment	951	1 051	1 019	1 173	7.2%	0.3%	1 020	1 303	1 750	14.3%	0.4%
Fleet services (including government motor transport)	-	152	156	-	-	-	60	-	-	-	-
Inventory: Learner and teacher support material	-	1	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	1	4	3	-	-100.0%	-	-	-	-	-	-
Inventory: Other consumables	98	89	248	517	74.1%	0.1%	465	514	540	1.5%	0.1%
Inventory: Stationery and printing	972	1 376	1 771	1 250	8.7%	0.4%	2 110	1 602	1 682	10.4%	0.4%
Operating leases	12 267	14 640	16 508	9 666	-7.6%	4.3%	22 535	10 572	11 060	4.6%	3.6%
Property payments	884	1 055	1 182	760	-4.9%	0.3%	1 085	848	890	5.4%	0.2%
Transport provided: Departmental activity	-	-	-	100	-	-	-	-	-	-100.0%	-
Travel and subsistence	18 156	18 677	18 962	24 400	10.4%	6.6%	33 650	21 518	26 341	2.6%	7.1%
Training and development	6	54	96	50	102.7%	-	-	-	-	-100.0%	-
Operating payments	8 003	5 932	12 356	10 000	7.7%	3.0%	7 740	8 396	8 816	-4.1%	2.3%
Venues and facilities	30 062	13 736	9 255	21 539	-10.5%	6.1%	14 770	28 306	13 814	-13.8%	5.2%
Transfers and subsidies	132 956	159 172	140 435	46 954	-29.3%	39.2%	130 643	164 670	168 287	53.0%	34.1%
Foreign governments and international organisations	10 456	11 084	11 750	12 338	5.7%	3.7%	9 800	6 300	2 632	-40.2%	2.1%
Public corporations and private enterprises	122 400	120 488	121 517	24 616	-41.4%	31.8%	110 293	110 370	115 447	67.4%	24.1%
Non-profit institutions	-	27 500	7 000	10 000	-	3.6%	10 550	48 000	50 208	71.2%	7.9%
Households	100	100	168	-	-100.0%	-	-	-	-	-	-

Table 36.21 Trade and Investment South Africa (continued)

Economic Classification	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2013/14	2014/15	2015/16			
R thousand											
Payments for capital assets	1 502	2 139	2 855	2 314	15.5%	0.7%	1 500	1 325	1 386	-15.7%	0.4%
Machinery and equipment	1 502	2 095	2 838	2 314	15.5%	0.7%	1 500	1 325	1 386	-15.7%	0.4%
Software and other intangible assets	–	44	17	–	–	–	–	–	–	–	–
Payments for financial assets	316	21	7	–	-100.0%	–	–	–	–	–	–
Total	298 979	328 582	317 388	277 506	-2.5%	100.0%	369 741	417 405	432 437	15.9%	100.0%
Proportion of total programme expenditure to vote expenditure	5.0%	5.7%	4.7%	3.3%			3.9%	4.2%	3.8%		

Details of transfers and subsidies

Non-profit institutions											
Current											
Proudly South African campaign	–	27 500	7 000	10 000	–	3.6%	10 550	48 000	50 208	71.2%	7.9%
	–	27 500	7 000	10 000	–	3.6%	10 550	48 000	50 208	71.2%	7.9%
Foreign governments and international organisations											
Current											
Export Consultancy Trust Funds:	5 228	5 542	5 875	6 169	5.7%	1.9%	4 900	3 150	1 316	-40.2%	1.0%
International Bank for Reconstruction and Development											
Export Consultancy Trust Funds:	5 228	5 542	5 875	6 169	5.7%	1.9%	4 900	3 150	1 316	-40.2%	1.0%
International Finance Corporation											
Households											
Social benefits											
Current											
Gifts, donations and sponsorships	100	100	168	–	-100.0%	–	–	–	–	–	–
	100	100	168	–	-100.0%	–	–	–	–	–	–
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	122 400	120 488	121 517	24 616	-41.4%	31.8%	110 293	110 370	115 447	67.4%	24.1%
Export Credit Insurance Corporation	122 400	120 488	121 517	24 616	-41.4%	31.8%	110 293	110 370	115 447	67.4%	24.1%

Personnel information**Table 36.22 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	
Trade and Investment South Africa																			
Salary level	157	–	138	104.2	0.8	185	154.9	0.8	187	143.2	0.8	187	168.1	0.9	187	186.1	1.0	0.4%	100.0%
1 – 6	20	–	23	52.6	2.3	20	90.9	4.5	20	80.9	4.0	20	103.2	5.2	20	109.1	5.5	–	10.7%
7 – 10	66	–	58	15.7	0.3	82	22.3	0.3	83	23.5	0.3	83	24.6	0.3	83	25.9	0.3	0.4%	44.4%
11 – 12	52	–	46	26.9	0.6	61	27.5	0.5	61	28.9	0.5	61	30.3	0.5	61	31.8	0.5	–	32.7%
13 – 16	19	–	11	9.0	0.8	22	14.2	0.6	23	10.0	0.4	23	10.0	0.4	23	19.3	0.8	1.5%	12.2%

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 quality and quantity of domestic and foreign direct investment, promoting South African products in targeted markets, and promoting exports and investment in targeted countries by maintaining a footprint of 29 foreign based economic offices. These activities are carried out through the *Export Development and Promotion* and *International Operations* subprogrammes.

Expenditure on transfers and subsidies decreased significantly between 2009/10 and 2012/13 due to a decrease in payments to the Export Credit and Insurance Corporation for the interest make-up scheme for exporters. The decrease was due to the effects of the global economic recession. These payments are expected to increase over the medium term with an expected recovery in the global economy, thus the projected increase in expenditure on transfers and subsidies over the period. Spending on goods and services between 2009/10 and 2012/13, which includes foreign trade mission expenses, increased due to higher operating costs in foreign countries. Over the medium term, goods and services spending will decrease due to the cancellation of further expos in

China in favour of targeted investment approaches that are expected to promote South African products more effectively.

To give effect to the Cabinet approved budget reductions, the department reduced spending in the programme by R22.7 million over the medium term. The reductions were effected in spending on transfers to international organisations.

Consultants in this programme are mainly used to provide specialised skills that the department does not presently possess.

Public entities and other agencies

Companies and Intellectual Property Commission

Mandate and goals

The Companies and Intellectual Property Commission was established in terms of section 185 of the Companies Act (2008) to function as an organ of state within the public administration but outside the public service. As such, it is mandated to undertake and enhance the functions of the Office of Companies and Intellectual Property Enforcement as well as those previously falling under the Companies and Intellectual Property Registration Office's mandate. The commission regulates companies, close corporations, cooperatives, trademarks, patents, designs, copyright, and enforces rules and regulations.

The commission's strategic goals over the medium term are to:

- improve the competitiveness of the South African economy by enhancing the reputation of South African businesses and the South African business environment
- contribute to a knowledge based economy and competitive local industries by promoting innovation, creativity and indigenous cultural expression and knowledge
- promote broader formal economic participation by enhancing service delivery.

Selected performance indicators

Table 36.23 Companies and Intellectual Property Commission

Indicator	Programme/Activity/Objective	Past ¹			Current	Projections		
		2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
Turnaround times: Company registration	Business regulations and reputation	-	-	25 days	25 days	16 days	13 days	13 days
Turnaround times: Cooperative registration	Business regulations and reputation	-	-	15 days	15 days	10 days	8 days	8 days
Turnaround times: Patent registrations	Innovation and creativity promotion	-	-	60 days	44 days	44 days	44 days	44 days
Turnaround times: Design registrations	Innovation and creativity promotion	-	-	60 days	44 days	44 days	44 days	44 days
Turnaround times: Films registrations	Innovation and creativity promotion	-	-	88 days	44 days	44 days	44 days	44 days
Number of targeted education campaigns per year	Business regulations and reputation	-	-	-	7	6	6	6
Number of cooperatives registered per year ²	Business regulations and reputation	6 054	9 279	-	-	-	-	-
Number of copy right films registrations per year ²	Innovation and creativity promotion	60	47	-	-	-	-	-
Number of design applications processed per year ²	Innovation and creativity promotion	1 86	84	-	-	-	-	-
Number of patent applications processed per year ²	Innovation and creativity promotion	9 271	4 617	-	-	-	-	-
Number of trademarks applications processed per year ²	Business regulations and reputation	27 383	15 135	-	-	-	-	-
Turnaround times: Counterfeit goods request for search and seizure processing	Innovation and creativity promotion	-	-	-	7 days	6 days	4 days	4 days
Turnaround times: Licensing of business rescue practitioners	Business regulations and reputation	-	-	3 days	2 days	2 days	2 days	2 days

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

2. Measurement of these indicators has been discontinued.

Programmes/activities/objectives

Table 36.24 Companies and Intellectual Property Commission

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		
Service delivery and access: To promote broader formal economic participation by enhancing service delivery and extending the reach of CIPC	422 602	236 853	190 229	248 084	-16.3%	60.7%	179 414	226 886	218 243	-4.2%	46.1%

Table 36.24 Companies and Intellectual Property Commission (continued)

R thousand	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		
Business regulations and reputation: To improve competitiveness of the South African economy by enhancing the reputation of South African businesses and the South African business environment	184 563	82 298	85 603	139 900	-8.8%	26.9%	178 300	188 800	200 000	12.7%	37.3%
Innovation and creativity promotion: To contribute to a knowledge-based economy and competitive local industries by promoting innovation, creativity and indigenous cultural expression and knowledge.	99 380	27 433	41 217	65 600	-12.9%	12.4%	78 200	82 900	87 800	10.2%	16.6%
Total expense	706 545	346 584	317 049	453 584	-13.7%	100.0%	435 914	498 586	506 043	3.7%	100.0%

Expenditure estimates

Table 36.25 Companies and Intellectual Property Commission

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	958 075	473 415	472 703	553 856	-16.7%	99.3%	435 914	498 586	506 043	-3.0%	100.0%
Sale of goods and services other than capital assets	851 189	350 859	373 129	336 986	-26.6%	75.1%	339 225	346 217	349 272	1.2%	69.3%
of which:											
Administrative fees	851 189	350 859	373 129	336 986	-26.6%	75.1%	339 225	346 217	349 272	1.2%	69.3%
Other non-tax revenue	106 886	122 556	99 574	216 870	26.6%	24.2%	96 689	152 369	156 771	-10.3%	30.7%
Transfers received	-	-	13 990	-	-	0.7%	-	-	-	-	-
Total revenue	958 075	473 415	486 693	553 856	-16.7%	100.0%	435 914	498 586	506 043	-3.0%	100.0%
Expenses											
Current expenses	706 545	346 584	317 049	453 584	-13.7%	100.0%	435 914	498 586	506 043	3.7%	100.0%
Compensation of employees	115 402	132 768	144 927	190 000	18.1%	35.6%	214 610	247 527	279 180	13.7%	49.0%
Goods and services	586 080	204 210	164 214	241 267	-25.6%	61.7%	212 304	241 059	214 863	-3.8%	48.2%
Depreciation	4 942	9 542	7 908	22 317	65.3%	2.7%	9 000	10 000	12 000	-18.7%	2.8%
Interest, dividends and rent on land	121	64	-	-	-100.0%	0.0%	-	-	-	-	-
Total expenses	706 545	346 584	317 049	453 584	-13.7%	100.0%	435 914	498 586	506 043	3.7%	100.0%
Surplus/(Deficit)	251 530	126 831	169 644	100 272	-26.4%		-	-	-	-100.0%	
Statement of financial position											
Carrying value of assets	122 049	21 593	15 257	108 257	-3.9%	6.8%	188 257	218 257	248 257	31.9%	20.5%
of which:											
Acquisition of assets	50 422	11 135	3 678	-	-100.0%	1.8%	80 000	140 000	190 000	-	11.7%
Inventory	620	834	813	400	-13.6%	0.1%	350	300	250	-14.5%	0.0%
Receivables and prepayments	121 032	42 932	49 160	46 675	-27.2%	6.6%	40 000	35 000	30 000	-13.7%	3.8%
Cash and cash equivalents	644 501	956 489	1 137 699	918 829	12.5%	86.6%	939 101	746 732	449 961	-21.2%	75.6%
Total assets	888 202	1 021 848	1 202 929	1 074 161	6.5%	100.0%	1 167 708	1 000 289	728 468	-12.1%	100.0%
Accumulated surplus/(deficit)	803 878	930 541	1 100 186	989 270	7.2%	91.3%	1 081 918	917 865	649 486	-13.1%	91.4%
Finance lease	699	-	-	-	-100.0%	0.0%	-	-	-	-	-
Trade and other payables	71 877	19 570	15 656	70 000	-0.9%	4.5%	65 000	60 000	55 000	-7.7%	6.4%
Provisions	11 748	12 849	15 087	14 891	8.2%	1.3%	20 790	22 424	23 982	17.2%	2.2%
Derivatives financial instruments	-	58 888	72 000	-	-	2.9%	-	-	-	-	-
Total equity and liabilities	888 202	1 021 848	1 202 929	1 074 161	6.5%	100.0%	1 167 708	1 000 289	728 468	-12.1%	100.0%

Personnel information

Table 36.26 Companies and Intellectual Property Commission

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	Actual			Revised estimate			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		
606	122	554	144.9	0.3	484	190.0	0.4	627	214.6	0.3	683	247.5	0.4	740	279.2	0.4	15.2%	100.0%	
7 – 10	490	63	492	105.7	0.2	427	113.4	0.3	497	113.4	0.2	513	121.8	0.2	536	133.9	0.2	7.9%	52.4%
11 – 12	68	36	55	37.0	0.7	32	33.5	1.0	74	45.5	0.6	102	59.0	0.6	124	71.6	0.6	57.1%	22.1%
13 – 16	48	23	7	2.3	0.3	25	43.1	1.7	56	55.7	1.0	68	66.8	1.0	80	73.7	0.9	47.4%	25.5%

1. Rand million.

Expenditure trends

The Companies and Intellectual Property Commission generates revenue from registration fees and annual returns. Operating revenue decreased significantly in 2010/11, mainly due to the discontinuation of close corporations registrations and share capital income streams in terms of the Companies Act (2008). The waiver of penalties for late filing of annual returns, due to systems problems, as well as the new annual returns fee structure, also contributed to the decrease in revenue.

The spending focus over the medium term is on the promotion of broader, formal economic participation by way of enhanced service delivery while continually improving the reputation of the South African business environment. The commission will revise its fee structure over this period to better recover costs and will cut operational costs relating to travel, entertainment, venue hire, and facilities for meetings and workshops.

Expenditure increased in 2012/13 due to additional expenditure relating to service delivery improvement projects, which decreased the turnaround times for patent, design and film registration from 60 days to 44 days. In 2013/14, expenditure is expected to decrease due to expected delays in the implementation of the new organisational structure, and lower stationery and travel costs. Expenditure is expected to increase in 2014/15 as the new structure and remuneration framework are implemented. Special projects have been identified for the improvement of service delivery, which includes the enhancement of ICT systems and the commission's new building.

The commission has a funded establishment of 606 posts. There were 122 vacancies as at 30 September 2012 due to a delay in finalising the organisational structure. Spending on compensation of employees is expected to grow in 2015/16 due to the implementation of the new structure and functions. Expenditure on consultants is expected to decrease over the medium term as additional personnel are appointed. Consultants are used to provide technical and specialised ICT services. The ratio of support staff to line function staff was 1: 2.6.

Export Credit Insurance Corporation of South Africa

Mandate and goals

The Export Credit Insurance Corporation of South Africa was established in terms of the Export Credit and Foreign Investments Insurance Act (1957) to facilitate and encourage South Africa's export trade by underwriting export credit loans and investments outside South Africa. The corporation is mandated to evaluate export credit and foreign investment risks; provide export credit and foreign investment insurance cover on behalf of the South African government; and manage the interest makeup subsidised interest rate arrangement for participating financial institutions, thereby enabling them to provide loans to South African firms that invest in capital projects abroad.

The corporation's strategic goals over the medium term are to:

- facilitate export trade and investments outside South Africa

- build mutually beneficial local, regional and global relations to advance South Africa's trade and economic development objectives
- promote a professional, competitive and customer focused workforce that ensures an effective and efficient service to customers
- create enterprise wide risk awareness and effective corporate governance and risk management practices
- use sound business environment and social principles by applying international best practice.

Selected performance indicators

Table 36.27 Export Credit Insurance Corporation of South Africa

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Value of approved insurance applications per year	Facilitate export trade and investment outside South Africa	R3.5bn	R5.7bn	R5.1bn	R5.1bn	R6.3bn	R7.6bn	R8.8bn
Value of signed insurance policies per year	Facilitate export trade and investment outside South Africa	R1bn	R2.6bn	R1.4bn	R1.7bn	R2.109bn	R2.81bn	R3.52bn
Value of loans disbursed and/or investment insurance exposures declared per year	Facilitate export trade and investment outside South Africa	R1.1bn	R1.2bn	–	R1.5bn	R1.89bn	R1.27bn	R2.64bn
Number of cooperation agreements or arrangements initiated with export credit agencies or development finance institutions in Africa, Middle East or other members of the BRICS group of countries and other developing nations per year ¹	Build mutually beneficial local, regional and global relations to advance South Africa's trade and economic development objective	–	1	2	2	2	2	2
Number of product presentations or awareness sessions held per year with export promotion agencies and/or with economic development agencies or through conferences in the various provinces in South Africa ¹	Promote a professional, competitive and customer focused workforce that ensures an effective and efficient service to customers	–	–	9	12	15	18	18
Number articles or media reports published per year ²	Promote a professional, competitive and customer focused workforce that ensures an effective and efficient service to customers	–	–	–	2	4	5	6
The single largest country exposure as a percentage of the total insurance portfolio not exceeding the target	Create an enterprise wide risk awareness and effective corporate governance and risk management practices	38%	36%	35%	28%	32%	30%	30%
The percentage value of procurement spend from BEE certified suppliers or service providers when measured against the total procurement spend of the corporation ¹	Consistently use sound business environment and social principles, applying international best practice.	–	52%	58%	70%	100%	110%	110%
Number of projects implemented per year for the social responsibility plan ²	Consistently utilise sound business environment and social principles, applying international best practice	–	–	–	–	3	3	3
Percentage of the corporation's profit spent on social responsibility investment per year ²	Consistently utilise sound business environment and social principles, applying international best practice.	–	–	–	–	1% of profit after tax	1% of profit after tax	1% of profit after tax
Number of repeat business applications per year ²	Facilitate export trade and investment outside South Africa	–	–	–	–	5 applications	10 applications	15 applications
Number of SMME exports supported per year ²	Facilitate export trade and investment outside South Africa	–	–	–	–	5	5	5

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

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

Programmes/activities/objectives

Table 36.29 Export Credit Insurance Corporation of South Africa

	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		
	2009/10 - 2012/13	2013/14	2014/15				2015/16	2012/13 - 2015/16			
R thousand											
Facilitate export trade and investment outside South Africa	136 371	139 055	–	–	-100.0%	13.2%	–	–	408 239	–	14.6%
Strategic alliances, build mutually beneficial local, regional and global relations to advance South Africa's trade and economic development objective	339	271	–	–	-00.0%	0.0%	–	–	157	–	0.0%
Promote a professional, competitive and customer focused workforce that ensures an effective and efficient service to customers	21 200	20 925	–	–	-100.0%	2.0%	–	–	12 839	–	0.5%
Fostering risk orientation, create an enterprise wide risk awareness and effective corporate governance and risk management practices	211 270	241 561	–	–	-100.0%	21.8%	–	–	106	–	0.0%

Table 36.29 Export Credit Insurance Corporation of South Africa (continued)

R thousand	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 63.0%	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 85.0%
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
Effective stewardship, consistently utilise sound business environment and social principles, applying international best practice	158 440	112 016	719 742	470 691	43.8%	63.0%	531 868	618 420	279 636	-15.9%	85.0%
Total expense	527 620	513 828	719 742	470 691	-3.7%	100.0%	531 868	618 420	700 977	14.2%	100.0%

Expenditure estimates

Table 36.30 Export Credit Insurance Corporation of South Africa

R thousand	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
Revenue											
Non-tax revenue	763 339	805 705	786 794	643 978	-5.5%	89.0%	627 532	744 673	746 152	5.0%	88.8%
Sale of goods and services other than capital assets	290 349	388 410	388 621	386 852	10.0%	43.8%	302 549	343 039	360 434	-2.3%	45.2%
of which:											
Sales by market establishment	290 349	388 410	388 621	386 852	10.0%	43.8%	302 549	343 039	360 434	-2.3%	45.2%
Other non-tax revenue	472 990	417 295	398 173	257 126	-18.4%	45.2%	324 983	401 634	385 718	14.5%	43.6%
Transfers received	122 400	120 488	121 517	24 616	-41.4%	11.0%	110 293	110 370	115 447	67.4%	11.2%
Total revenue	885 739	926 193	908 311	668 594	-8.9%	100.0%	737 825	855 043	861 599	8.8%	100.0%
Expenses											
Current expenses	383 868	403 011	560 973	293 493	-8.6%	72.9%	424 052	429 693	502 502	19.6%	70.8%
Compensation of employees	17 613	22 765	22 289	33 200	23.5%	4.5%	42 917	45 923	63 060	23.8%	7.9%
Goods and services	352 370	379 997	538 464	259 954	-9.6%	67.7%	379 699	382 132	439 231	19.1%	62.8%
Depreciation	177	246	218	339	24.2%	0.0%	1 436	1 638	211	-14.6%	0.2%
Interest, dividends and rent on land	13 708	3	2	-	-100.0%	0.6%	-	-	-	-	-
Total expenses	527 620	513 828	719 742	470 691	-3.7%	100.0%	531 868	618 420	700 977	14.2%	100.0%
Surplus/(Deficit)	358 119	412 365	188 569	197 903	-17.9%		205 957	236 623	160 622	-6.7%	
Statement of financial position											
Carrying value of assets	804	598	648	2 397	43.9%	0.0%	2 923	3 285	2 474	1.1%	0.1%
of which:											
Acquisition of assets	810	92	195	1 950	34.0%	0.0%	1 900	2 000	-	-100.0%	0.0%
Receivables and prepayments	182 454	235 616	193 984	280 836	15.5%	7.7%	294 170	237 209	147 643	-19.3%	4.9%
Cash and cash equivalents	1 303 586	1 396 374	1 651 134	2 088 255	17.0%	57.1%	1 935 711	2 220 363	2 407 629	4.9%	42.5%
Taxation	21 525	4 020	-	(31 528)	-213.6%	0.0%	(26 528)	(31 528)	(36 528)	5.0%	-0.6%
Derivatives financial instruments	1 284 001	1 529 942	-	1 982 878	15.6%	35.0%	2 696 240	2 966 462	3 345 352	19.0%	53.2%
Total assets	2 792 370	3 166 550	1 845 766	4 322 838	15.7%	100.0%	4 902 516	5 395 791	5 866 570	10.7%	100.0%
Accumulated surplus/(deficit)	1 528 900	1 918 111	2 015 452	2 317 547	14.9%	55.3%	2 730 226	3 193 619	3 666 138	16.5%	57.7%
Capital and reserves	409 066	268 509	631 118	649 816	16.7%	13.6%	641 388	645 435	647 175	-0.1%	12.8%
Trade and other payables	18 858	5 258	135 266	143 382	96.6%	1.9%	151 985	161 104	170 770	6.0%	3.1%
Taxation	6 056	24 072	82 087	49 618	101.6%	1.1%	19 216	37 319	39 515	-7.3%	0.7%
Provisions	829 490	950 600	1 005 731	1 162 475	11.9%	28.2%	1 359 701	1 358 314	1 342 972	4.9%	25.7%
Total equity and liabilities	2 792 370	3 166 550	3 869 654	4 322 838	15.7%	100.0%	4 902 516	5 395 791	5 866 570	10.7%	100.0%

Personnel information

Table 36.31 Export Credit Insurance Corporation of South Africa

Salary level	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/total: 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	Number	Cost	
	33	2	33	22.3	0.7	40	28.2	0.7	40	42.9	1.1	41	45.9	1.1	40	49.1	1.2	-	100.0%
1-6	3	-	3	0.3	0.1	6	0.5	0.1	6	0.5	0.1	6	0.6	0.1	6	0.6	0.1	-	14.9%
7-10	3	-	3	0.7	0.2	4	2.2	0.6	4	1.1	0.3	4	1.2	0.3	4	1.3	0.3	-	9.9%
11-12	13	1	13	5.1	0.4	15	7.1	0.5	15	7.6	0.5	15	8.1	0.5	15	8.7	0.6	-	37.3%
13-16	13	-	13	12.7	1.0	15	13.9	0.9	15	14.9	1.0	15	15.9	1.1	15	17.0	1.1	-	37.3%
17-22	1	1	1	3.5	3.5	-	4.5	-	-	18.8	-	1	20.1	20.1	-	21.5	-	-	0.6%

1. Rand million.

Expenditure trends

The Export Credit Insurance Corporation of South Africa generates revenue from insurance premiums and investment income. Insurance premiums are expected to increase by 19 per cent between 2013/14 and 2015/16 as a result of anticipated growth in the policies underwritten.

The spending focus over the medium term will be on modernising IT systems to provide better services.

Expenditure on compensation of employees increased in 2012/13 and will continue to increase over the medium term due to an increase in filled positions in accordance with the approved structure. Depreciation is expected to increase over the MTEF period due to the acquisition of IT systems. Due to the positive outlook on the insurance provisions, which resulted from a decrease in claims, expenditure on goods and services declined in 2012/13. There is also an anticipated increase in pipeline projects in 2014/15 and 2015/16. The corporation will look for innovative ways to underwrite its policies.

Between 2005 and 2010, the corporation's interest make-up scheme created 13 000 job opportunities, and R5.6 billion of goods and services manufactured in South Africa were exported at a cost of R900 million to the government. An additional R400 million has since been disbursed, which is expected to translate into R2.5 billion of South African goods and services exported. Over the MTEF period, the main contributor to cost increases is expected to be the facilitation of the exports objective, following the increase in staff and underwriting activities.

The corporation has a funded establishment of 33 posts. The ratio of support staff to line function staff was 1:9. Consultants are used mainly for legal issues as the entity lacked this expertise among its staff complement.

National Empowerment Fund

Mandate and goals

The National Empowerment Fund was established by the National Empowerment Fund Act (1998) to promote and facilitate black economic equality and transformation. In providing financial and non-financial support to black businesses and structuring accessible retail savings products for black people, the fund is mandated to implement the empowerment codes of good practice for broad based black economic empowerment. The fund has three core divisions: small and medium enterprises and rural development, venture capital and corporate finance, and asset management.

The fund's strategic goals over the medium term are to:

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

Selected performance indicators

Table 36.32 National Empowerment Fund

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Disbursement value per year within a targeted number of transactions between R2 million and R75 million	Umnotho fund	R184.7m	R300m	R375m	R550m	R618.8m	R735m	R836.6m
Disbursement value per year within a targeted number of transactions between R250 000 and R10 million	Imbewu fund	R106m	R135m	R140m	R190m	R302m	R392m	R417.1m
Disbursement value per year within a targeted number of transactions	Rural and community development	R86.1m	R75m	R105m	R153m	R182.2m	R215.6m	R237.7m
Disbursement value per year within a targeted number of transactions and feasibility studies	Strategic projects fund	R46.5m	R70m	R130m	R250m	R198m	R196m	R194m
Number of asset management activities per year ^{1,2}	Asset management	–	18 702	9 862	–	–	–	–
Number of projects receiving non-financial support per year ²	Non-financial support	–	5 554	4 400	6 000	5 832	6 858	7 331

1. Measurement of this indicator has been discontinued.

2. No past data, as reporting on this indicator began in 2010/11.

Programme/activities/objectives

Table 36.33 National Empowerment Fund

	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		
R thousand											
Umnotho fund	184 654	300 000	498 500	550 000	43.9%	45.6%	618 750	735 000	836 625	15.0%	48.0%
Imbewu fund	106 162	135 000	175 000	190 000	21.4%	19.6%	301 950	392 000	417 100	30.0%	22.4%
Rural and community development	86 145	91 314	107 900	153 000	21.1%	14.4%	182 160	215 600	237 650	15.8%	13.8%
Strategic projects fund	46 533	70 000	381 000	250 000	75.1%	19.2%	198 000	196 000	194 000	-8.1%	15.3%
Asset management	–	18 702	2 800	–	–	0.8%	–	–	–	–	–
Non-financial support	–	5 554	–	6 000	–	0.4%	6 415	6 858	7 331	6.9%	0.5%
Total expense	423 494	620 570	1 165 200	1 149 000	39.5%	100.0%	1 307 275	1 545 458	1 692 706	13.8%	100.0%

Expenditure Estimates

Table 36.34 National Empowerment Fund

Statement of financial position	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		
R thousand											
Carrying value of assets of which:	13 283	44 019	63 816	8 929	-12.4%	0.6%	8 999	9 140	9 349	1.5%	0.2%
Acquisition of assets	7 243	6 130	2 874	5 700	-7.7%	0.1%	2 450	2 100	2 600	-23.0%	0.1%
Investments	1 289 581	1 639 267	1 689 818	1 757 933	10.9%	30.7%	1 827 933	1 897 933	1 967 933	3.8%	32.2%
Loans	875 573	837 021	1 091 415	2 044 282	32.7%	23.3%	2 881 072	3 876 381	4 828 938	33.2%	57.5%
Receivables and prepayments	33 472	42 235	49 497	–	-100.0%	0.6%	–	–	–	–	–
Cash and cash equivalents	2 788 342	2 582 555	2 201 998	1 502 016	-18.6%	43.9%	655 739	–	–	-100.0%	10.1%
Non-current assets held for sale	–	–	8 100	–	–	0.0%	–	–	–	–	–
Derivatives financial instruments	–	170 763	–	–	–	0.8%	–	–	–	–	–
Total assets	5 000 251	5 315 860	5 104 644	5 313 160	2.0%	100.0%	5 373 743	5 783 454	6 806 220	8.6%	100.0%
Accumulated surplus/(deficit)	1 440 124	1 514 952	1 508 969	1 553 239	2.6%	28.7%	1 613 822	1 680 682	1 707 865	3.2%	28.4%
Capital and reserves	3 518 812	3 765 625	3 749 922	3 749 921	2.1%	70.6%	3 749 921	3 749 921	3 749 921	–	65.1%
Borrowings	–	–	–	–	–	–	–	342 851	1 338 434	–	6.4%
Trade and other payables	41 315	35 283	44 198	10 000	-37.7%	0.6%	10 000	10 000	10 000	–	0.2%
Total equity and liabilities	5 000 251	5 315 860	5 303 089	5 313 160	2.0%	100.0%	5 373 743	5 783 454	6 806 220	8.6%	100.0%

Personnel information

Table 36.35 National Empowerment Fund

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	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/ total: Average (%)			
			2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
173	–		157	108.6	0.7	195	136.5	0.7	195	146.0	0.7	195	156.1	0.8	195	166.8	0.9	–	100.0%
1–6	10	–	10	1.6	0.2	10	1.8	0.2	10	1.9	0.2	10	2.0	0.2	10	2.1	0.2	–	5.1%
7–10	47	–	43	13.3	0.3	49	15.6	0.3	49	16.6	0.3	49	17.8	0.4	49	19.0	0.4	–	25.1%
11–12	57	–	49	31.5	0.6	77	49.4	0.6	77	52.7	0.7	77	56.3	0.7	77	60.1	0.8	–	39.5%
13–16	58	–	54	58.4	1.1	58	65.2	1.1	58	69.8	1.2	58	74.6	1.3	58	79.8	1.4	–	29.7%
17–22	1	–	1	3.9	3.9	1	4.6	4.6	1	5.0	5.0	1	5.4	5.4	1	5.8	5.8	–	0.5%

1. Rand million.

Expenditure trends

The National Empowerment Fund's revenue is mainly generated from bank interest and interest on investments and dividends. The decrease in revenue in 2011/12 was mainly due to a reduction in the interest earned on R1 billion in cash invested with the South African Reserve Bank. The increased revenue in 2012/13 is due to the higher projected dividend in the MTN shares portfolio, for which the current market value is R1.6 billion. The fund is examining possible higher returns that could be earned from its liquid assets.

The spending focus over the medium term will mainly be on goods and services, compensation of employees and project financing. The National Empowerment Fund has a disbursement target of R1.3 billion per year over the medium term.

The increased expenditure in goods and services in 2011/12 is due to marketing, communications and impairment provisions on loans. This is in contrast to the year-on-year decrease in the impairment provision for 2010/11, when it dropped by 53 per cent. Expenditure on goods and services decreased in 2012/13 due to a reduction in the loss incurred on the disposal of assets. In addition, equity investments lost value. Over the medium term, expenditure on this item is expected to increase as a result of the increase in impairment provisioning, in line with the increased invested portfolio. Expenditure on compensation of employees increased in 2012/13 to provide for improved conditions of service and additional staff.

The fund expects to realise savings over the MTEF period of R50 million, which is not expected to have an adverse effect on service delivery. The ratio of support staff to line function staff is 1:2. The Fund has a funded establishment of 173 posts and 22 additional posts to the establishment. There are no vacancies.

National Lotteries Board

Mandate and goals

The National Lotteries Board was established in terms of the Lotteries Act (1997), and is mandated to regulate the National Lottery as well as other lotteries, including fundraising society lotteries and promotional competitions. The board also advises the Minister of Trade and Industry on policy matters relating to the National Lottery and other lotteries.

The board's strategic goals over the medium term are to:

- improve the impact of the National Lottery Distribution Trust Fund
- review regulatory practice
- sustain organisational capability
- ensure stability and enhance business continuity.

Selected performance indicators

Table 36.36 National Lotteries Board

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Value of operator ticket sales per year	National lottery regulation	R4.69bn	R4.71bn	R4.59bn	R4.62bn	R4.71bn	R4.71bn	R4.71bn
Value of National Lotteries Distribution Trust Fund grant commitments per year	National lottery regulation	R3.3bn	R3.09bn	R1.80bn	R1.65bn	R1.65bn	R1.60bn	R1.60bn
Value of actual cash disbursed per year	National lottery regulation	R1.94bn	R3.6bn	R2.41bn	R2.08bn	R1.39bn	R1.41bn	R1.41bn
Value of contribution to the National Lotteries Distribution Trust Fund per year	National lottery regulation	R1.5bn	R1.61bn	R1.56bn	R1.60bn	R1.60bn	R1.60bn	R1.60bn

Programmes/activities/objectives

Table 36.37 National Lotteries Board

R thousand	Audited outcome			Revised estimate 2012/13	Average growth rate (%)		Medium-term estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2015/16
National lottery regulation	65 376	83 573	101 054	162 379	35.4%	100.0%	176 169	192 436	209 127	8.8%	100.0%
Total expense	65 376	83 573	101 054	162 379	35.4%	100.0%	176 169	192 436	209 127	8.8%	100.0%

Expenditure estimates

Table 36.38 National Lotteries Board

Statement of financial performance	Audited outcome			Revised estimate 2012/13	Average growth rate (%)		Medium-term estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2015/16
Revenue											
Non-tax revenue	1 643	1 617	1 586	1 656	0.3%	1.8%	1 698	1 728	2 220	10.3%	1.0%
Sale of goods and services other than capital assets <i>of which:</i>	1 308	1 308	1 308	1 308	-	1.4%	1 308	1 308	1 700	9.1%	0.8%
Administrative fees	1 308	1 308	1 308	1 308	-	1.4%	1 308	1 308	1 700	9.1%	0.8%
Other non-tax revenue	335	309	278	348	1.3%	0.3%	390	420	520	14.3%	0.2%
Transfers received	63 733	81 956	99 468	160 723	36.1%	98.2%	174 471	190 708	206 907	8.8%	99.0%
Total revenue	65 376	83 573	101 054	162 379	35.4%	100.0%	176 169	192 436	209 127	8.8%	100.0%
Expenses											
Current expenses	65 376	83 573	101 054	162 379	35.4%	100.0%	176 169	192 436	209 127	8.8%	100.0%
Compensation of employees	35 081	45 413	54 171	88 333	36.0%	54.0%	97 124	106 736	116 311	9.6%	55.2%
Goods and services	28 336	37 404	45 452	71 791	36.3%	44.3%	76 745	83 200	90 128	7.9%	43.5%
Depreciation	1 959	756	1 431	2 255	4.8%	1.7%	2 300	2 500	2 688	6.0%	1.3%
Total expenses	65 376	83 573	101 054	162 379	35.4%	100.0%	176 169	192 436	209 127	8.8%	100.0%
Statement of financial position											
Carrying value of assets	7 530	8 324	7 968	11 463	15.0%	45.0%	11 963	12 463	13 000	4.3%	57.5%
<i>of which:</i>											
Acquisition of assets	1 414	1 685	1 086	5 750	59.6%	12.4%	2 800	3 000	3 225	-17.5%	17.3%
Receivables and prepayments	3 648	4 780	8 467	3 200	-4.3%	25.1%	3 200	3 200	3 200	-	15.1%
Cash and cash equivalents	5 803	4 108	7 033	6 762	5.2%	29.9%	4 835	3 027	9 890	13.5%	27.5%
Total assets	16 981	17 212	23 468	21 425	8.1%	100.0%	19 998	18 690	26 090	6.8%	100.0%
Deferred income	6 730	8 044	9 185	2 806	-25.3%	34.7%	1 498	190	8 500	44.7%	13.5%
Trade and other payables	10 251	5 054	11 477	18 619	22.0%	56.4%	18 500	18 500	17 590	-1.9%	86.5%
Derivatives financial instruments	-	4 114	2 806	-	-	9.0%	-	-	-	-	-
Total equity and liabilities	16 981	17 212	23 468	21 425	8.1%	100.0%	19 998	18 690	26 090	6.8%	100.0%

Personnel information

Table 36.39 National Lotteries Board

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	Actual 2011/12			Revised estimate 2012/13			Medium-term expenditure estimate									Average growth rate (%)	Salary level/ total: Average (%)	
								2013/14			2014/15			2015/16					2012/13 - 2015/16
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	139	-	131	54.2	0.4	194	88.3	0.5	194	97.1	0.5	194	106.7	0.6	192	116.3	0.6	-0.3%	100.0%
7 - 10	32	-	31	8.0	0.3	38	12.2	0.3	38	13.4	0.4	38	14.7	0.4	40	14.8	0.4	6.6%	19.9%
11 - 12	94	-	89	36.1	0.4	126	58.3	0.5	126	64.2	0.5	126	70.5	0.6	126	76.3	0.6	9.4%	65.1%
13 - 16	13	-	11	10.1	0.9	30	17.8	0.6	30	19.6	0.7	30	21.5	0.7	26	25.2	1.0	12.3%	15.0%

1. Rand million.

Expenditure trends

The National Lotteries Board receives funding from the National Lottery Distribution Trust Fund. It also generates revenue from interest earned on funds received from licence holders. At present, 34 per cent of National Lottery revenue is transferred to the trust, as mandated in the licence granted to the lottery operator. Funds accumulated during a particular financial year are available for distribution in the following year. This includes interest earned on the money in the fund. Any money that is not allocated in a given financial year remains in the fund and can be allocated in subsequent years.

The allocation of trust funds to the different sectors is regulated. The charities sector receives 45 per cent of the total pool; the arts, culture and national heritage sector receives 28 per cent; the sport and recreation sector receives 22 per cent; and 5 per cent is reserved for the miscellaneous purposes sector. The miscellaneous purposes funds are used for various activities that fall outside the scope of the main three sectors. In order to be considered for funding, organisations must be non-profit entities working for the public good. The annual contribution of the lottery to the trust in recent years was as follows: R1.6 billion in 2009/10, R1.6 billion in 2010/11 and R1.6 billion in 2011/12.

The spending focus over the medium term is on attaining cost effective delivery by improving the operations of the trust. The turnaround time in processing applications, and ultimately in processing payments to approved beneficiaries, has improved over the period under review.

Operating expenses recovered from the trust by the board increase across the seven-year period due to growth in the entity's capacity, which was undertaken to improve overall service delivery. Over the medium term, expenditure on goods and services, particularly travel and subsistence, is projected to grow in order to provide for establishing a greater presence for the board throughout the country and conducting provincial road shows.

The board has a funded establishment of 139 posts, all of which are filled. Personnel numbers are expected to remain on this level over the medium term. The ratio of support to line function staff is 9:2. Consultants are used for specialised services including legal expertise that is difficult to source internally, due to lack of skills.

Small Enterprise Development Agency

Mandate and goals

The Small Enterprise Development Agency was established in December 2004 in terms of the National Small Business Amendment Act (2004), and is mandated to implement government's small business strategy, design and implement a standard and common national delivery network for small enterprise development, and integrate government funded small enterprise support agencies across all tiers of government.

The agency's strategic goals over the medium term are to ensure that small enterprise sector grows; and increase its contribution to sustainable and equitable social and economic development, employment and wealth creation.

Selected performance indicators

Table 36.40 Small Enterprise Development Agency

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of new clients attracted per year ¹	Ensure equitable access to business support services	112 386	60 000	90 000	65 000	–	–	–
Number of clients working with the agency per year	Ensure equitable access to business support services	23 000	12 000	25 000	10 400	10 400	10 400	10 400
Number of adopted enterprises under the community public private partnership programme per year ²	Ensure equitable access to business support services	–	18	20	22	24	24	24
Value of service provision costs covered by partners	Ensure equitable access to business support services	–	R6.8m	R7.6 m	R5m	R6m	R6m	R6m
Percentage of clients satisfied with quality of services ²	Enhance competitiveness and capabilities of small enterprises through coordinated services, programmes and projects	–	80%	80%	80%	88%	88%	88%
Percentage of existing SMME clients whose turnover increased ²	Enhance competitiveness and capabilities of small enterprises through coordinated services, programmes and projects	–	35%	35%	35%	35%	35%	35%
Percentage of existing SMME clients whose number of employees increased ²	Enhance competitiveness and capabilities of small enterprises through coordinated services, programmes and projects	–	25%	25%	25%	25%	25%	25%
Number of partnerships operational per year ²	Ensure equitable access to business support services	–	40	30	30	40	40	40
Percentage of direct service costs versus total costs ³	Strengthen the organisation to deliver on its mission	–	–	–	60%	62%	62%	62%
Percentage of deviations of actual expenditure from the approved budget ³	Strengthen the organisation to deliver on its mission	–	–	–	5%	5%	5%	5%
Percentage reduction in staff vacancies ³	Strengthen the organisation to deliver on its mission	–	–	–	50%	50%	50%	50%
Number of potential entrepreneurs turned into trading businesses per year ³	Assist SMMEs with technology through the organisation's technology programme	–	–	–	220	242	242	242
Number of jobs created per year ³	Assist SMMEs with technology through the organisation's technology programme	–	–	–	945	989	989	989
Number of clients supported per year ³	Assist SMMEs with technology through the organisation's technology programme	–	–	–	842	935	1 027	1 119
Number of clients assisted with technology transfer incentives per year ³	Assist SMMEs with technology through the organisation's technology programme	–	–	–	30	34	39	44
Number of clients supported with conformity assessment and product testing per year ³	Assist SMMEs with technology through the organisation's technology programme	–	–	–	115	127	140	153
Number of clients trained on national and international standards per year ³	Assist SMMEs with technology through the organisation's technology programme	–	–	–	385	425	468	511
Number of clients supported with systems implementation per year ³	Assist SMMEs with technology through the organisation's technology programme	–	–	–	30	34	39	44

1. Measurement of this indicator has been discontinued.

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

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

Programme/activities/objectives

Table 36.41 Small Enterprise Development Agency

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		
Enhance competitiveness and capabilities of small enterprises through coordinated services, programmes and projects	112 083	118 636	154 121	161 773	13.0%	24.0%	161 083	170 968	181 477	3.9%	26.5%
Ensure equitable access to business support services	115 732	124 586	128 789	133 316	4.8%	22.3%	138 270	143 352	148 559	3.7%	22.2%
Strengthen the organisation to deliver on its mission	193 981	188 072	191 381	204 531	1.8%	34.5%	189 932	182 336	196 893	-1.3%	30.4%
Assist SMMEs with technology through the organisation's technology programme	99 632	78 247	109 567	155 458	16.0%	19.2%	119 215	126 368	132 181	-5.3%	20.9%
Total expense	521 428	509 541	583 858	655 078	7.9%	100.0%	608 500	623 024	659 110	0.2%	100.0%

Expenditure estimates

Table 36.42 Small Enterprise Development Agency

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)		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		
R thousand											
Revenue											
Non-tax revenue	75 254	34 887	36 275	48 439	-13.7%	9.2%	13 000	8 000	12 000	-37.2%	3.2%
<i>Other non-tax revenue</i>	75 254	34 887	36 275	48 439	-13.7%	9.2%	13 000	8 000	12 000	-37.2%	3.2%
Transfers received	409 497	461 121	508 290	595 270	13.3%	90.8%	603 666	624 650	659 651	3.5%	96.8%
Total revenue	484 751	496 008	544 565	643 709	9.9%	100.0%	616 666	632 650	671 651	1.4%	100.0%
Expenses											
Current expenses	521 428	509 541	583 858	655 078	7.9%	100.0%	608 500	623 024	659 110	0.2%	100.0%
Compensation of employees	169 603	189 848	206 118	225 410	9.9%	34.9%	241 188	258 072	276 137	7.0%	39.3%
Goods and services	339 106	303 799	360 791	413 138	6.8%	62.4%	350 967	348 825	367 219	-3.9%	58.1%
Depreciation	10 512	13 702	14 875	14 612	11.6%	2.4%	14 500	14 400	14 200	-0.9%	2.3%
Interest, dividends and rent on land	2 207	2 192	2 074	1 918	-4.6%	0.4%	1 845	1 727	1 554	-6.8%	0.3%
Total expenses	521 428	509 541	583 858	655 078	7.9%	100.0%	608 500	623 024	659 110	0.2%	100.0%
Surplus/(Deficit)	(36 677)	(13 533)	(39 293)	(11 369)	-32.3%		8 166	9 626	12 541	-203.3%	
Statement of financial position											
Carrying value of assets	44 982	45 520	40 717	45 790	0.6%	21.4%	44 621	44 000	43 500	-1.7%	23.9%
<i>of which:</i>											
<i>Acquisition of assets</i>	20 865	15 616	12 905	14 612	-11.2%	7.7%	13 500	13 300	13 300	-3.1%	7.4%
Inventory	399	341	238	250	-14.4%	0.1%	270	290	285	4.5%	0.1%
Receivables and prepayments	6 416	4 110	32 062	10 000	15.9%	6.1%	9 800	9 600	9 000	-3.5%	5.2%
Cash and cash equivalents	162 082	155 912	153 656	132 195	-6.6%	72.4%	130 458	131 277	132 023	-0.0%	70.8%
Total assets	213 879	205 883	226 673	188 235	-4.2%	100.0%	185 149	185 167	184 808	-0.6%	100.0%
Accumulated surplus/(deficit)	71 444	57 911	18 618	18 000	-36.8%	19.8%	18 000	18 000	18 000	-	9.7%
Capital reserve fund	7 641	9 082	6 610	3 082	-26.1%	3.1%	82	-	-	-100.0%	0.4%
Finance lease	12 172	12 173	12 209	11 800	-1.0%	5.8%	11 000	10 300	9 050	-8.5%	5.7%
Trade and other payables	109 478	110 940	173 018	138 000	8.0%	63.7%	137 500	137 000	136 500	-0.4%	73.9%
Provisions	13 144	15 777	16 218	17 353	9.7%	7.5%	18 567	19 867	21 258	7.0%	10.4%
Total equity and liabilities	213 879	205 883	226 673	188 235	-4.2%	100.0%	185 149	185 167	184 808	-0.6%	100.0%

Expenditure trends

The Small Enterprise Development Agency derives revenue mainly through transfers from the department. R54.6 million was added to the 2012/13 allocation for the technology transfer fund and the transfer to Western Cape provincial government for the province's small business assistance project.

The spending focus over the MTEF period will be on developing, supporting and promoting small enterprises to ensure their growth and sustainability by providing them with non-financial services. This is to ensure that the small enterprise sector grows and increases its contribution to sustainable and equitable social and economic development, employment and wealth creation.

Expenditure on compensation of employees represents 35 per cent of total expenditure in 2012/13, of which 76 per cent is for personnel directly involved with service delivery. Over the medium term, expenditure on compensation of employees is expected to increase due to inflation related adjustment to salaries.

The agency has a funded establishment of 697 posts. There were 86 vacancies across its 140 offices countrywide as at 30 September. These vacancies are due to natural attrition and will be filled over the medium term. Consultants are used for specialised business services, including legal expertise. The ratio of line to support staff is 1.86:1

South African Bureau of Standards

Mandate and goals

The South African Bureau of Standards was established as a statutory body in terms of the Standards Act (2008), and is part of South Africa's standardisation, quality assurance, accreditation and metrology technical infrastructure. The bureau is mandated to provide standardisation and conformity assessment services to protect the integrity of the South African market, protect consumers, create a competitive advantage for South African industry, and facilitate access by South Africans to local and international markets. The bureau is the sole publisher of South African national standards, and is responsible for the technical work of the industrial policy action plan.

The bureau's strategic goals over the medium term are to:

- increase the use of standardisation services by broadening the geographic footprint and the scope of services offered, and being client focused
- provide standardisation and conformity assessment services that facilitate development and regulation of national and regional economic activity, and support the industrial policy framework and the industrial policy action plan
- develop standards and provide conformity assessment services that protect the integrity of the South African market
- provide the conformity assessment services on a commercial basis.

Selected performance indicators

Table 36.43 South Africa Bureau of Standards

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of South African national standards developed per year ¹	Development of South African national standards	857	650	522	–	–	–	–
Number of days taken to produce a standard	Development of South African national standards	241	300	407	340	320	300	280
Value of sales of standards per year (R 000)	Development of South African national standards	16 782	16 631	19 265	26 484	30 361	34 612	39 804
Tests and services revenue per year (R 000)	Tests and conformity assessments	199 916	192 277	166 663	201 268	266 032	295 951	313 533
Products and systems certification revenue (R 000) per year	Tests and conformity assessments	173 819	184 128	215 671	265 226	299 705	338 667	382 694
Number of test reports per year	Tests and conformity assessments	527 983	412 539	360 486	365 000	422 000	442 000	455 000
Number of certification certificates per year	Tests and conformity assessments	9 628	10 356	12 135	12 000	11 960	12 315	12 500
Number of home grown South African National Standards per year ²	Development of South African national standards	–	–	259	160	145	150	160

1. Indicator discontinued.

2. New indicator introduced in 2011/12.

Programmes/activities/objectives

Table 36.44 South Africa Bureau of Standards

	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		
R thousand					2009/10 - 2012/13					2012/13 - 2015/16	
Development of South African national standards	97 822	121 533	108 302	155 569	16.7%	20.4%	162 257	180 965	184 841	5.9%	20.3%
Tests and conformity assessments	420 172	417 835	470 099	565 082	10.4%	79.6%	646 295	706 105	774 380	11.1%	79.7%
Total expense	517 994	539 368	578 401	720 651	11.6%	100.0%	808 552	887 070	959 221	10.0%	100.0%

Expenditure estimates

Table 36.45 South Africa Bureau of Standards

Statement of financial position	Audited outcome			Revised estimate 2012/13	Average growth rate (%)		Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2009/10	2012/13	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	Expenditure/total: Average (%)
Carrying value of assets	198 780	274 566	318 912	515 592	37.4%	37.7%	721 101	792 433	814 239	16.5%	65.5%
<i>of which:</i>											
Acquisition of assets	30 185	110 385	78 392	238 344	99.1%	12.5%	200 489	120 249	75 000	-32.0%	15.0%
Investments	201 465	291 900	284 308	310 396	15.5%	32.3%	163 526	132 942	153 493	-20.9%	17.9%
Inventory	520	1 524	1 128	1 000	24.4%	0.1%	1 000	1 000	1 000	-	0.1%
Receivables and prepayments	52 448	54 656	60 285	72 342	11.3%	7.2%	86 810	104 172	125 007	20.0%	8.9%
Cash and cash equivalents	122 162	190 447	262 311	84 255	-11.6%	19.8%	52 737	49 490	46 341	-18.1%	5.5%
Non-current assets held for sale	1 894	1 653	66	-	-100.0%	0.1%	-	-	-	-	-
Taxation	23 905	21 116	22 732	22 732	-1.7%	2.8%	22 732	22 732	22 732	-	2.1%
Total assets	601 174	835 862	949 742	1 006 317	18.7%	100.0%	1 047 906	1 102 769	1 162 812	4.9%	100.0%
Accumulated surplus/(deficit)	321 930	376 560	412 978	425 622	9.8%	46.1%	440 989	472 087	505 845	5.9%	42.7%
Capital and reserves	62 749	68 686	68 992	66 015	1.7%	8.1%	86 309	102 747	120 172	22.1%	8.6%
Capital reserve fund	15 917	165 575	247 541	280 963	160.4%	19.1%	272 280	263 597	254 914	-3.2%	24.9%
Borrowings	14 892	14 905	-	-	-100.0%	1.1%	-	-	-	-	-
Finance lease	811	9	-	-	-100.0%	0.0%	-	-	-	-	-
Trade and other payables	90 193	107 617	118 919	130 217	13.0%	13.3%	143 239	157 563	173 319	10.0%	14.0%
Provisions	94 386	102 343	101 243	103 500	3.1%	12.2%	105 090	106 775	108 562	1.6%	9.8%
Derivatives financial instruments	296	167	69	-	-100.0%	0.0%	-	-	-	-	-
Total equity and liabilities	601 174	835 862	949 742	1 006 317	18.7%	100.0%	1 047 907	1 102 769	1 162 812	4.9%	100.0%

Personnel information

Table 36.46 South Africa Bureau of Standards

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	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
	1 239	194	1 031	333.0	0.3	1 045	421.9	0.4	1 261	469.0	0.4	1 285	515.0	0.4	1 301	544.2	0.4	7.6%	100.0%
1 - 6	216	28	184	28.3	0.2	188	35.5	0.2	187	32.8	0.2	173	33.1	0.2	155	26.7	0.2	-6.2%	14.5%
7 - 10	629	93	526	121.7	0.2	536	161.8	0.3	592	152.3	0.3	579	154.5	0.3	552	148.8	0.3	1.0%	46.4%
11 - 12	307	57	250	115.9	0.5	250	143.0	0.6	372	177.7	0.5	389	189.4	0.5	418	203.4	0.5	18.7%	29.0%
13 - 16	86	16	70	65.0	0.9	70	79.1	1.1	107	100.2	0.9	141	131.6	0.9	168	149.4	0.9	33.9%	9.8%
17 - 22	1	-	1	2.1	2.1	1	2.5	2.5	3	6.0	2.0	3	6.5	2.2	8	15.9	2.0	100.0%	0.3%

1. Rand million.

Expenditure trends

The South African Bureau of Standards derives revenue mainly from fees for certification and testing services. Revenue is expected to grow significantly over the medium term, mainly due to commercial operations which are projected to grow by 12.2 per cent each year over the medium term.

The spending focus over the medium term will be on goods and services, particularly for upgrading laboratories and streamlining operations in the testing laboratories to provide standardisation and conformity assessment services that facilitate development and regulation of national and regional economic activity, and support the industrial policy framework and the industrial policy action plan.

Expenditure on compensation of employees is expected to increase over the medium term to allow the bureau to attract talent and retain skills, particularly with regard to test officers and certification auditors. Expenditure on goods and services increased in 2012/13 and is expected to increase over the medium term due to the cost of maintaining aging laboratory infrastructure and equipment, the travelling costs of certification auditors, the

support of South African delegates attending international standards development meetings, and on marketing activities.

The entity has a funded establishment of 1 239 posts, of which 194 were vacant at the end of September 2012. Vacancies are a result of a shortage of specialised skills. The ratio of support to line function staff is 1:8. Consultants are mainly used to provide specialised support for core ICT applications that are not cost effective to support internally.

Companies Tribunal

Mandate and goals

The Companies Tribunal was established in May 2011 in terms of the Companies Act (2008) and is mandated to adjudicate, mediate disputes and make orders. The tribunal's strategic goal over the medium term is to foster well governed, accessible and credible dispute resolution mechanisms for stakeholders. The tribunal became operational in September 2012.

Table 36.47 Companies Tribunal

Indicator	Programme/Activity/Objective	Past ¹			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Percentage of decisions and orders issued within 30 days after the date of the hearing	Adjudicate and resolve disputes in a credible and just manner	-	-	-	65%	85%	100%	100%
Number of tribunal research reports produced per year	Adjudicate and resolve disputes in a credible and just manner	-	-	-	1	2	3	3
Percentage of corporate and management support systems and procedures established per year	Adjudicate and resolve disputes in a credible and just manner	-	-	-	65%	85%	100%	100%
Percentage financial system and procedures established per year	Operational effectiveness of the tribunal	-	-	-	65%	85%	100%	100%
Percentage of vacancies filled per year	Operational effectiveness of the tribunal	-	-	-	45%	85%	85%	85%
Number of media statements released per year	Stakeholder awareness programme	-	-	-	3	3	3	3

1. The tribunal is newly established, hence there is no historical performance information.

Expenditure estimates

Table 36.48 Companies Tribunal

R thousand	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
Establish the Companies Tribunals	-	-	-	20 000	-	-	26 210	28 910	31 897	16.8%	100.0%
Total expense	-	-	-	20 000	-	-	26 210	28 910	31 897	16.8%	100.0%

Table 36.49 Companies Tribunal

Statement of financial position	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
Acquisition of assets	-	-	-	5 180	-	-	5 955	6 394	7 104	11.1%	-
Cash and cash equivalents	-	-	-	20 000	-	-	10 000	-	-	-100.0%	-
Total assets	-	-	-	20 000	-	-	10 000	-	-	-100.0%	-

Expenditure trends

The Companies Tribunal generates revenue mainly from transfers from the department. The tribunal is newly created and received a transfer of R10 million in 2011/12 and 2012/13, and has been allocated a further R10.3 million in 2013/14 to provide for the costs of bringing the tribunal into operation. R453 000 in 2014/15 and R590 000 in 2015/16 are allocated to provide for improved conditions of service.

The tribunal incurred no expenditure in 2011/12. A chairperson and 10 independent members were appointed in January 2012 and the tribunal became operational in September 2012. The tribunal is in discussions with the department to finalise the business plan and organisational structure.

National Consumer Commission

Mandate and goals

The National Consumer Commission was established in terms of section 85 of the Consumer Protection Act (2008) and is mandated to implement the provisions of the act, which seeks to promote a fair, accessible and sustainable marketplace for consumer products and services; establish national norms and standards relating to consumer protection; provide for improved standards of consumer information; prohibit unfair marketing and business practices; promote responsible consumer behaviour; and enforce a framework for consumer transactions.

The commission's strategic goals over the medium term are to:

- raise the public profile of the commission's work
- protect consumers through advocacy, education and awareness
- raise the efficacy of the commission in responding to complaints
- enhance the credibility of the commission
- promote the rights of consumers.

Selected performance indicators

Table 36.50 National Consumer Commission

Indicator	Programme/Activity/Objective	Past ¹			Current ¹ 2012/13	Projections		
		2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
Percentage of received complaints registered and analysed within a pre-defined time period per year ¹	Compliance with the Consumer Protection Act (2008)	–	–	–	–	25% within eight business days of receipt	50% within eight business days of receipt	60% within five business days of receipt
Number of business days to facilitate settlement of complaints and to communicate outcome of settlement per year	Compliance with the Consumer Protection Act (2008)	–	–	–	–	20	80	60
Percentage of complaints referred within defined turnaround times per year	Compliance with the Consumer Protection Act (2008)	–	–	–	–	50% within 20 business days	50% within 20 business days	60% within 15 business days
Percentage of reactive investigations completed and final reports issued per year	Compliance with the Consumer Protection Act (2008)	–	–	–	–	50%	90%	90%
Number of proactive investigations conducted per year	Compliance with the Consumer Protection Act (2008)	–	–	–	–	9	9	9
Progress of policy on accreditation of consumer protection groups per year	Compliance with the Consumer Protection Act (2008)	–	–	–	–	Policy documents developed	Policy documents approved by the executive committee	Implementation roadmap for roll-out of accreditation process
Number of research reports completed and signed off by the executive committee per year	Compliance with the Consumer Protection Act (2008)	–	–	–	–	3	3	3
Number of consumer awareness initiatives conducted per year	Compliance with the Consumer Protection Act (2008)	–	–	–	–	12	12	12
Number of codes of good practice developed per year	Compliance with the Consumer Protection Act (2008)	–	–	–	–	1	1	1
Progress of rollout of skills development plan per year	Compliance with the Consumer Protection Act (2008)	–	–	–	–	Conduct skills audit	Develop skills development plan	Implement skills development plan
Number of meetings with key stakeholders per year	Compliance with the Consumer Protection Act (2008)	–	–	–	–	18	18	36

¹ The commission became operational in April 2011, hence all indicators provide performance information for the MTEF period only.

Programmes/activities/objectives

Table 36.51 National Consumer Commission

	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term 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											
Consumer education and awareness	-	-	1 560	-	-	-	-	-	-	-	-
Resolving consumer complaint	-	-	10 936	-	-	-	-	-	-	-	-
Providing legal services	-	-	4 198	-	-	-	-	-	-	-	-
Research analysis	-	-	300	-	-	-	-	-	-	-	-
ICT management	-	-	6 498	-	-	-	-	-	-	-	-
Financial management	-	-	4 498	-	-	-	-	-	-	-	-
Human capital management	-	-	4 998	-	-	-	-	-	-	-	-
To promote compliance with the Consumer Protection Act (2008)	-	-	-	36 212	-	-	33 607	32 767	34 448	-1.7%	75.0%
To be well governed and capacitated organisation	-	-	-	12 071	-	-	11 199	10 914	11 468	-1.7%	25.0%
Other objectives	-	-	496	-	-	-	-	-	-	-	-
Total expense	-	-	33 484	48 283	-	-	44 807	43 680	45 916	-1.7%	100.0%

Expenditure estimates

Table 36.53 National Consumer Commission

Statement of financial position											
	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term 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											
Carrying value of assets	-	-	4 915	10 961	-	-	11 509	12 084	12 689	5.0%	86.9%
of which:											
Acquisition of assets	-	-	5 503	7 050	-	-	750	-	-	-100.0%	15.4%
Receivables and prepayments	-	-	984	1 033	-	-	1 085	1 139	1 196	5.0%	8.2%
Cash and cash equivalents	-	-	71	75	-	-	79	83	87	5.3%	0.6%
Total assets	-	-	5 970	12 608	-	-	13 239	13 902	14 597	5.0%	100.0%
Accumulated surplus/(deficit)	-	-	2 133	-	-	-	-	-	-	-	-
Trade and other payables	-	-	3 941	9 830	-	-	10 346	10 888	11 456	5.2%	78.2%
Derivatives financial instruments	-	-	410	478	-	-	478	478	478	-	3.5%
Total equity and liabilities	-	-	6 484	12 608	-	-	13 239	13 902	14 597	5.0%	100.0%

Personnel information

Table 36.54 National Consumer Commission

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	Actual			Revised estimate			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								
			Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost							
Salary level	24	-	24	19.9	0.8	24	22.5	0.9	24	24.1	1.0	24	25.0	1.0	24	25.7	1.1	-	100.0%
7 - 10	9	-	9	8.4	0.9	9	10.5	1.2	9	11.4	1.3	9	11.7	1.3	9	11.7	1.3	3.9%	37.5%
11 - 12	6	-	6	3.5	0.6	6	3.6	0.6	6	3.8	0.6	6	4.0	0.7	6	4.2	0.7	5.0%	25.0%
13 - 16	7	-	7	5.7	0.8	7	6.0	0.9	7	6.3	0.9	7	6.6	0.9	7	7.0	1.0	5.0%	29.2%
17 - 22	2	-	2	2.3	1.2	2	2.4	1.2	2	2.5	1.3	2	2.7	1.3	2	2.8	1.4	5.0%	8.3%

1. Rand million.

Expenditure trends

The National Consumer Commission receives most of its revenue in the form of a transfer from the department. The entity was established in 2011/12 and transfers increased in 2012/13 provide for building capacity. Over the medium term, transfers are projected to increase to allow the entity to further increase its capacity.

The spending focus over the medium term will be to provide for legal fees related to the commission's compliance and regulatory mandate to improve standards of consumer information, prohibit unfair marketing and business practices, and enforce a framework for consumer transactions. Expenditure on compensation of employees and goods and services is projected to increase over the medium term due to increases in personnel numbers, improved conditions of service and legal fees.

The entity has a funded establishment of 24 posts and there were no vacancies at the end of September 2012. The ratio of support staff to line function staff is 2:1. Consultants are mainly used for specialised legal advice.

National Consumer Tribunal

Mandate and goals

The National Consumer Tribunal was established in terms of the National Credit Act (2005) as an independent adjudicative entity. It is mandated to review decisions made by the National Credit Regulator. Various parties can bring cases before the tribunal, including the National Credit Regulator, consumers, credit providers, debt counsellors and credit bureaus. If the tribunal adjudicates on a matter of prohibited conduct, it can impose a remedy as provided for in the act and grant orders for costs.

The tribunal's strategic goals over the medium term are to:

- ensure effective communication of the role and processes of the tribunal to consumers and stakeholders and ensure accessibility of the tribunal in all areas and applicable sectors
- manage stakeholder relations and interactions to promote operational efficiency within the tribunal
- ensure effective adjudication on matters brought before the tribunal in accordance with the tribunal's mandate
- uphold good corporate governance through sound business practices in order to support the credibility and status of the tribunal and its decisions
- implement and continuously enhance effective and efficient business processes
- enhance operational efficiency of the tribunal and aid in sound adjudication.

Selected performance indicators

Table 36.55 National Consumer Tribunal

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of initiatives to support tribunal members in the adjudication of applications and referrals per year ¹	High quality case preparation to ensure high quality adjudications	4	4	4	-	-	-	-
Average percentage satisfaction as scored by tribunal members in their quantitative and qualitative evaluation of case preparation ²	High quality case preparation to ensure high quality adjudications	-	-	-	-	80%	85%	95%
Average number of days for judgments to be issued from the last date of adjudication to issuance to parties ²	High quality case preparation to ensure high quality adjudications	-	-	-	-	40	40	40
Percentage of decisions overturned on appeal per year ²	High quality case preparation to ensure high quality adjudications	-	-	-	-	20%	20%	20%

1. Indicators discontinued.

2. New indicators introduced.

Programmes/activities/objectives

Table 36.56 National Consumer Tribunal

	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2012/13 - 2015/16
R thousand											
High quality case preparation to ensure high quality adjudications	18 118	20 603	30 588	30 585	19.1%	100.0%	36 894	38 989	40 889	10.2%	100.0%
Total expense	18 118	20 603	30 588	30 585	19.1%	100.0%	36 894	38 989	40 889	10.2%	100.0%

Expenditure estimates

Table 36.57 National Consumer Tribunal

Statement of financial position	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2012/13 - 2015/16
R thousand											
Carrying value of assets	1 288	1 750	1 664	2 449	23.9%	27.2%	2 504	2 554	2 599	2.0%	30.3%
of which:											
Acquisition of assets	684	1 028	654	3 220	67.6%	20.7%	750	1 500	750	-38.5%	19.9%
Inventory	-	22	27	30	-	0.3%	30	30	30	-	0.4%
Receivables and prepayments	106	-	29	30	-34.3%	0.8%	30	30	30	-	0.4%
Cash and cash equivalents	3 441	6 518	4 655	4 515	9.5%	71.8%	6 061	6 249	6 421	12.5%	68.9%
Total assets	4 835	8 290	6 375	7 024	13.3%	100.0%	8 625	8 863	9 080	8.9%	100.0%
Accumulated surplus/(deficit)	2 653	4 623	3 491	3 491	9.6%	53.8%	3 491	3 491	3 491	-	42.0%
Finance lease	78	141	191	105	10.4%	2.0%	349	253	127	6.5%	2.4%
Trade and other payables	1 839	3 280	1 871	1 200	-13.3%	31.0%	1 450	1 600	1 750	13.4%	17.8%
Provisions	265	246	822	2 228	103.3%	13.3%	3 335	3 519	3 712	18.5%	37.7%
Total equity and liabilities	4 835	8 290	6 375	7 024	13.3%	100.0%	8 625	8 863	9 080	8.9%	100.0%

Expenditure trends

The National Consumer Tribunal receives 98 per cent of its revenue over the medium term in the form of a transfer from the department. The tribunal generates revenue from filing fees and interest income from invested funds. Income from filing fees has been increasing at 2.1 per cent per year between 2010/11 and 2012/13 due to an increase in caseloads. Grant allocations increased in 2012/13 and continue to increase over the medium term as a result of the increased resource requirements due to the increase in caseloads.

The spending focus over the medium term will be on case preparation to ensure a high quality of adjudications, effective communication of the role and processes of the tribunal to consumers and stakeholders, and access to the tribunal in all areas and applicable sectors.

Between 2009/10 and 2012/13, expenditure increased due to the costs incurred to establish the tribunal. This increased spending on compensation of employees, office accommodation and other operating costs. As the volume of cases handled is a significant determinant of expenditure levels, the tribunal spent R3.2 million in 2012/13 on capital assets to assist in dealing more efficiently with caseloads. In addition, over the medium term, expenditure is expected to increase due to the implementation of human resource and ICT strategies to cope with the increase in caseloads.

The entity has a funded establishment of 48 posts. 1 post was vacant at the end of September 2012. The tribunal plans to increase its establishment to 51 in 2013/14 to provide additional capacity. The ratio of support staff to line function staff is 0.82:1. Consultants are used for IT and legal issues, as the tribunal lacks the capacity to perform these functions internally.

National Credit Regulator

Mandate and goals

The National Credit Regulator was established as the regulator under the National Credit Act (2005). It is responsible for the regulation of the South African credit industry and is tasked with carrying out education, research, policy development, registration of industry participants, investigation of complaints, and ensuring the enforcement of the act. In terms of the act, the regulator is mandated to promote the development of an

accessible credit market, particularly to address the needs of historically disadvantaged persons, low income persons, and remote, isolated or low density communities.

The regulator's strategic goals over the medium term are to:

- promote increased access to credit through the granting of responsible credit
- protect consumers from abuse and unfair practices in the consumer credit market and address over-indebtedness
- continually enhance a consumer credit market regulatory framework
- monitor and improve effectiveness in fulfilling its mandate.

Selected performance indicators

Table 36.58 National Credit Regulator

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Average turnaround time in days for approval of registration after receipt of all required information ¹	Registrations	10	10	10		-	-	-
Number of reports on access to credit for historically disadvantaged persons per year ^{2,3}	Credit information	-	-	-	2	2	2	2
Number of consumer rights awareness strategies approved implemented and reviewed per year ²	Education	-	-	-	1	1	1	1
Number of enforcement strategies approved implemented and reviewed per year ²	Education	-	-	-	1	1	1	1
Number of stakeholder strategies approved implemented and reviewed per year ²	Education	-	-	-	1	1	1	1
Number of complaints not resolved within 90 days ²	Investigations	-	-	-	2	2	2	2
Number of reports on stakeholder perception per year ²	Executive	-	-	-	1	1	1	1

1. Indicators discontinued.

2. New indicators introduced in 2012/13 so no historical data.

3. This includes research report, implementation report, evaluation report and draft business plan to be approved by the board.

Programmes/activities/objectives

Table 36.59 National Credit Regulator

R thousand	Audited outcome			Revised estimate	Average growth rate (%)		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		
Registrations	7 316	9 270	10 234	11 500	16.3%	11.1%	11 223	13 638	14 847	8.9%	9.8%
Complaints	7 474	8 395	9 619	10 852	13.2%	10.6%	9 731	12 868	14 011	8.9%	9.1%
Investigations	6 709	8 585	9 063	10 650	16.7%	10.2%	9 744	12 629	13 750	8.9%	8.9%
Research and statistics	4 023	3 757	4 180	5 578	11.5%	5.1%	4 925	6 614	7 201	8.9%	4.6%
Credit information	1 718	3 146	6 437	8 900	73.0%	5.4%	7 080	10 554	11 491	8.9%	7.2%
Debt counselling	9 375	9 896	8 000	8 000	-5.1%	10.7%	9 218	9 486	10 329	8.9%	7.1%
Education	10 757	10 394	12 220	12 500	5.1%	13.5%	10 693	14 822	16 139	8.9%	10.3%
Other objectives	18 796	25 065	31 650	42 475	31.2%	33.4%	55 139	63 207	64 980	15.2%	42.9%
Total expense	66 168	78 508	91 403	110 455	18.6%	100.0%	117 753	143 818	152 748	11.4%	100.0%

Expenditure estimates

Table 36.60 National Credit Regulator

Statement of financial position	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		
R thousand											
Carrying value of assets	7 432	9 037	8 970	11 924	17.1%	13.0%	21 924	17 982	16 985	12.5%	27.3%
<i>of which:</i>											
Acquisition of assets	2 432	3 424	2 324	3 979	17.8%	4.2%	4 218	4 471	4 740	6.0%	7.0%
Receivables and prepayments	189	560	303	339	21.5%	0.5%	440	499	500	13.8%	0.7%
Cash and cash equivalents	73 019	74 247	70 325	45 320	-14.7%	86.5%	41 907	45 790	46 786	1.1%	72.0%
Total assets	80 640	83 844	79 598	57 583	-10.6%	100.0%	64 271	64 271	64 271	3.7%	100.0%
Accumulated surplus/(deficit)	49 800	51 841	45 940	35 598	-10.6%	60.8%	30 000	30 000	30 000	-5.5%	50.5%
Capital reserve fund	3 624	537	164	-	-100.0%	1.3%	-	-	-	-	-
Finance lease	-	26	99	-	-	0.0%	-	-	-	-	-
Deferred income	18 202	20 174	19 736	11 820	-13.4%	23.0%	19 884	19 884	19 884	18.9%	28.3%
Trade and other payables	4 717	6 152	6 866	6 977	13.9%	8.5%	5 999	5 999	5 999	-4.9%	10.0%
Provisions	3 598	4 458	6 320	2 819	-7.8%	5.7%	7 968	7 968	7 968	41.4%	10.5%
Derivatives financial instruments	699	656	473	369	-19.2%	0.7%	420	420	420	4.4%	0.7%
Total equity and liabilities	80 640	83 844	79 598	57 583	-10.6%	100.0%	64 271	64 271	64 271	3.7%	100.0%

Personnel information

Table 36.61 National Credit Regulator

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	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
Salary level	77	-	92	44.4	0.5	114	54.8	0.5	114	55.8	0.5	114	64.0	0.6	114	70.4	0.6	-	100.0%
1 - 6	26	-	30	3.5	0.1	33	4.0	0.1	33	4.3	0.1	33	4.7	0.1	33	5.0	0.2	-	28.9%
7 - 10	34	-	46	11.7	0.3	54	15.5	0.3	54	16.6	0.3	54	18.9	0.3	54	20.3	0.4	-	47.4%
11 - 12	5	-	4	13.9	3.5	5	20.2	4.0	5	18.7	3.7	5	23.0	4.6	5	25.4	5.1	-	4.4%
13 - 16	12	-	11	13.0	1.2	21	11.8	0.6	21	12.7	0.6	21	13.7	0.7	21	15.7	0.7	-	18.4%
17 - 22	-	-	1	2.2	2.2	1	3.2	3.2	1	3.5	3.5	1	3.7	3.7	1	4.0	4.0	-	0.9%

1. Rand million.

Expenditure trends

The National Credit Regulator generates revenue from transfers received from the department, and fees from registrants, such as credit providers, credit bureaus and debt counsellors. Revenue increased in 2012/13 due to increases in the collection of registration fees, the opening of additional branches by existing registrants, and increased transfer payments received from the department to finance project, operational and personnel expenditure.

The spending focus over the medium term will be on improving the operational efficiency of the regulator through consumer education and awareness, with a special focus on the debt counselling and acquiring new office space to accommodate an increased staff complement.

Expenditure increased in 2012/13 due to the acquisition of ICT systems. Over the medium term, expenditure in goods and services is expected to increase to provide for the installation of the new ICT system and the costs associated with relocation.

The entity has a funded establishment of 77 posts. The entity plans to increase the establishment to 114 in 2013/14 as it continues to build capacity. The ratio of support staff to line function staff is 2:1. Consultants are used for conducting of research projects and regulatory matters.

National Gambling Board

Mandate and goals

The National Gambling Board was established in terms of the National Gambling Act (2004), which makes provision for the coordination of concurrent national and provincial legislative competence over matters relating to casinos, racing, gambling and wagering; and provides for the regulation and development of uniform norms and standards. The board's mandate is derived from the National Gambling Act (2004), anti-money laundering and the financing of anti-terrorism legislation, the Broad Based Black Economic Empowerment Act (2003), the codes of good practice for broad based black economic empowerment, and the Employment Equity Act (1998).

The board's strategic goals over the medium term are to:

- harmonise legislation
- oversee compliance of the provincial gambling boards and the gambling industry in general
- develop an integrated strategic information portal
- lead the debate concerning the evolution of gambling
- align national and provincial gambling.

Selected performance indicators

Table 36.62 National Gambling Board

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of Financial Intelligence Centre Act (2001) inspections conducted per year	Compliance oversight	112	97	106	5	5	5	5
Number of approved national employee licences issued per year	Compliance oversight	72	10	10	5	5	5	5
Number of central electronic monitoring system audits completed (out of 9 provinces) per year	Compliance oversight	2	1	1	1	1	1	1
Number of oversight inspections conducted per province per year	Compliance oversight	1	2	2	2	2	2	2
Number of illegal gambling activities registered per year	Compliance oversight	11	18	18	10	10	10	10
Number of research projects conducted per year	Leading debate on new forms of gambling	2	2	2	2	1	1	1
Number of test laboratories inspected per year	Integrated information portal	9	8	2	2	2	2	2
Number of provinces trained on the act per year	Compliance oversight	9	0	9	9	9	9	9

Programmes/activities/objectives

Table 36.63 National Gambling Board

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		
Harmonisation of legislation	-	-	2 334	3 574	-	5.6%	4 327	4 327	4 500	8.0%	15.0%
Compliance oversight	6 501	6 116	5 739	4 738	-10.0%	23.7%	6 500	6 500	6 400	10.5%	21.6%
Integrated information portal	-	-	3 131	3 583	-	6.3%	4 500	4 500	4 835	10.5%	15.6%
Leading debate on new forms of gambling	-	-	3 195	5 810	-	8.5%	3 496	3 019	3 500	-15.5%	14.4%
Organisational excellence	6 970	7 563	12 525	8 580	7.2%	35.8%	9 324	9 324	9 970	5.1%	33.4%
Office of the chief executive officer	3 259	3 081	-	-	-100.0%	7.0%	-	-	-	-	-
Legal	1 200	1 552	-	-	-100.0%	3.0%	-	-	-	-	-
Board	1 889	1 278	-	-	-100.0%	3.5%	-	-	-	-	-
Research	1 300	3 465	-	-	-100.0%	5.2%	-	-	-	-	-
Other objectives	1 242	-	-	-	-100.0%	1.4%	-	-	-	-	-
Total expense	22 361	23 055	26 924	26 285	5.5%	100.0%	28 147	27 670	29 205	3.6%	100.0%

Expenditure estimates

Table 36.64 National Gambling Board

Statement of financial position												
	Audited outcome			Revised estimate	Average growth rate (%)		Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	2012/13 - 2015/16
R thousand												
Carrying value of assets of which:	1 392	1 212	1 961	4 038	42.6%	24.5%	5 000	4 500	5 030	7.6%	45.2%	
Acquisition of assets	244	270	1 149	5 000	173.6%	16.8%	553	–	–	-100.0%	14.4%	
Inventory	94	59	17	156	18.4%	1.1%	100	120	120	-8.4%	1.2%	
Receivables and prepayments	104	387	14 092	145	11.7%	21.7%	150	150	150	1.1%	1.4%	
Cash and cash equivalents	4 059	4 191	2 281	5 250	9.0%	52.7%	4 680	6 866	4 789	-3.0%	52.1%	
Total assets	5 649	5 849	18 351	9 589	19.3%	100.0%	9 930	11 636	10 089	1.7%	100.0%	
Accumulated surplus/(deficit)	1 631	1 339	14 052	4 477	40.0%	43.8%	3 780	4 686	4 639	1.2%	42.8%	
Finance lease	17	–	–	–	-100.0%	0.1%	–	–	–	–	–	
Trade and other payables	2 634	3 143	3 806	1 953	-9.5%	35.4%	5 650	6 500	5 000	36.8%	45.7%	
Taxation	–	–	–	193	–	0.5%	–	–	–	-100.0%	0.5%	
Provisions	1 367	1 367	493	2 966	29.5%	20.3%	500	450	450	-46.7%	11.1%	
Total equity and liabilities	5 649	5 849	18 351	9 589	19.3%	100.0%	9 930	11 636	10 089	1.7%	100.0%	

Personnel information

Table 36.65 National Gambling Board

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	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost	Unit Cost
Salary level	28	4	25	10.8	0.4	24	13.2	0.5	27	15.2	0.6	29	16.5	0.6	29	16.2	0.6	6.5%	100.0%
7 – 10	4	–	4	0.6	0.1	4	0.7	0.2	4	0.7	0.2	4	0.8	0.2	4	0.8	0.2	–	4.6%
11 – 12	12	3	9	1.7	0.2	9	1.9	0.2	12	2.5	0.2	12	3.0	0.2	12	3.0	0.2	10.1%	16.7%
13 – 16	12	1	12	8.6	0.7	11	10.6	1.0	11	12.1	1.1	13	12.8	1.0	13	12.5	1.0	5.7%	78.6%

1. Rand million.

Expenditure trends

The National Gambling Board is mainly funded through transfers from the department. The board received an additional R14 million through the adjustment budget in 2011/12 for a communication strategy, the relocation of the board's offices, research on the socioeconomic impact of legalised gambling, and the conceptualisation of an industry regulator unit standard.

The spending focus over the medium term will be on: conducting a legislative review of the National Gambling Act (2004), including the regulatory framework; overseeing compliance by the provincial gambling boards and the gambling industry in general; and developing an integrated strategic information portal.

Expenditure increased in 2012/13 due to rising overheads and the maintenance of ICT infrastructure following the board's relocation to larger premises to accommodate more staff.

The entity has a funded establishment of 28 posts, with 4 vacancies at the end of September 2012. These vacancies are mainly due to natural attrition and will be filled in 2013/14. The ratio of support to line function staff was 3:1. Consultants are used for legal issues and for a skills audit within the entity.

National Metrology Institute of South Africa

Mandate and goals

The National Metrology Institute of South Africa is mandated by the Measurement Units and Measurement Standards Act (2006) to manage a scientifically valid, internationally comparable and accepted measurement system and apply the international system of units. This is crucial to the economy in manufacturing, trade, health and safety, and law enforcement. To fulfil its mandate, the institute develops and maintains national

measurement standards for South Africa; ensures that these are traceable to the primary international system units, benchmarks them against other countries, submits the calibration and measurement capabilities to the international database; and disseminates the national capability through calibration and certified reference materials to calibration and testing laboratories in South Africa and the region.

The institute's strategic goals over the medium term are to:

- ensure that South Africa maintains national measurement standards and demonstrates their comparability to other national and international standards and measurements
- build and maintain an internationally recognised national metrology system as the foundation for the South African measurement system
- strengthen the metrology system as a key component of the technical infrastructure that is aligned with international best practice
- provide essential support to South African enterprises competing in a fast paced global economy
- provide essential support for public policy objectives with regard to measurement compliance issues in terms of health, safety and the environment.

Selected performance indicators

Table 36.66 National Metrology Institute 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 new gazetted national standards per year	Maintenance of the national measurement standards and international benchmarking	44	42	5	5	9	6	9
Number of national standards improved per year ¹	Upgrade of existing measurement standards and development of new measurement standards and reference materials in line with the requirements of commerce and industry	–	–	12	5	10	7	13
Number of benchmarking activities performed per year	Maintenance of the national measurement standards and international benchmarking	34	24	25	22	23	21	22
Number of calibration and measurement capabilities in international database per year	Dissemination, measurement expertise and services to South African commerce and industry by means of calibration, measurement or analysis and certified reference materials	345	356	356	365	376	405	409
Number of calibration services performed for industry per year	Dissemination, measurement expertise and services to South African commerce and industry by means of calibration, measurement or analysis and certified reference materials	1 111	1 350	1 811	1 849	1 787	1 702	1 675
Number of certified reference materials supplied to health, food and environmental industries per year	Upgrade of existing measurement standards and development of new measurement standards and reference materials in line with the requirements of commerce and industry	69	64	64	74	98	110	114
Number of bursary programmes per year for a skilled and competent workforce for measurements in industry ¹	Establish and maintain the necessary expertise and competencies according to internationally acceptable standards	–	3	10	12	15	18	22
Number of publications on measurement in journals and conferences per year	Establish and maintain the necessary expertise and competencies according to internationally acceptable standards	11	15	22	17	22	25	30
Percentage of staff with doctoral degrees per year ¹	Establish and maintain the necessary expertise and competencies according to internationally acceptable standards	–	10% (10)	12% (13)	14% (15)	16% (22)	18% (27)	20% (31)
Percentage of staff with Masters of Science degrees per year ¹	Establish and maintain the necessary expertise and competencies according to internationally acceptable standards	–	22% (22)	22% (24)	24% (25)	26% (36)	26% (39)	26% (40)
Number of postgraduate bursary holders per year ¹	Establish and maintain the necessary expertise and competencies according to internationally acceptable standards	1	1	5	6	10	10	10
Number of undergraduate bursary holders per year ¹	Establish and maintain the necessary expertise and competencies according to internationally acceptable standards	–	1	6	5	6	6	6
Number of interns in service per year	Establish and maintain the necessary expertise and competencies according to internationally acceptable standards	8	2	5	5	5	6	7

1. New indicators introduced so no historical data in these years.

Programmes/activities/objectives

Table 36.67 National Metrology Institute 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											
Maintenance of the national measurement standards and international benchmarking	39 959	41 360	50 947	58 747	13.7%	61.7%	91 765	129 737	153 366	37.7%	59.3%
Dissemination, measurement expertise and services to South African commerce and industry by means of calibration, measurement or analysis and certified reference materials	13 320	13 787	18 826	17 588	9.7%	20.6%	33 536	43 199	50 644	42.3%	19.7%
Upgrade of existing measurement standards and development of new measurement standards and reference materials in line with the requirements of commerce and industry	6 660	6 893	4 775	8 794	9.7%	8.8%	16 251	22 807	31 502	53.0%	10.5%
Establish and maintain the necessary expertise and competencies according to internationally acceptable standards	6 660	6 893	4 776	8 794	9.7%	8.8%	16 251	22 707	32 538	54.7%	10.5%
Total expense	66 598	68 934	79 324	93 923	12.1%	100.0%	157 803	218 450	268 050	41.8%	100.0%

Expenditure estimates

Table 36.68 National Metrology Institute 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	7 712	9 381	8 998	11 690	14.9%	12.0%	11 861	15 885	17 155	13.6%	8.4%
Other non-tax revenue	7 712	9 381	8 998	11 690	14.9%	12.0%	11 861	15 885	17 155	13.6%	8.4%
Transfers received	54 806	57 519	87 581	82 233	14.5%	88.0%	145 942	202 565	250 895	45.0%	91.6%
Total revenue	62 518	66 900	96 579	93 923	14.5%	100.0%	157 803	218 450	268 050	41.8%	100.0%
Expenses											
Current expenses	66 598	68 934	79 324	93 923	12.1%	100.0%	157 803	218 450	268 050	41.8%	100.0%
Compensation of employees	33 701	35 603	42 871	48 129	12.6%	51.9%	64 039	80 015	99 914	27.6%	41.4%
Goods and services	22 918	22 444	25 213	30 134	9.6%	32.7%	71 141	107 395	111 095	54.5%	41.9%
Depreciation	9 979	10 884	11 240	15 660	16.2%	15.4%	22 623	31 040	57 041	53.9%	16.6%
Interest, dividends and rent on land	-	3	-	-	-	0.0%	-	-	-	-	-
Total expenses	66 598	68 934	79 324	93 923	12.1%	100.0%	157 803	218 450	268 050	41.8%	100.0%
Surplus/(Deficit)	(4 080)	(2 034)	17 255	-	-100.0%		-	-	-	-	-
Statement of financial position											
Carrying value of assets of which:	63 802	56 133	51 561	64 980	0.6%	71.2%	80 455	126 614	146 950	31.3%	82.9%
Acquisition of assets	7 667	3 272	6 925	9 000	5.5%	7.8%	35 499	74 099	73 884	101.7%	36.2%
Receivables and prepayments	3 603	2 024	2 274	844	-38.4%	2.7%	574	382	290	-30.0%	0.5%
Cash and cash equivalents	8 446	13 614	37 056	32 971	57.5%	26.1%	11 118	15 319	16 610	-20.4%	16.6%
Total assets	75 851	71 771	90 891	98 795	9.2%	100.0%	92 147	142 315	163 850	18.4%	100.0%
Accumulated surplus/(deficit)	70 533	68 501	85 756	96 539	11.0%	95.1%	90 296	140 812	162 180	18.9%	98.4%
Trade and other payables	5 318	3 270	4 503	2 256	-24.9%	4.7%	1 851	1 503	1 670	-9.5%	1.6%
Derivatives financial instruments	-	-	632	-	-	0.2%	-	-	-	-	-
Total equity and liabilities	75 851	71 771	90 891	98 795	9.2%	100.0%	92 147	142 315	163 850	18.4%	100.0%

Personnel information

Table 36.69 National Metrology Institute of South Africa

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	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/ total: Average (%)	
		2011/12			2012/13			2013/14			2014/15			2015/16					2012/13 - 2015/16
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	114	4	111	42.9	0.4	106	48.1	0.5	137	64.0	0.5	149	80.0	0.5	154	99.9	0.6	13.3%	100.0%
7 – 10	47	3	54	20.8	0.4	44	22.1	0.5	56	26.3	0.5	55	35.4	0.6	54	42.6	0.8	7.1%	43.5%
11 – 12	57	–	49	12.4	0.3	54	17.9	0.3	70	27.5	0.4	83	33.0	0.4	90	41.3	0.5	18.6%	40.6%
13 – 16	10	1	8	9.6	1.2	8	8.1	1.0	11	10.2	0.9	11	11.7	1.1	10	16.0	1.6	7.7%	15.9%

1. Rand million.

Expenditure trends

Revenue for the National Metrology Institute of South Africa is mainly generated by transfers from the department. Other non-tax revenue is from fees for dissemination services. Over the MTEF period, additional funding of R71 million has been made available for the purchase of new equipment and repairs and maintenance to existing equipment.

The spending focus over the medium term is on the maintenance of national measurement standards, communication with commerce and industry on the impact of these standards, providing metrology and advanced measurement assistance to specific industry sectors, and building capacity. This involves an increasing emphasis on goods and services, and attracting and retaining an expert workforce.

The institute is working on the establishment and operation of a laboratory for the National Nuclear Regulator; cooperation with the South African Police Service forensic analysis laboratory; a reference environmental monitoring laboratory; and a laboratory for the traceability and accurate measurement of nanotechnologies.

Investment in a new plant building was undertaken in 2011/12 and 2012/13 in the form of a pre-feasibility and a feasibility study on the capital requirements. Operational expenditure increased in 2012/13 due to ageing air-conditioning systems, which had to be replaced. Over the medium term, expenditure on goods and services is projected to grow due to the repairs and maintenance of facilities, which increases rental and related costs increase by between 13 and 15 per cent each year.

The entity has a funded establishment of 114 posts, of which 4 were vacant at the end of September 2012 due to natural attrition and will be filled over the medium term. The ratio of support to line function staff is 1:4. Consultants are used for the maintenance of the financial system and legal services, as these functions cannot be carried out in house.

National Regulator for Compulsory Specifications

Mandate and goals

The National Regulator of Compulsory Specifications is a public entity that administers compulsory specifications, otherwise known as technical regulations, on behalf of the Minister of Trade and Industry. It was established in terms of the Measurement Unit and Measurement Standards Act (2006) and is mandated to protect the health and safety of the public and the environment by administering and maintaining compulsory specifications, implementing a regulatory and compliance system, and engaging in market surveillance to ensure compliance.

The regulator's strategic goals over the medium term are to:

- use a risk based approach to maximise the potential compliance with all specifications and technical regulations falling under the mandate of the regulator

- optimise the scope of regulator regulatory activity to protect the people of South Africa, and the environment
- inform and educate industry and consumers regarding their rights and obligations with respect to specifications and technical regulations
- ensure that highly competent people are in the right place at the right time, to enable effective execution of the regulator strategy
- ensure that the regulator is a capacitated organisation with fit for purpose resources available to support decision making and action.

Selected performance indicators

Table 36.70 National Regulator for Compulsory Specifications

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of inspections on compliance with technical regulations each year	Risk based inspections to maximise compliance with all specifications and technical regulations	55 252	52 940	53 673	31 152	34 152	34 152	34 152
Number of days to issue approvals and homologations	Risk based inspections to maximise compliance with all specifications and technical regulations	21	21	21	21	21	21	21
Number of days to issue type approvals	Risk based inspections to maximise compliance with all specifications and technical regulations	120	110	110	105	105	105	105
Number compulsory specifications and technical regulations per year	Extend regulator's scope	8	8	2	11	12	12	12

Programmes/activities/objectives

Table 36.71 National Regulator for Compulsory Specifications

	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		
R thousand												
Risk based inspections to maximise compliance with all specifications and technical regulations	105 421	102 308	101 000	133 936	8.3%	61.8%	154 368	162 741	168 120	7.9%	57.6%	
Extend regulator's scope	4 753	6 839	7 558	9 698	26.8%	3.9%	12 945	13 647	14 098	13.3%	4.7%	
Inform and educate stakeholders, industry and consumers regarding the regulator's obligations with regard to compulsory specifications and technical regulations	-	-	-	11 186	-	1.2%	26 732	28 182	29 113	37.6%	8.7%	
Become the employer of choice with motivated and productive staff	2 928	3 872	7 742	8 096	40.4%	3.0%	10 916	11 508	11 888	13.7%	3.9%	
Well resourced regulator, including fit for purpose IT	1 569	2 075	7 076	10 716	89.7%	2.7%	15 856	16 716	17 268	17.2%	5.6%	
Optimise revenue generation and collection	11 651	15 402	14 177	22 631	24.8%	8.7%	22 329	23 540	24 318	2.4%	8.7%	
Ensure good corporate governance, ICT, legal and risk management	25 068	26 729	48 291	33 792	10.5%	18.6%	28 130	23 675	29 127	-4.8%	10.9%	
Total expense	151 390	157 225	185 844	230 055	15.0%	100.0%	271 276	280 008	293 932	8.5%	100.0%	

Expenditure estimates

Table 36.72 National Regulator for Compulsory Specifications

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		
R thousand												
Revenue												
Non-tax revenue	122 118	149 820	163 814	150 371	7.2%	76.5%	168 276	178 013	189 584	8.0%	62.8%	
Sale of goods and services other than capital assets of which:	111 284	130 564	158 498	147 815	9.9%	71.2%	162 913	173 503	184 780	7.7%	61.3%	
Sales by market establishment	111 284	130 564	158 498	147 815	9.9%	71.2%	162 913	173 503	184 780	7.7%	61.3%	
Other non-tax revenue	10 834	19 256	5 316	2 556	-38.2%	5.3%	5 363	4 510	4 804	23.4%	1.6%	
Transfers received	35 933	33 042	37 173	79 684	30.4%	23.5%	103 000	109 734	116 112	13.4%	37.2%	
Total revenue	158 051	182 862	200 987	230 055	13.3%	100.0%	271 276	287 747	305 696	9.9%	100.0%	

Table 36.72 National Regulator for Compulsory Specifications (continued)

Statement of financial performance	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term 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											
Expenses											
Current expenses	151 390	157 225	185 844	230 055	15.0%	100.0%	271 276	280 008	293 932	8.5%	100.0%
Compensation of employees	97 452	104 890	124 765	152 092	16.0%	66.1%	181 902	191 769	202 149	9.9%	67.6%
Goods and services	49 823	48 075	58 771	72 025	13.1%	31.6%	85 472	84 125	87 446	6.7%	30.7%
Depreciation	3 574	3 900	2 154	5 808	17.6%	2.1%	3 902	4 113	4 336	-9.3%	1.7%
Interest, dividends and rent on land	541	360	154	130	-37.8%	0.2%	1	1	1	-79.4%	0.0%
Total expenses	151 390	157 225	185 844	230 055	15.0%	100.0%	271 276	280 008	293 932	8.5%	100.0%
Surplus/(Deficit)	6 661	25 637	15 143	-	-100.0%		-	7 739	11 764	-	
Statement of financial position											
Carrying value of assets	10 523	17 826	19 674	18 254	20.2%	20.5%	19 441	89 704	95 535	73.6%	37.9%
of which:											
Acquisition of assets	3 245	3 182	4 221	11 185	51.1%	6.1%	18 500	19 308	20 983	23.3%	12.2%
Investments	-	-	-	95 661	-	18.6%	101 879	39 501	42 069	-24.0%	50.8%
Receivables and prepayments	7 625	15 215	9 443	6 691	-4.3%	12.9%	7 126	7 589	8 082	6.5%	5.2%
Cash and cash equivalents	30 617	42 314	58 134	7 821	-36.5%	47.8%	8 329	8 871	9 447	6.5%	6.1%
Derivatives financial instruments	-	325	-	325	-	0.2%	-	-	-	-100.0%	0.1%
Total assets	48 765	75 680	87 251	128 752	38.2%	100.0%	136 775	145 665	155 133	6.4%	100.0%
Accumulated surplus/(deficit)	7 597	33 234	48 377	82 401	121.4%	44.7%	87 411	93 093	99 144	6.4%	63.9%
Finance lease	3 270	1 701	257	-	-100.0%	2.3%	-	-	-	-	-
Trade and other payables	24 095	21 260	16 681	23 111	-1.4%	28.6%	24 613	26 213	27 917	6.5%	18.0%
Provisions	13 803	19 485	22 261	23 240	19.0%	24.4%	24 751	26 359	28 073	6.5%	18.1%
Total equity and liabilities	48 765	75 680	87 576	128 752	38.2%	100.0%	136 775	145 665	155 133	6.4%	100.0%

Personnel information

Table 36.73 National Regulator for Compulsory Specifications

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/total: Average (%)			
				2011/12		Unit Cost	2012/13		Unit Cost	2013/14		2014/15		2015/16						
				Number	Cost		Number	Cost		Number	Cost	Number	Cost	Number	Cost	Number	Cost			
				283	127.0	0.4	445	152.1	0.3	375	181.9	0.5	375	191.8	0.5	389	202.1	0.5	-4.4%	100.0%
1 - 6		14	-	8	0.9	0.1	14	2.6	0.2	14	2.8	0.2	14	2.9	0.2	14	3.1	0.2	-	3.6%
7 - 10		301	-	61	13.7	0.2	370	114.7	0.3	289	142.1	0.5	289	149.4	0.5	303	157.0	0.5	-6.4%	78.8%
11 - 12		23	-	177	87.9	0.5	49	24.5	0.5	60	26.1	0.4	60	27.8	0.5	60	29.6	0.5	7.0%	14.6%
13 - 16		12	-	37	24.4	0.7	12	10.3	0.9	12	10.9	0.9	12	11.7	1.0	12	12.4	1.0	-	3.0%

1. Rand million.

Expenditure trends

The National Regulator for Compulsory Specifications generates some of its revenue from levies and services rendered for export certification, vehicle homologation and letters of authority. Non-tax revenue increased in 2011/12 due to the increased levy tariffs and more favourable than projected production by regulated industries. Over the medium term, non-tax revenue is expected to increase due to continued growth in industry production, and by increasing the services offered.

The spending focus over the medium term will be on providing for staff costs, travel and accommodation to foreign countries to participate in international engagements. Expenditure on compensation of employees accounts for 68.2 per cent of the regulator's allocation over the medium term. Expenditure on this item is expected to grow over the medium term due to increased recruitment, the filling of senior management posts, and the separation from the South African Bureau of Standards. The separation resulted in higher ICT, human resource and finance staff costs. The office accommodation arrangement with the bureau ends on 1 April 2014, after which the rental costs will almost double.

The entity had a funded establishment of 350 posts and there were no vacancies as at the end of September 2012. Personnel numbers are expected to increase to 389 in 2015/16. The ratio of support to line function staff is 1:4. Consultants are used for audits and specialist wellness programmes to train employees.

South African National Accreditation System

Mandate and goals

The South African National Accreditation System is mandated through the Accreditation for Conformity Assessment, Calibration and Good Laboratory Practice Act (2006) to accredit or monitor for good laboratory practice compliance purposes; promote accreditation as a means of facilitating international trade, thereby enhancing South Africa's economic performance and transformation; promote the competence and equivalence of accredited bodies; and promote the competence and equivalence of good laboratory practice facilities compliant with the act.

The organisation's strategic goals over the medium term are to:

- contribute to government's strategic objectives
- improve external relations and processes by expanding international influence and playing a leadership role in SADC and Africa accreditation
- increase quality and productivity by developing human resources and diversified assessors' polls, and improving processes through the use of ICTs and automation.

Selected performance indicators

Table 36.74 South African National Accreditation System

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Turnaround time of new accreditation programme development (months) ¹	New programme development projects and related activities	–	–	24	21	18	15	12
Percentage of approved and vacant positions per year ¹	Restructuring and capacity building	–	–	24%	15%	10%	10%	10%
Percentage of historically disadvantaged individuals trained and registered as assessors per year ¹	Provision of accreditation services	–	35%	35%	40%	50%	55%	55%
Number of new accreditation programmes developed and rolled out per year ¹	New programme development projects and related activities	–	–	1	3	2	4	1
Signatory status to the International Laboratory Accreditation Cooperation and International Accreditation Forum mutual and multilateral recognition arrangement extended for a further 4 years ²	International, regional and national responsibilities	International recognition in place	International recognition in place	International recognition in place	Confirmation of signatory status	Sign up to International Laboratory Accreditation Cooperation mutual recognition agreement for inspection	– ²	Successful peer evaluation
Total number of accredited organisations ¹	Provision of accreditation services	–	–	1 362	1 380	1 408	1 438	1 500

1. New indicators introduced, hence no data in these years.

2. No relevant action to be taken in this year, hence no performance target.

Programmes/activities/objectives

Table 36.75 South African National Accreditation System

	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		
R thousand											
Provision of accreditation services	11 217	14 023	23 842	30 783	40.0%	37.3%	29 148	30 537	31 987	1.3%	39.5%
International, regional and national responsibilities	1 110	1 327	855	1 948	20.6%	2.5%	2 888	2 777	2 877	13.9%	3.4%
New programme development projects and related activities	1 178	1 376	3 111	4 825	60.0%	4.7%	4 389	3 709	2 897	-15.6%	5.2%
Restructuring and capacity building	–	4 325	6 275	9 022	–	8.6%	17 413	18 532	17 507	24.7%	19.9%
Knowledge transfer	723	651	817	1 396	24.5%	1.7%	2 674	2 845	2 710	24.8%	3.1%
Marketing	1 394	1 870	1 610	2 747	25.4%	3.7%	2 823	2 535	2 883	1.6%	3.5%
Administrative support	23 431	23 019	14 541	19 640	-5.7%	41.5%	17 712	18 987	23 153	5.6%	25.6%
Total expense	39 053	46 591	51 051	70 361	21.7%	100.0%	77 047	79 922	84 014	6.1%	100.0%

Expenditure estimates

Table 36.76 South African National Accreditation System

Statement of financial position	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		
R thousand											
Carrying value of assets	2 151	1 955	2 000	2 479	4.8%	5.1%	2 668	52 596	52 454	176.6%	36.4%
of which:											
Acquisition of assets	176	249	418	871	70.4%	0.9%	592	50 350	300	-29.9%	16.7%
Receivables and prepayments	991	1 557	11 750	1 500	14.8%	8.2%	1 550	1 600	1 650	3.2%	2.5%
Cash and cash equivalents	27 248	33 896	37 480	53 070	24.9%	86.6%	43 822	24 947	21 844	-25.6%	61.1%
Total assets	30 390	37 408	51 230	57 049	23.4%	100.0%	48 040	79 142	75 948	10.0%	100.0%
Accumulated surplus/(deficit)	18 037	23 263	29 449	33 268	22.6%	59.3%	33 268	33 268	33 268	–	53.4%
Capital reserve fund	–	–	10 000	10 000	–	9.3%	–	–	–	-100.0%	4.4%
Borrowings	–	–	–	–	–	–	–	31 000	28 000	–	19.0%
Finance lease	3 238	1 136	985	844	-36.1%	4.3%	713	590	476	-17.4%	1.1%
Deferred income	3 180	3 009	1 041	2 500	-7.7%	6.2%	3 000	3 000	3 000	6.3%	4.6%
Trade and other payables	4 836	8 580	8 600	9 237	24.1%	18.0%	9 560	9 734	9 604	1.3%	15.3%
Provisions	1 099	1 420	1 155	1 200	3.0%	2.9%	1 500	1 550	1 600	10.1%	2.3%
Total equity and liabilities	30 390	37 408	51 230	57 049	23.4%	100.0%	48 040	79 142	75 948	10.0%	100.0%

Personnel information

Table 36.77 South African National Accreditation System

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	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
			Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost							
	72	14	52	27.1	0.5	58	35.0	0.6	72	36.5	0.5	72	38.3	0.5	72	39.9	0.6	7.5%	100.0%
1 – 6	1	–	1	0.1	0.1	1	0.1	0.1	1	0.1	0.1	1	0.1	0.1	1	0.1	0.1	–	1.5%
7 – 10	31	7	19	3.5	0.2	24	5.8	0.2	33	6.1	0.2	33	6.4	0.2	33	6.7	0.2	11.2%	44.7%
11 – 12	19	3	15	6.2	0.4	16	8.2	0.5	18	8.6	0.5	18	9.1	0.5	18	9.6	0.5	4.0%	25.6%
13 – 16	21	4	17	13.6	0.8	17	15.7	0.9	20	16.2	0.8	20	16.8	0.8	20	17.3	0.9	5.6%	28.2%
17 – 22	–	–	–	3.8	–	–	5.2	–	–	5.5	–	–	5.8	–	–	6.1	–	5.3%	–

1. Rand million.

Expenditure trends

The South African National Accreditation System receives 44 per cent of its revenue over the medium term from the department, and also generates revenue from the fees charged to accredited facilities.

The spending focus over the medium term will be on restructuring and capacity building to source new office space, fill vacancies and complete the entity's IT project. The project began in 2011/12 and funds have been reprioritised to support it. New office and training plans are also being developed.

Expenditure increased between 2009/10 and 2012/13 due to higher than expected operating expenses and the recruitment of staff required as part of the restructuring project. Over the medium term, expenditure is projected to increase to provide for the further expansion of capacity in the entity.

The entity has a funded establishment of 72 posts, of which 14 were vacant at the end of September 2012. Vacancies were a result of the reorganisation and strengthening of the entity. The ratio of support staff to line function staff was 1:1.73. Consultants are used for accreditation assessments due to the industry expertise required to perform the services.

Additional tables

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

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
R thousand	2011/12		2011/12	2012/13			2012/13
Administration	543 711	659 286	639 375	608 742	88 437	697 179	700 337
International Trade and Economic Development	129 679	144 805	132 920	133 462	1 201	134 663	135 663
Broadening Participation	839 695	865 695	887 513	879 891	60 089	939 980	949 980
Industrial Development: Policy Development	1 266 895	1 311 047	1 321 671	1 482 856	9 889	1 492 745	1 502 745
Consumer and Corporate Regulation	231 671	229 671	218 564	244 713	3 430	248 143	248 143
Incentive Development: Incentive Administration	3 469 114	3 320 862	3 283 549	5 437 565	(876 695)	4 560 870	4 450 870
Trade and Investment South Africa	306 131	345 147	317 388	304 826	(27 320)	277 506	317 506
Total	6 786 896	6 876 513	6 800 980	9 092 055	(740 969)	8 351 086	8 305 244

Economic classification

Current payments	1 172 351	1 299 193	1 160 793	1 303 366	118 866	1 422 232	1 486 390
Compensation of employees	602 237	621 344	566 984	713 995	21 958	735 953	778 953
Goods and services	570 114	677 849	593 736	589 371	96 908	686 279	707 437
Interest and rent on land	–	–	73	–	–	–	–
Transfers and subsidies	5 600 414	5 533 381	5 568 112	7 774 579	(911 716)	6 862 863	6 752 863
Departmental agencies and accounts	969 125	1 004 125	1 058 599	1 060 178	66 017	1 126 195	1 126 195
Higher education institutions	4	3 504	14 800	10 004	–	10 004	10 004
Foreign governments and international organisations	34 668	40 420	40 172	37 038	(600)	36 438	36 438
Public corporations and private enterprises	4 581 917	4 470 245	4 440 567	6 648 182	(979 508)	5 668 674	5 558 674
Non-profit institutions	14 700	14 700	10 125	17 900	–	17 900	17 900
Households	–	387	3 849	1 277	2 375	3 652	3 652
Payments for capital assets	14 131	43 939	36 489	14 110	51 881	65 991	65 991
Machinery and equipment	9 873	25 315	20 137	11 422	27 402	38 824	38 824
Software and other intangible assets	4 258	18 624	16 352	2 688	24 479	27 167	27 167
Payments for financial assets	–	–	35 586	–	–	–	–
Total	6 786 896	6 876 513	6 800 980	9 092 055	(740 969)	8 351 086	8 305 244

Table 36.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	2015/16
Compensation of employees (R thousand)	437 710	514 524	566 984	735 953	854 246	897 898	955 001
Training expenditure (R thousand)	9 297	9 370	–	14 669	14 004	15 201	17 154
Training spend as percentage of compensation	2.1%	1.8%	–	2.0%	1.6%	1.7%	1.8%
Total number trained (headcount)	1 627	–	–	–	–	–	–
<i>of which:</i>							
Employees receiving bursaries (headcount)	150	–	–	–	–	–	–
Learnerships (headcount)	10	–	–	–	–	–	–
Internships (headcount)	34	–	–	–	–	–	–
Households receiving bursaries (R thousand)	1 425	1 514	–	–	1 900	1 590	1 663
Households receiving bursaries (headcount)	42	–	–	–	–	–	–

Table 36.C Summary of departmental public private partnership projects

Project description: Department of Trade and Industry Campus project	Project annual unitary fee at time of contract	Budgeted expenditure	Medium-term expenditure estimate		
			2012/13	2013/14	2014/15
R thousand					
Projects signed in terms of Treasury Regulation 16	–	171 527	180 961	190 155	237 944
Public private partnership unitary charge	–	171 136	180 548	189 655	232 444
Project monitoring cost	–	391	413	500	5 500
Total	–	171 527	180 961	190 155	237 944

Disclosure notes for projects signed in terms of Treasury Regulation 16

Project name	Department of Trade and Industry(dti) public private partnership campus
Brief description	Department of Trade and Industry public private partnership campus Meintjies Street, Pretoria. Design, Construct and Facility Management Services over period of 25 years 01-Aug-03
Date public private partnership agreement was signed	
Duration of public private partnership agreement	25 years
Escalation index for unitary fee	CPIX linked - July every year on anniversary
Variations and amendments to public private partnership agreement	Variation orders as per allowed schedules - but no formal amendment to date was signed on the public private partnership Agreement
Cost implications of variations and amendments	Costed per each variation order. Strategic Space strategy will inform over the medium term the quantum of variation orders to be executed.
Significant contingent fiscal obligations including termination payments, guarantees, warranties and indemnities and maximum estimated value of such liabilities	The outstanding debt amount as per financial model

Table 36.D Summary of donor funding

Donor	Project	Departmental programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
							2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
R thousand													
Foreign													
In cash													
European Union	Sector wide enterprise employment and equity programme	Industrial Development: Policy Development	2004 - 2009	477 286	Public corporations and private enterprises	Increase employment and facilitate greater social and economic equity and integration	107 525	33 307	28 458	13 713	-	-	-
European Union	Risk capital facility programme	Broadening Participation	2005 - 2013	497 951	Public corporations and private enterprises	Facilitate black economic empowerment in small medium enterprise sector	-	32 249	98 318	100 000	-	-	-
European Union	Employment creation, sector policy support to the economic cluster's programme of action (4 departmental projects implemented)	Broadening Participation	2009 - 2013	551 214	Public corporations and private enterprises	Create long term sustainable employment and contribute to the national target of halving unemployment and poverty by 2014	-	40 398	66 222	200 000	-	-	-
Department of International Development United Kingdom	Employment creation, sector policy support to the economic cluster's programme of action (3 departmental projects implemented)	Broadening Participation	2009 - 2013	56 772	Public corporations and private enterprises	Create long term sustainable employment and contribute to the national target of halving unemployment and poverty by 2014	-	-	8 078	6 373	-	-	-
Finland	Small medium micro enterprise development programme	Industrial Development: Policy Development	2009-2011	44 722	Departmental agencies and accounts	Support development of small medium micro enterprises through technical support by Small Enterprise Development Agency	18 598	2 699	-	-	-	-	-
In kind													
United States Agency for International Development	Economic growth support	Industrial Development: Policy Development	2008 - 2012	191 982	Departmental agencies and accounts	Provide technical support to financial sector and private sector, and for competitiveness. Support department's regulatory policy, its research and legislative review process, and its participation in a technical evaluation	54 982	-	42 000	-	-	-	-
Total				1 819 927			181 105	108 653	243 076	320 086	-	-	-

Table 36.E Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
R thousand										
Infrastructure transfers to other spheres, agencies and departments										
Coega Development Corporation	Infrastructure developments to enable investment in the zone	Various	5 689 043	859 889	714 000	373 718	417 858	308 195	-	-
East London industrial development zone	Infrastructure developments to enable investment in the zone	Various	1 817 535	373 373	198 000	171 282	150 000	100 000	-	-
Critical infrastructure programme	Infrastructure projects supporting investment in mining, tourism, manufacturing and services	Various	1 473 171	105 601	80 643	118 540	182 000	190 000	200 000	209 188

Table 36.E Summary of expenditure on infrastructure (continued)

Project name R thousand	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation 2012/13	Medium-term expenditure estimate		
				2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
Richards Bay industrial development zone	Infrastructure developments to enable investment in the zone	Various	672 018	68 423	20 000	60 682	42 018	30 000	–	–
Centurion Aerospace Village	Aerospace industry: In the form of infrastructure	Construction	407 279	–	37 454	10 000	15 000	15 800	16 700	17 500
South African Bureau of Standards	Technical Industrial Infrastructure: Testing facilities	Construction	315 420	–	174 240	100 200	48 000	–	–	–
Total			10 374 466	1 407 286	1 224 337	834 422	854 876	643 995	216 700	226 688

Table 36.F Manufacturing Development Incentive

R thousand	Audited outcome			Adjusted appropriation 2012/13	Medium-term expenditure estimate		
	2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
Small medium enterprise development programme	1 346 400	587 246	226 243	50 000	13 353	3 411	6 953
Enterprise investment programme	863	261 557	682 545	847 079	897 459	789 425	727 630
Automotive production and development production: Production allowance	–	294 252	951 457	703 364	920 000	917 400	867 668
Small medium manufacturing development programme	3 333	1 206	–	–	–	–	–
Manufacturing competitive enhancement programme	–	–	–	924 000	1 453 239	1 800 000	2 000 000

Table 36.G Service Investment Incentives

R thousand	Audited outcome			Adjusted appropriation 2012/13	Medium-term expenditure estimate		
	2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
Business process outsourcing	78 438	44 060	82 224	82 224	250 000	280 000	290 000
Film and television production incentive	175 555	182 722	216 541	290 000	340 000	340 000	351 267

BUDGET 2013
ESTIMATES OF NATIONAL EXPENDITURE

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national treasury

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REPUBLIC OF SOUTH AFRICA