

20 YEARS OF FREEDOM



BUDGET 2014 ESTIMATES OF NATIONAL EXPENDITURE

VOTE 28 ECONOMIC DEVELOPMENT



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



Estimates of National Expenditure 2014

National Treasury

Republic of South Africa

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The Estimates of National Expenditure 2014 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, which includes all national government budget votes, in respect of individual votes these e-publications contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are also 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.



"We know it well that none of us acting alone can achieve success. We must therefore act together as a united people, for national reconciliation, for nation building, for the birth of a new world. Let there be justice for all. Let there be peace for all. Let there be work, bread, water and salt for all. Let each know that for each the body, the mind and the soul have been freed to fulfil themselves."

UNION BUILDINGS, PRETORIA, 10 MAY 1994



national treasury

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Foreword

The national development plan, Vision 2030 of the government of South Africa, states that ‘Alongside hard work and effort, capabilities and the opportunities that flow from development enable individuals to live the lives to which they aspire.’ The 2014 Budget has been prepared in the spirit of this statement.

While the medium term expenditure framework (MTEF) contained in the 2014 Budget ushers in the new administration after the May elections, the country faces a markedly different situation from that of 2009. In 2006/07 and 2007/08, South Africa achieved budget surpluses. In 2008, however, the worldwide economic crisis meant budget deficit forecasts were inevitable. It is now clear that the recovery in real economic growth has been less robust than initially anticipated. Despite this, the economy is growing and government revenue collection is broadly on target. The 2009 Budget announced a ‘haircut’ and reprioritisation within budget baselines. At that stage, the reassignment of R19 billion comprised 12 per cent of the total monetary value of amendments to budgets made, of R160.6 billion. By contrast, the reassignment of the R19.6 billion in the 2014 Budget comprises 51 per cent of the total of R38.8 billion in amendments to budgets. The quantum of amendments to the total budget that can be made has clearly decreased substantially over time.

Despite the fiscal environment becoming increasingly constrained, National Treasury has been able to sustain the intensity of the pursuit for budget efficiencies, with most of the fiscal space for improvements to service delivery being made through reprioritisation. This will be reinforced by procurement reform and expenditure review initiatives. While the current fiscal position no longer automatically creates room by making additional funding available, progress towards our country objectives of inclusive economic growth and employment creation must be made in the face of a tough fiscal environment. Therefore the main budget non-interest aggregate expenditure ceiling established in the 2013 Budget remains intact. New priorities and the expansion of existing programmes must be achieved through reprioritisation within the existing resource envelope.

The current fiscal context is necessitating hard trade-offs: difficult choices will need to be made in choosing between spending priorities and in deciding on the sequencing of programme implementation. Given the constraints brought to bear by the expenditure ceiling, all government institutions need to manage any cost pressures that may be related to changes in the inflation rate, exchange rate or any other factors affecting input prices with great efficiency. This means that not everything that we believe must be done, can be done at once. In the reprioritisation of existing funds, certain outputs will have to be delayed, or discontinued.

The issue is what goods and services tax-payers’ monies ‘buy’. In keeping with the ongoing endeavour to improve transparency and reinforce accountability, the focus of the sections on budget programme expenditure trends within each vote in the 2014 Estimates of National Expenditure (ENE) publications has shifted, to an explanation of the interrelationship between the significant changes in spending, performance outputs and outcomes, and in personnel.

National Treasury teams have worked closely with policy and budget teams of national and provincial departments, as well as with public entities and local government, ensuring the alignment of policy developments with the national development plan and scrutinising spending trends and cost drivers, ever mindful of service delivery. Without this cooperation and commitment across government, it would not be possible to submit the credible and comprehensive institutional budgets contained in this publication. The political guidance of the Minister of Finance, his Deputy and the members of the ministers’ committee on the budget, has been indispensable to the medium term expenditure committee of accounting officers of departments at the centre of government, in its task of providing the strategic direction in formulating the budget. I thank you all for your assistance.



Lungisa Fuzile
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure (ENE) publications are important accountability documents, which set out the details of planned expenditure and planned performance at the time the Budget is tabled. The 2014 ENE publications largely retain the same layout of information as presented in previous years' publications. This allows information to be easily compared across publications and financial years. As in the past, information is presented for a seven-year period and contains details of all national departmental programmes and subprogrammes. Information is presented in a similar way for the national public entities related to each department. For the first time in the ENE publications, in 2014, information on changes in finances, personnel and performance is brought together with the focus on the significant interrelationships between these changes. This discussion, in the expenditure trends sections of the budget programmes in each chapter, allows the reader to assess the effectiveness of past, as well as of planned, spending.

When compared to the abridged version of the ENE, which includes all national government votes, the ENE e-publications provide more detailed expenditure information for individual votes on goods and services as well as transfers and subsidies. While the abridged version of the ENE contains one additional table at the end of each vote which has information on infrastructure spending, the ENE e-publications' additional tables also contain summaries of: the budgeted expenditure and revised estimate for 2013/14, and the audited outcome for 2012/13, by programme and economic classification; expenditure on training; conditional grants to provinces and municipalities; departmental public private partnerships; and donor funding. In selected cases more detailed information at the level of the site of service delivery is included. Budget information is also provided for the public entities that are simply listed in the abridged publication.

A separate ENE Overview e-publication is also available, which contains a description at the main budget non-interest level, summarising the Estimates of National Expenditure publication information across votes. The Overview contains this narrative explanation and summary tables; and also has a write-up on interpreting the information that is contained in each section of the publications.

Economic Development

**National Treasury
Republic of South Africa**



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Vote 28

Economic Development

Budget summary

R million	2014/15				2015/16	2016/17
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	79.5	77.3	–	2.2	84.1	86.7
Economic Policy Development	23.1	23.1	–	–	24.3	27.6
Economic Planning and Coordination	579.1	45.2	533.9	–	760.9	583.6
Economic Development and Dialogue	15.3	15.3	–	–	16.1	19.4
Total expenditure estimates	696.9	160.8	533.9	2.2	885.4	717.3
Executive authority	Minister of Economic Development					
Accounting officer	Director General of Economic Development					
Website address	www.economic.gov.za					

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

Promote economic development policy formulation and planning for the benefit of all South Africans.

Mandate

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

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

In line with these responsibilities, the department's mandate includes administration of the following legislation:

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

Strategic goals

To support increasingly labour absorbing and equitable growth, as foreseen in the new growth path and the national development plan, the department's strategic goals over the medium term are to:

- provide technical and administrative support to the Presidential Infrastructure Coordinating Commission in facilitating the implementation of the national infrastructure plan
- align the programmes of departmental agencies and institutions with the new growth path, while ensuring that their operations are efficient and effective
- support alignment around core economic strategies across all spheres and agencies of the state
- promote social dialogue and the implementation of the major accords reached over the past two years, particularly the accords on the basic education, national skills, the green economy, local procurement, youth employment, and the framework agreements reached in October 2012 and June 2013, which aim to enhance the national response to uncertainties in the global economy and workplace conflict in the mining belt.

Programme purposes

Programme 1: Administration

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

Programme 2: Economic Policy Development

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

Programme 3: Economic Planning and Coordination

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

Programme 4: Economic Development and Dialogue

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

Selected performance indicators

Table 28.1 Economic Development

Indicator	Programme	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of reports to Cabinet on progress towards outcome 4 per year	Economic Policy Development	Outcome 4: Decent employment through inclusive economic growth	– ¹	– ¹	4	4	4	4	4
Number of reports on the impact of the new growth path on women, youth and rural people evaluated and improved per year	Economic Policy Development		– ¹	– ¹	4	3	3	3	3
Number of strategic engagements with development finance institutions per year	Economic Planning and Coordination		13	19	8	6	6	6	6
Number of economic development initiatives coordinated and facilitated per year	Economic Planning and Coordination		4	9	15	18	20	22	24
Number of project reviews for strategic integrated construction projects per year	Economic Planning and Coordination		– ¹	– ¹	30	60	60	60	60
Number of infrastructure projects unblocked per year	Economic Planning and Coordination		– ¹	– ¹	– ¹	8	8	12	12
Number of interventions to grow the green economy per year	Economic Planning and Coordination		– ¹	– ¹	6	6	6	6	6
Number of monitoring reports and strategies developed to improve implementation of accords per year	Economic Development and Dialogue		– ¹	– ¹	– ¹	4	4	4	4
Number of capacity building projects for social partners on the new growth path per year	Economic Development and Dialogue		11	– ²	14	8	8	8	8

1. This is a new indicator so historical information is not available.

2. In 2011/12, the department did not measure this indicator due to a change in strategy. Thus no data is provided.

The national development plan

The national development plan addresses the need to grow an inclusive economy as part of the country's key objectives to eliminate poverty and reduce inequality by 2030. The department endorses the plan through economic development policies to ensure that the proportion of national income earned by the lowest earning 40 per cent of the population increases from 6 per cent in 2012 to 10 per cent by 2030. The plan's economic development policies address the need to grow an inclusive economy, build capabilities, enhance the capacity of

the state, and promote leadership and partnerships throughout society.

The plan envisages unemployment falling from 24.9 per cent to 14 per cent when an additional 11 million jobs are created. To achieve this, the plan proposes accelerating progress by focusing on job creation across government and other sectors, as well as improving education and service delivery.

The department's new growth path strategy is aligned with the national development plan, and remains the operational plan for implementation. The strategy aims to provide concrete programmes for growth, employment creation and equity in line with government's commitment to prioritise employment creation in its economic policies. The new growth path has set the department the principal target of supporting the creation of 5 million jobs over the next 10 years by identifying strategies that will enable South Africa to grow in a more equitable and inclusive manner while achieving the developmental agenda. Central to this is a massive investment in infrastructure as a critical driver of jobs across the economy.

The 2012 national infrastructure plan creates a platform for integrated infrastructure provision through local procurement by providing, among others, improved logistics, water and electricity. 18 strategic integrated projects that integrate more than 150 individual infrastructure project clusters into a coherent package have been developed. The projects cover social and economic infrastructure across all provinces, with an emphasis on the poorer regions. The national infrastructure plan further provided the background to Cabinet's decision to establish the Presidential Infrastructure Coordinating Commission, a body set up to integrate and coordinate the country's long term infrastructure build. The department provides technical and administrative support to the commission to facilitate the implementation of the national infrastructure plan.

The new growth path also proposes strategies to eliminate unnecessary red tape to improve competition in the economy and enhance skills development. In delivering on the economic regulation mandate through the Competition Commission, the department has improved the playing fields for businesses and consumers in respect of price, quality, choice and innovation.

The department will continue to facilitate the implementation of social accords to mobilise support for national economic strategies, and encourage coordination across the state in support of strategies to bring about a more inclusive economy. It will continue to drive projects and programmes to diversify the economy, especially in conjunction with its agencies, support small, medium and micro enterprises through the Small Enterprise Finance Agency, and coordinate the implementation of the youth employment strategy.

Expenditure estimates

Table 28.2 Economic Development

Programme	Audited outcome			Adjusted Appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13					2014/15	2015/16	2016/17		
R million				2013/14		2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Administration	35.0	50.8	55.4	95.8	95.8	39.8%	9.8%	79.5	84.1	86.7	-3.3%	11.3%
Economic Policy Development	6.6	12.5	11.6	23.6	23.6	52.5%	2.2%	23.1	24.3	27.6	5.4%	3.2%
Economic Planning and Coordination	358.5	501.0	597.5	639.4	639.4	21.3%	86.5%	579.1	760.9	583.6	-3.0%	83.5%
Economic Development and Dialogue	0.5	13.3	9.0	12.7	12.7	203.4%	1.5%	15.3	16.1	19.4	15.0%	2.1%
Total	400.7	577.6	673.5	771.5	771.5	24.4%	100.0%	696.9	885.4	717.3	-2.4%	100.0%
Change to 2013 Budget estimate				-	-			(56.0)	(102.0)	(8.0)		

Table 28.2 Economic Development

Economic classification				Adjusted Appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
Audited outcome												
R million	2010/11	2012/13		2013/14		2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Current payments	39.9	88.3	120.6	157.0	157.0	57.9%	16.7%	160.8	170.0	171.2	2.9%	21.5%
Compensation of employees	25.2	48.3	62.1	72.4	72.4	42.3%	8.6%	107.8	113.3	111.0	15.3%	13.2%
Goods and services	14.7	40.0	58.5	84.5	84.5	79.1%	8.2%	53.0	56.7	60.2	-10.7%	8.3%
of which:												
Administration fees	0.1	0.1	0.2	0.6	0.6	73.6%	0.0%	0.6	0.6	0.8	9.1%	0.1%
Advertising	0.4	0.3	16.1	32.3	32.3	331.1%	2.0%	11.8	12.4	13.1	-26.0%	2.3%
Assets less than the capitalisation threshold	0.2	0.2	0.1	0.5	0.5	44.8%	0.0%	0.6	0.6	0.6	5.1%	0.1%
Audit costs: External	0.2	1.6	2.6	1.6	1.6	89.3%	0.2%	1.7	1.8	1.8	4.9%	0.2%
Bursaries: Employees	–	0.0	0.1	0.2	0.2	0.0%	0.0%	0.2	0.2	0.2	5.3%	0.0%
Catering: Departmental activities	0.5	0.7	2.1	0.6	0.6	11.8%	0.2%	0.7	1.2	2.0	45.8%	0.1%
Communication	0.8	1.8	2.1	0.6	0.6	-10.0%	0.2%	0.7	0.7	1.2	28.1%	0.1%
Computer services	0.2	0.5	0.5	0.1	0.1	-17.5%	0.1%	0.1	0.1	0.1	5.3%	0.0%
Consultants and professional services: Business and advisory services	0.7	6.4	1.5	6.0	6.0	104.5%	0.6%	0.6	0.6	1.6	-35.5%	0.3%
Consultants and professional services: Laboratory services	–	–	–	–	–	–	–	–	0.4	0.4	–	0.0%
Consultants and professional services: Legal costs	–	4.5	1.0	3.3	3.3	–	0.4%	3.5	3.6	3.8	5.0%	0.5%
Contractors	0.2	0.2	6.1	0.5	0.5	30.0%	0.3%	0.5	0.5	0.6	5.6%	0.1%
Agency and support / outsourced services	0.1	0.4	0.3	0.2	0.2	16.8%	0.0%	0.2	0.2	0.2	5.3%	0.0%
Entertainment	0.0	0.0	0.0	0.1	0.1	407.9%	0.0%	0.1	0.1	0.2	5.5%	0.0%
Fleet services (including government motor transport)	0.1	0.5	0.5	–	–	-100.0%	0.0%	–	–	–	–	–
Inventory: Other supplies	0.1	0.0	0.0	0.0	0.0	-37.0%	0.0%	0.0	0.0	0.0	5.9%	0.0%
Consumable supplies	–	–	0.0	–	–	–	0.0%	–	–	–	–	–
Consumable: Stationery, printing and office supplies	1.0	1.8	2.1	1.1	1.1	4.2%	0.3%	1.3	1.4	1.7	13.6%	0.2%
Operating leases	1.0	2.8	3.7	9.1	9.1	112.0%	0.7%	7.4	7.7	5.0	-18.3%	1.0%
Property payments	0.0	1.4	0.0	–	–	-100.0%	0.1%	–	–	–	–	–
Travel and subsistence	7.8	12.0	13.0	15.9	15.9	27.0%	2.0%	13.6	14.5	14.5	-3.1%	1.9%
Training and development	–	1.4	0.5	–	–	–	0.1%	–	–	–	–	–
Operating payments	0.7	1.4	1.6	5.6	5.6	102.6%	0.4%	4.4	4.6	5.3	-1.6%	0.6%
Venues and facilities	0.7	2.1	4.4	6.2	6.2	103.2%	0.6%	5.0	5.4	7.2	4.9%	0.8%
Transfers and subsidies	356.5	488.0	551.0	612.6	612.6	19.8%	82.9%	533.9	713.1	536.1	-4.3%	78.0%
Departmental agencies and accounts	195.6	211.4	249.2	273.6	273.6	11.8%	38.4%	291.3	306.7	323.0	5.7%	38.9%
Higher education institutions	4.8	5.5	12.3	–	–	-100.0%	0.9%	–	–	–	–	–
Public corporations and private enterprises	156.0	271.0	289.3	339.0	339.0	29.5%	43.5%	242.6	406.4	213.1	-14.3%	39.1%
Households	–	0.1	0.2	–	–	–	0.0%	–	–	–	–	–
Payments for capital assets	4.3	1.3	1.8	1.9	1.9	-23.8%	0.4%	2.2	2.2	9.9	73.0%	0.5%
Machinery and equipment	4.3	1.2	1.7	1.9	1.9	-24.2%	0.4%	1.7	1.8	7.9	61.2%	0.4%
Software and other intangible assets	0.0	0.1	0.1	0.0	0.0	224.0%	0.0%	0.5	0.5	2.0	292.0%	0.1%
Total	400.7	577.6	673.5	771.5	771.5	24.4%	100.0%	696.9	885.4	717.3	-2.4%	100.0%

Personnel information

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

Number of posts estimated for 31 March 2014			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			Medium-term expenditure estimate						Average growth Rate (%)	Salary level/total: Average. (%)			
			2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
Economic Development			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	166	–	138	62.1	0.4	129	72.4	0.6	166	107.8	0.6	166	113.3	0.7	166	111.0	0.7	8.8%	100.0%
1 – 6	19	–	22	3.1	0.1	21	4.0	0.2	19	3.6	0.2	19	3.8	0.2	19	4.0	0.2	-3.3%	12.4%
7 – 10	38	–	34	9.0	0.3	36	12.1	0.3	38	12.1	0.3	38	12.8	0.3	38	13.3	0.4	1.8%	23.9%
11 – 12	34	–	35	16.0	0.5	35	20.4	0.6	34	19.4	0.6	34	20.5	0.6	34	19.2	0.6	-1.0%	21.9%
13 – 16	73	–	45	30.6	0.7	35	32.2	0.9	73	69.2	0.9	73	72.6	1.0	73	70.8	1.0	27.8%	40.5%
Other	2	–	2	3.4	1.7	2	3.7	1.9	2	3.4	1.7	2	3.6	1.8	2	3.7	1.8	–	1.3%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on contributing to and promoting investment for economic development and trade competitiveness through providing funding to the department's public entities. This will be achieved by supporting and capitalising the Small Enterprise Finance Agency, which aims to broaden economic participation by financing the small, medium and micro enterprise (SMME) sector. Although Cabinet approved a reduction of R146 million on the allocations for this agency over the medium term, the financial support the department provides will be enhanced by R254 million over the period through the economic competitiveness support package, which is projected to increase spending on transfers and subsidies over the medium term. The department has targeted at least 6 strategic engagements annually with development finance institutions such as the Small Enterprise Finance Agency. The department will also focus on improving the implementation and adjudication of competition policy by funding the work of the Competition Commission through transfers to departmental agencies in the *Economic Planning and Coordination* programme.

The employees on the department's establishment of 166 funded posts conduct high level stakeholder interactions and specialised projects. As the department expects to continue building internal capacity in this regard over the medium term, the number of filled posts is projected to increase from 129 in 2013/14 to 166 over the medium term. This, in turn, is expected to increase spending on compensation of employees over the period. This increase in capacity is expected to result in a decrease in spending on consultants over the medium term as the new, appropriately skilled and experienced personnel take up responsibilities that had been previously performed by consultants. In addition, the increase in capacity over the medium term is expected to fill the 37 posts that were vacant at the end of November 2013, due to the scarcity of skills in finance, development economics and infrastructure development. The department has improved its recruitment and selection processes and expects to fill the vacancies over the medium term.

The allocation to expenditure on goods and services over the medium term has been reduced by R20 million, made up of R6 million in 2014/15, R6 million in 2015/16 and R8 million in 2016/17, as a result of Cabinet approved budget reductions.

Departmental receipts

Table 28.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/ total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/ total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14		2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Departmental receipts	547 237	592 904	668 662	1 978 443	1 978 443	53.5%	100.0%	826 800	867 313	911 449	-22.8%	100.0%
Sales of goods and services produced by department	3	16	21	20	20	88.2%	–	18	19	21	1.6%	–
Sales by market establishments	2	16	21	20	20	115.4%	–	18	19	21	1.6%	–
of which:												
Rental: Parking	2	16	21	20	20	115.4%	–	18	19	21	1.6%	–
Other sales	1	–	–	–	–	-100.0%	–	–	–	–	–	–
of which:												
Commission on insurance and garnishees	1	–	–	–	–	-100.0%	–	–	–	–	–	–
Fines, penalties and forfeits	489 337	538 285	617 344	1 928 296	1 928 296	58.0%	94.3%	776 782	817 294	861 428	-23.6%	95.6%
Interest, dividends and rent on land	57 897	50 263	50 106	50 045	50 045	-4.7%	5.5%	50 000	50 000	50 000	–	4.4%
Interest	7 897	263	–	45	45	-82.1%	0.2%	–	–	–	-100.0%	–
Dividends	50 000	50 000	50 106	50 000	50 000	–	5.3%	50 000	50 000	50 000	–	4.4%
of which:												
Industrial Development Corporation dividends	50 000	50 000	50 106	50 000	50 000	–	5.3%	50 000	50 000	50 000	–	4.4%
Transactions in financial assets and liabilities	–	4 340	1 191	82	82	–	0.1%	–	–	–	-100.0%	–
Total	547 237	592 904	668 662	1 978 443	1 978 443	53.5%	100.0%	826 800	867 313	911 449	-22.8%	100.0%

Programme 1: Administration

Expenditure estimates

Table 28.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Ministry	23 946	18 354	16 322	16 988	-10.8%	31.9%	19 202	20 144	26 603	16.1%	24.0%
Office of the Director-General	4 265	9 559	10 975	13 868	48.1%	16.3%	16 290	17 757	11 210	-6.8%	17.1%
General Management Services	6 833	22 909	28 098	64 949	111.8%	51.8%	43 968	46 156	48 894	-9.0%	58.9%
Total	35 044	50 822	55 395	95 805	39.8%	100.0%	79 460	84 057	86 707	-3.3%	100.0%
Change to 2013 Budget estimate				32 241			11 890	12 846	11 218		

Economic classification

Current payments	30 710	49 391	53 477	93 886	45.1%	95.9%	77 267	81 813	76 763	-6.5%	95.3%
Compensation of employees	16 850	27 895	30 885	37 729	30.8%	47.8%	42 407	44 599	40 727	2.6%	47.8%
Goods and services	13 860	21 496	22 592	56 157	59.4%	48.1%	34 860	37 214	36 036	-13.7%	47.5%
of which:											
Administration fees	112	93	60	210	23.3%	0.2%	222	232	244	5.1%	0.3%
Advertising	357	345	980	32 282	348.8%	14.3%	11 773	12 395	13 062	-26.0%	20.1%
Assets less than the capitalisation threshold	172	154	70	490	41.8%	0.4%	519	542	570	5.2%	0.6%
Audit costs: External	236	1 572	2 633	1 600	89.3%	2.5%	1 678	1 755	1 848	4.9%	2.0%
Bursaries: Employees	–	47	87	156	–	0.1%	165	173	182	5.3%	0.2%
Catering: Departmental activities	459	589	669	304	-12.8%	0.9%	322	548	577	23.8%	0.5%
Communication	802	1 448	1 573	187	-38.5%	1.7%	198	207	218	5.2%	0.2%
Computer services	180	505	380	101	-17.5%	0.5%	107	112	118	5.3%	0.1%
Consultants and professional services:	408	1 182	438	–	-100.0%	0.9%	100	104	110	–	0.1%
Business and advisory services	–	–	–	–	–	–	–	421	443	–	0.2%
Consultants and professional services:	–	–	–	–	–	–	–	–	–	–	–
Laboratory services	–	–	–	–	–	–	–	–	–	–	–
Consultants and professional services:	–	(368)	1 011	3 311	–	1.7%	3 477	3 637	3 829	5.0%	4.1%
Legal costs	–	–	–	–	–	–	–	–	–	–	–
Contractors	221	89	312	486	30.0%	0.5%	520	544	573	5.6%	0.6%
Agency and support / outsourced services	98	357	293	156	16.8%	0.4%	165	173	182	5.3%	0.2%
Entertainment	1	2	23	131	407.9%	0.1%	139	146	154	5.5%	0.2%

Table 28.5 Administration

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ total: Average (%)
Audited outcome											
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Fleet services (including government motor transport)	68	499	483	—	-100.0%	0.4%	—	—	—	—	—
Inventory: Learner and teacher support material	—	1	—	—	—	—	—	—	—	—	—
Inventory: Materials and supplies	47	10	15	—	-100.0%	—	—	—	—	—	—
Inventory: Medical supplies	—	1	—	—	—	—	—	—	—	—	—
Inventory: Medicine	—	1	—	—	—	—	—	—	—	—	—
Inventory: Other supplies	64	32	1	16	-37.0%	—	17	18	19	5.9%	—
Consumable supplies	—	—	9	—	—	—	—	—	—	—	—
Consumable: Stationery, printing and office supplies	1 005	1 568	1 491	466	-22.6%	1.9%	494	517	545	5.4%	0.6%
Operating leases	960	2 817	3 710	9 144	112.0%	7.0%	7 374	7 729	4 980	-18.3%	8.4%
Property payments	17	1 388	34	—	-100.0%	0.6%	—	—	—	—	—
Travel and subsistence	7 392	6 793	6 979	5 380	-10.0%	11.2%	5 702	5 964	6 280	5.3%	6.7%
Training and development	—	360	443	—	—	0.3%	—	—	—	—	—
Operating payments	670	1 299	657	1 338	25.9%	1.7%	1 418	1 483	1 561	5.3%	1.7%
Venues and facilities	591	719	232	399	-12.3%	0.8%	470	514	541	10.7%	0.6%
Rental and hiring	—	—	9	—	—	—	—	—	—	—	—
Transfers and subsidies	—	132	112	—	—	0.1%	—	—	—	—	—
Households	—	132	112	—	—	0.1%	—	—	—	—	—
Payments for capital assets	4 334	1 299	1 806	1 919	-23.8%	3.9%	2 193	2 244	9 944	73.0%	4.7%
Machinery and equipment	4 333	1 151	1 705	1 885	-24.2%	3.8%	1 715	1 754	7 896	61.2%	3.8%
Software and other intangible assets	1.0	148.0	101.0	34.0	224.0%	0.1%	478.0	490.0	2 048.0	292.0%	0.9%
Total	35 044.0	50 822.0	55 395.0	95 805.0	39.8%	100.0%	79 460.0	84 057.0	86 707.0	-3.3%	100.0%
Proportion of total programme expenditure to vote expenditure	8.7%	8.8%	8.2%	12.4%			11.4%	9.5%	12.1%		

Details of transfers and subsidies

Households											
Other transfers to households											
Current	–	132	112	–	–	0.1%	–	–	–	–	–
Households	–	132	112	–	–	0.1%	–	–	–	–	–

Personnel information**Table 28.6 Details of approved establishment and personnel numbers according to salary level¹**

Number of posts estimated for 31 March 2014			Number and cost ² of personnel posts filled / planned for on funded establishment														Number		
Salary level	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total Average (%)			
			2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost		Unit Cost	
Administration																			
80	–		75	30.9	0.4	73	37.7	0.5	80	42.4	0.5	80	44.6	0.6	80	40.7	0.5	3.1%	100.0%
1 – 6	19	–	22	3.1	0.1	21	4.0	0.2	19	3.6	0.2	19	3.8	0.2	19	4.0	0.2	-3.3%	24.9%
7 – 10	24	–	23	6.3	0.3	22	7.9	0.4	24	7.8	0.3	24	8.2	0.3	24	8.5	0.4	2.9%	30.0%
11 – 12	17	–	15	7.4	0.5	17	11.4	0.7	17	10.4	0.6	17	10.9	0.6	17	9.1	0.5	–	21.7%
13 – 16	18	–	13	10.7	0.8	11	10.7	1.0	18	17.2	1.0	18	18.0	1.0	18	15.4	0.9	17.8%	20.8%
Other	2	–	2	3.4	1.7	2	3.7	1.9	2	3.4	1.7	2	3.6	1.8	2	3.7	1.8	–	2.6%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on expanding and building capacity in support functions, such as IT, finance and human resources to support the department in achieving its objectives. Over the medium term, expenditure is allocated to spending on compensation and goods and services items such as travel and subsistence and advertising. Spending on the latter increased significantly in 2013/14 due to the communications strategy for the Presidential Infrastructure Coordinating Commission.

Spending on operating leases increased substantially in 2013/14 due to the additional office space required by the growing staff complement. Established in 2009/10, the department has been filling the 80 posts in this programme's funded establishment, which explains the significant increase in spending on compensation of employees between 2010/11 and 2013/14. This increase in operational capacity has allowed the department to reduce its use of consultants, which is the reason for the significant decrease in spending on this item over the medium term. However, the department expects to continue using consultants who provide specialist expertise, such as private legal services engaged through the Office of the State Attorney, whenever they are needed.

7 posts were vacant at the end of November 2013, due to a skills shortage in the development sector, which makes the competition for recruiting and retaining specialist expertise intense. Personnel numbers are expected to remain at 80 over the medium term, which is why spending on compensation of employees grows marginally over the medium term. The vacancies will be filled as appropriately skilled and experienced individuals are found.

Programme 2: Economic Policy Development

Objectives

- Address development gaps by assessing trends in employment, inequality and growth, the impact of the state on employment and equity, and the key outcomes for the new growth path by conducting biannual surveys on an ongoing basis.
- Formulate best practice economic development policies by disseminating knowledge of policy options and challenges by convening 12 policy platforms by 2014/15.
- Enhance economic policy-making methodologies by:
 - supporting the socioeconomic impact assessment system, prioritising its employment impact
 - populating a tailored economic development index for South Africa and developing a macro-economic model that enables the assessment of the employment impact of government activities, by 2014/15, with quarterly progress reporting.
- Identify systemic obstacles to investment with proposals to address them, by reviewing quarterly reports on economic progress with reference to decent employment through inclusive economic growth (outcome 4) and the industrial policy action plan, as well as in-depth evaluations of the impact on employment of four government departments over the medium term.
- Develop support measures for emerging enterprises, the social economy and the township economy through regular reports on existing policies on smaller enterprises and development of a monitoring and evaluation framework for the Small Enterprise Development Agency in 2014/15.
- Improve employment strategies by addressing youth unemployment, gender and economic development, with a particular focus on inclusive growth, by providing a twice yearly report on the implementation of the youth employment strategy, with proposals for unblocking initiatives as required, in 2014/15.

Subprogrammes

- *Growth Path and Creation of Decent Work* focuses on the ongoing review of policies to realise a growth path that addresses the economy's structural constraints, expands the industrial base and creates decent work opportunities. To this end, quarterly reports on economic progress were produced in conjunction with other departments in 2013/14. The development of policies for the build programme and the Infrastructure Development Bill was also supported and selected departments were engaged to understand how they can improve their impact on employment generation. This subprogramme had a staff complement of 4 in 2013/14.
- *Economic Policy* evaluates macro and microeconomic policy tools used by government to promote the developmental agenda and improve the alignment, efficiency and impact of these policy tools. Among other issues, financialisation, the impact of rising electricity prices and African regional development were researched in 2013/14, in addition to work on ensuring a coordinated government response to a construction cartel uncovered by the competition authorities. An improved regulatory framework for scrap metal was

developed and issues around the beneficiation of minerals were interrogated. This subprogramme had a staff complement of 15 in 2013/14.

- *Broad Based Black Economic Empowerment* aims to enable the meaningful participation of citizens in the economy by focusing on employment equity, staff training, preferential procurement, enterprise development and cooperative advancement. A range of departments were engaged to this end in 2013/14. This subprogramme had a staff complement of 2 in 2013/14.
- *Second Economy* develops policies that will create and sustain livelihoods and transform second economy activities into dynamic, competitive activities that are part of the economic mainstream and ensure decent income for entrepreneurs and workers; and develops strategies for youth unemployment and the second economy. The youth employment strategy was adopted in 2013/14 and has begun to lead to a qualitative expansion in programmes to achieve these objectives. In addition, substantial work was carried out on township economies, smallholder farmers and the new growth path's impact on women. This subprogramme had a staff complement of 3 in 2013/14.

Expenditure estimates

Table 28.7 Economic Policy Development

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2016/17
Growth Path and Creation of Decent Work	833	2 636	3 898	3 771	65.4%	20.5%	4 543	4 768	5 843	15.7%	19.2%
Economic Policy	5 814	9 568	7 677	14 710	36.3%	69.6%	13 284	13 981	15 897	2.6%	58.8%
Broad Based Black Economic Empowerment	–	294	–	1 996	–	4.2%	2 151	2 274	2 400	6.3%	9.0%
Second Economy	–	–	–	3 089	–	5.7%	3 097	3 266	3 430	3.6%	13.1%
Total	6 647	12 498	11 575	23 566	52.5%	100.0%	23 075	24 289	27 570	5.4%	100.0%
Change to 2013 Budget estimate				(1 983)			(4 102)	(4 424)	(2 937)		

Economic classification

Current payments	6 647	12 498	11 575	23 566	52.5%	100.0%	23 075	24 289	27 570	5.4%	100.0%
Compensation of employees	6 502	8 076	7 696	12 538	24.5%	64.1%	17 026	17 898	18 604	14.1%	67.1%
Goods and services	145	4 422	3 879	11 028	323.7%	35.9%	6 049	6 391	8 966	-6.7%	32.9%
of which:											
Administration fees	–	–	14	95	–	0.2%	100	105	110	5.0%	0.4%
Advertising	46	–	–	–	-100.0%	0.1%	–	–	–	–	–
Assets less than the capitalisation threshold	–	4	–	8	–	–	9	9	9	4.0%	–
Catering: Departmental activities	1	66	260	96	357.9%	0.8%	101	106	361	55.5%	0.7%
Communication	–	78	138	111	–	0.6%	118	123	129	5.1%	0.5%
Computer services	–	–	164	–	–	0.3%	–	–	–	–	–
Consultants and professional services:	–	119	992	3 250	–	8.0%	–	–	1 000	-32.5%	4.3%
Business and advisory services	–	–	–	–	–	–	–	–	–	–	–
Contractors	–	58	129	–	–	0.3%	–	–	–	–	–
Entertainment	–	1	–	–	–	–	–	–	–	–	–
Consumable supplies	–	–	20	–	–	–	–	–	–	–	–
Consumable: Stationery, printing and office supplies	3	72	190	127	248.5%	0.7%	134	140	147	5.0%	0.6%
Travel and subsistence	95	2 014	981	4 273	255.6%	13.6%	3 134	3 295	3 541	-6.1%	14.5%
Training and development	–	650	–	–	–	1.2%	–	–	–	–	–
Operating payments	–	161	41	1 417	–	3.0%	602	671	754	-19.0%	3.5%
Venues and facilities	–	1 199	931	1 651	–	7.0%	1 851	1 942	2 915	20.9%	8.5%
Rental and hiring	–	–	19	–	–	–	–	–	–	–	–
Total	6 647.0	12 498.0	11 575.0	23 566.0	52.5%	100.0%	23 075.0	24 289.0	27 570.0	5.4%	100.0%
Proportion of total programme expenditure to vote expenditure	1.7%	2.2%	1.7%	3.1%			3.3%	2.7%	3.8%		

Personnel information

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

Number of posts estimated for 31 March 2014			Number and cost ² of personnel posts filled / planned for on funded establishment																
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth Rate (%)	Salary level/total: Average (%)	
		2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Economic Policy Development			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	24	–	14	7.7	0.5	16	12.5	0.8	24	17.0	0.7	24	17.9	0.7	24	18.6	0.8	14.5%	100.0%
7 – 10	5	–	4	1.0	0.3	4	1.5	0.4	5	1.7	0.3	5	1.8	0.4	5	1.9	0.4	7.7%	21.6%
11 – 12	7	–	5	2.5	0.5	6	3.5	0.6	7	3.7	0.5	7	3.9	0.6	7	4.1	0.6	5.3%	30.7%
13 – 16	12	–	5	4.2	0.8	6	7.5	1.2	12	11.6	1.0	12	12.2	1.0	12	12.6	1.0	26.0%	47.7%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on increasing the efficacy of economic development policies through reviewing policy instruments that advance the developmental agenda of government. The bulk of spending will thus be in the *Growth Path and Creation of Decent Work* and the *Economic Policy* subprogrammes, and will go mostly towards spending on compensation of employees, which made up 53 per cent of the total budget in 2013/14.

Being a knowledge intensive department, activities such as planning, strategy development and stakeholder engagement are the main drivers of spending in the subprogrammes. To facilitate the work of the new growth path, personnel in this programme's funded establishment of 24 posts will be deployed to key tasks such as compiling reports on the impact of the new growth path on women, youth and rural people; and supporting emerging enterprises and township economies through the development of a monitoring and evaluation framework for the Small Enterprise Development Agency. However, 8 posts were vacant at the end of November 2013 due to of natural attrition and difficulties in recruiting qualified candidates. The department expects to fill the vacancies over the medium term.

Between 2010/11 and 2013/14, spending increased in the *Economic Policy* subprogramme as the department developed its policy capacity, particularly for the implementation of the new growth path. In addition, consultations with departments, the private sector and the public on the key elements of the framework for youth employment were accelerated. The consultations were aimed at garnering support for the department's actions towards reducing youth employment, which was finalised in February 2013.

Programme 3: Economic Planning and Coordination

Objectives

- Promote economic planning and coordination through developing economic planning proposals after engaging with stakeholders, on an annual basis.
- Provide oversight and policy coordination of identified development finance institutions and economic regulatory bodies by reviewing strategic plans and annual performance plans annually.
- Contribute to the development of the green economy by supporting projects that are managed by the Industrial Development Corporation over the medium term.

Subprogrammes

- *Spatial, Sector and Planning* is discussed in more detail below.
- *Economic Development, Financing and Procurement* analyses procurement trends in the public and private sector; and identifies opportunities for improving local procurement and production to meet broader economic development goals. Key activities included engaging private sector to attract domestic and foreign investment and developing strategies to address localisation plans in the light of the infrastructure

programmes. Over the medium term, there are plans to deepen these activities with a view to focusing on infrastructure financing strategies. In 2013/14, initiatives ensuring that a company producing steel pipes for the gas and water sectors did not relocate to a foreign country were supported. In addition, opportunities for localisation at both Transnet and Eskom were identified with the assistance of the Industrial Development Corporation of South Africa. This subprogramme had a staff complement of 5 in 2013/14.

- *Investment for Economic Development* provides policy oversight and strategic direction to the Industrial Development Corporation of South Africa and the Small Enterprise Finance Agency. The Industrial Development Corporation of South Africa, the country's largest development finance institution, provides loan funding to industrial projects which are generally aligned with the objectives of the new growth path, while the Small Enterprise Finance Agency provides direct and wholesale loan funding to SMMEs. The focus has been on improving the strategy and business plan and developing financing programmes to foster the small business sector. In 2013/14, the Industrial Development Corporation of South Africa continued to rebalance its investment portfolio to match market developments. In 2012/13 and 2013/14, Small Enterprise Finance Agency officials were trained to develop a toolkit of support programmes by all branches and agencies of the state: these toolkits are used by trainees in the agency road shows to market their products across all provinces, including training in rural areas. In 2013/14, through the ministers and members of the executive committee process, measures were put in place to co-locate the services offered by the Small Enterprise Finance Agency to that of other developing finance agencies. This subprogramme had a staff complement of 7 in 2013/14.
- *Competitiveness and Trade for Decent Work* provides policy oversight and strategic direction to the Competition Commission, Competition Tribunal and the International Trade Administration Commission. In 2012/13 and 2013/14, the key activities focused on the elimination of unnecessary regulatory burdens and actions to lower price increases for key inputs and goods to promote investment and economic growth. The aim of the Competition Commission is to reduce input costs in the economy and increase levels of competition to ensure that merger/acquisition approvals promote public interest goals. The commission also investigates price fixing. The International Trade Administration Commission promotes improved trade levels, with a focus on a developmental trade policy that promotes industrialisation and job creation. It also strives to reduce input costs for value added products through lower tariffs or by offering rebates on duty, and to provide protection for industries as part of a plan to boost competitiveness and jobs. This subprogramme had a staff complement of 6 in 2013/14.
- *Green Economy* identifies, develops and supports projects, incentives and other measures; and engages with government and non-government stakeholders to maximise the job creation potential of green economic activities. The Industrial Development Corporation of South Africa has been a successful bidder in renewable energy projects over the years, and in 2013/14 it continued with the process of implementing concentrated energy and hydro-energy projects in Northern Cape. Key activities in 2012/13 and 2013/14 focused on strategies to rebalance the Industrial Development Corporation of South Africa's portfolio towards green investments. The corporation was awarded R6.3 billion of renewable energy projects by the Department of Energy in the round three bids in 2013/14. Further bidding processes are being contemplated. This subprogramme had a staff complement of 4 in 2013/14.

Expenditure estimates

Table 28.9 Economic Planning and Coordination

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
R thousand											
Spatial, Sector and Planning	1 630	10 881	40 188	18 405	124.3%	3.4%	24 091	25 696	26 092	12.3%	3.7%
Economic Development, Financing and Procurement	172	7 402	1 840	762	64.2%	0.5%	5 284	5 538	5 758	96.2%	0.7%
Investment for Economic Development	161 096	270 504	305 098	341 712	28.5%	51.4%	248 605	412 695	219 672	-13.7%	47.7%
Competitiveness and Trade for Decent Work	195 629	212 226	250 396	277 393	12.3%	44.6%	297 505	313 294	329 360	5.9%	47.5%
Green Economy	–	–	–	1 086	–	0.1%	3 579	3 725	2 737	36.1%	0.4%
Total	358 527	501 013	597 522	639 358	21.3%	100.0%	579 064	760 948	583 619	-3.0%	100.0%
Change to 2013 Budget estimate				(24 435)			(59 306)	(105 680)	(13 516)		

Table 28.9 Economic Planning and Coordination

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
Audited outcome							2014/15	2015/16	2016/17		
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Current payments	2 067	21 148	46 608	26 776	134.9%	4.6%	45 172	47 805	47 491	21.0%	6.5%
Compensation of employees	1 367	9 348	17 442	15 203	123.2%	2.1%	37 224	39 110	39 489	37.5%	5.1%
Goods and services	700	11 800	29 166	11 573	154.8%	2.5%	7 948	8 695	8 002	-11.6%	1.4%
of which:					—	—				—	—
Administration fees	—	—	65	257	—	—	272	285	300	5.3%	—
Advertising	—	—	15 078	—	—	0.7%	—	—	—	—	—
Assets less than the capitalisation threshold	—	2	—	24	—	—	25	26	27	4.0%	—
Catering: Departmental activities	—	14	915	226	—	0.1%	239	461	485	29.0%	0.1%
Communication	—	151	290	287	—	—	303	317	333	5.1%	—
Consultants and professional services: Business and advisory services	292	5 099	46	2 736	110.8%	0.4%	450	474	499	-43.3%	0.2%
Consultants and professional services: Legal costs	—	4 850	—	—	—	0.2%	—	—	—	—	—
Contractors	—	30	5 628	—	—	0.3%	—	—	—	—	—
Entertainment	—	—	8	—	—	—	—	—	—	—	—
Fleet services (including government motor transport)	—	—	2	—	—	—	—	—	—	—	—
Inventory: Materials and supplies	—	1	—	—	—	—	—	—	—	—	—
Consumable supplies	—	—	2	—	—	—	—	—	—	—	—
Consumable: Stationery, printing and office supplies	—	44	241	389	—	—	412	431	454	5.3%	0.1%
Operating leases	—	25	—	—	—	—	—	—	—	—	—
Travel and subsistence	257	2 237	3 579	4 105	151.8%	0.5%	3 064	3 389	2 467	-15.6%	0.5%
Training and development	—	—	7	—	—	—	—	—	—	—	—
Operating payments	—	(89)	726	1 981	—	0.1%	2 030	2 086	2 120	2.3%	0.3%
Venues and facilities	151	(564)	2 559	1 568	118.2%	0.2%	1 153	1 226	1 317	-5.6%	0.2%
Rental and hiring	—	—	20	—	—	—	—	—	—	—	—
Transfers and subsidies	356 460	479 865	550 914	612 582	19.8%	95.4%	533 892	713 143	536 128	-4.3%	93.5%
Departmental agencies and accounts	195 629	211 374	249 220	273 603	11.8%	44.4%	291 288	306 746	323 004	5.7%	46.6%
Higher education institutions	4 820	5 510	12 280	—	-100.0%	1.1%	—	—	—	—	—
Public corporations and private enterprises	156 011	262 981	289 327	338 979	29.5%	50.0%	242 604	406 397	213 124	-14.3%	46.9%
Households	—	—	87	—	—	—	—	—	—	—	—
Total	358 527.0	501 013.0	597 522.0	639 358.0	21.3%	100.0%	79 064.0	760 948.0	33 619.0	-3.0%	100.0%
Proportion of total programme expenditure to vote expenditure	89.5%	86.7%	88.7%	82.9%			83.1%	85.9%	81.4%		

Details of transfers and subsidies

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	195 629	211 374	249 220	273 603	11.8%	44.4%	291 288	306 746	323 004	5.7%	46.6%
Competition Commission	117 661	126 595	157 211	176 888	14.6%	27.6%	188 127	198 045	208 541	5.6%	30.1%
Competition Tribunal	13 625	15 175	15 798	16 945	7.5%	2.9%	18 100	19 102	20 115	5.9%	2.9%
International Trade Administration Commission	64 343	69 604	74 403	79 770	7.4%	13.7%	85 061	89 599	94 348	5.8%	13.6%
Council for Scientific and Industrial Research	–	–	1 808	–	–	0.1%	–	–	–	–	–
Higher education institutions											
Current	4 820	5 510	12 280	–	-100.0%	1.1%	–	–	–	–	–
University of the Witwatersrand: Economic development capacity building course: Provincial	–	5 510	–	–	–	0.3%	–	–	–	–	–
University of Johannesburg: Academy for social economy	4 820	–	10 000	–	-100.0%	0.7%	–	–	–	–	–
University of the Witwatersrand: Economic development capacity building course: Municipalities	–	–	2 280	–	–	0.1%	–	–	–	–	–
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	156 011	262 981	289 327	338 979	29.5%	50.0%	242 604	406 397	213 124	-14.3%	46.9%
Industrial Development Corporation of South Africa	–	34 000	109 000	108 000	–	12.0%	–	–	–	-100.0%	4.2%
South African Institute of Chartered Accountants	–	6 023	8 997	–	–	0.7%	–	–	–	–	–
Small Enterprise Finance Agency	156 011	222 958	171 330	230 979	14.0%	37.3%	242 604	406 397	213 124	-2.6%	42.6%
Households											
Other transfers to households											
Current	–	–	87	–	–	–	–	–	–	–	–
Households	–	–	87	–	–	–	–	–	–	–	–

Personnel information

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

Number of posts estimated for 31 March 2014			Number and cost ² of personnel posts filled / planned for on funded establishment															Average growth Rate (%)	Salary level/total: Average (%)
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate			Medium-term expenditure estimate						2013/14 - 2016/17				
			2012/13			2013/14			2014/15			2015/16				2016/17			
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		Number	Cost	Unit Cost	
Economic Planning and Coordination																			
Salary level	47	–	38	17.4	0.5	28	15.2	0.5	47	37.2	0.8	47	39.1	0.8	47	39.5	0.8	18.8%	100.0%
7 – 10	6	–	6	1.5	0.2	6	1.6	0.3	6	1.8	0.3	6	1.9	0.3	6	2.0	0.3	–	14.2%
11 – 12	8	–	11	4.5	0.4	9	3.9	0.4	8	4.3	0.5	8	4.5	0.6	8	4.7	0.6	-3.9%	19.5%
13 – 16	33	–	21	11.5	0.5	13	9.7	0.7	33	31.2	0.9	33	32.7	1.0	33	32.8	1.0	36.4%	66.3%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on strengthening the institutional capacity of the competition bodies, development finance institutions and trade administration entity for which the department has an oversight responsibility. This is in accordance with the department's strategic goal of driving inclusive growth and economic diversification as these entities contribute to economic competitiveness and increased economic participation. The funding of the competition and trade administration bodies is transferred through the *Competitiveness and Trade for Decent Work* and *Investment for Economic Development* subprogrammes, to which 47.5 per cent and 47.7 per cent of the programme's funding over the medium term is allocated.

To give effect to Cabinet approved reductions over the medium term, the department is to cut spending on the transfer to the Small Enterprise Agency by R146 million. However, the 2013 Budget includes an additional R254 million, which has been allocated from the economic competitiveness package in the *Investment for Economic Development* subprogramme. There will be less capital available for lending to SMMEs over the medium term. In 2016/17, expenditure is expected to increase in the *Green Economy* subprogramme due to the implementation of renewable energy projects with the department targeting 6 interventions per year over the medium term to grown the green economy. The Industrial Development Corporation is in the process of implementing concentrated energy projects and hydro-energy projects in Northern Cape.

Between 2010/11 and 2013/14, expenditure increased by R180.6 million in the *Investment for Economic Development* subprogramme due to transfers to public corporations for establishing, and providing initial capitalisation to the Industrial Development Corporation for the Agro-Processing Competitiveness Fund. The fund supports new and non-dominant market players in line with the department's objective of inclusive economic growth, and provides funding by way of interest free loans, equity arrangements and business support grants.

Spending on compensation of employees is set to grow significantly over the medium term as the number of personnel increases to 47 by 2016/17 to increase operational capacity particularly in the *Spatial, Sector and Planning* subprogramme, which provides support for the implementation of the national infrastructure plan. There were 19 vacancies at the end of November 2013. These resulted from slow recruitment and high turnover caused by the difficulty in recruiting and retaining suitably qualified candidates who have skills that are in short supply and who are thus able to command higher salaries elsewhere. The department is working to attract appropriately skilled individuals.

Subprogramme: Spatial, Sector and Planning

This subprogramme focuses on developing and coordinating economic plans for South Africa, ensuring coherence between the state and state entities, safeguarding the consistency of the micro and macroeconomic plans, and supporting the development of spatial economic action plans for distressed areas. In 2012/13, the department, together with the Department of Rural Development and Land Reform and the Council for Scientific and Industrial Research, developed and improved understanding of the economic potential of the rural space economy, and launched intergovernmental forums. The subprogramme is responsible for providing the

secretariat function of the Presidential Infrastructure Coordinating Commission, which has been instrumental in facilitating the implementation of the national infrastructure plan. Quarterly construction updates are provided to Cabinet with an analysis of expenditure trends, construction progress, jobs created, local procurement and key constraints and blockages. The technical team facilitated the signing of a memorandum of understanding through which Eskom, Transnet and the Industrial Development Corporation of South Africa cooperate on expediting the strategic infrastructure projects. Memorandums of understanding with social partners on infrastructure, and with the Engineering Council of South Africa on capacity support, were also concluded in 2012/13 and 2013/14. Another key aim of the programme is to provide a spatial understanding of the economy in the context of the national growth plan. In 2013/14, the department worked on a national spatial economic perspective and developed spatial maps of socioeconomic indicators for the distressed mining areas. This subprogramme supports business and government to unblock regulatory and licensing bottlenecks that prevent investment projects from being implemented. The support provided includes follow-up on water and mining licences, among others, and on water and electricity connections for newly established industries. The subprogramme had a funded establishment of 16 posts at the end of November 2013.

Expenditure estimates

Table 28.11 Spatial, Sector and Planning

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
Audited outcome			2013/14				2014/15	2015/16	2016/17		
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Current payments	1 630	10 881	37 821	18 405	124.3%	96.7%	24 091	25 696	26 092	12.3%	100.0%
Compensation of employees	947	6 087	9 110	10 373	122.1%	37.3%	19 766	20 768	21 576	27.7%	76.9%
Goods and services	683	4 794	28 711	8 032	127.4%	59.4%	4 325	4 928	4 516	-17.5%	23.1%
of which:											
Administration fees	–	–	65	117	–	0.3%	124	130	137	5.4%	0.5%
Advertising	–	–	15 078	–	–	21.2%	–	–	–	–	–
Assets less than the capitalisation threshold	–	2	–	8	–	–	8	8	8	–	–
Catering: Departmental activities	–	14	915	171	–	1.5%	181	400	421	35.0%	1.2%
Communication	–	139	303	171	–	0.9%	181	189	199	5.2%	0.8%
Consultants and professional services: Business and advisory services	292	3 837	28	2 736	110.8%	9.7%	450	474	499	-43.3%	4.4%
Contractors	–	30	5 628	–	–	8.0%	–	–	–	–	–
Entertainment	–	–	8	–	–	–	–	–	–	–	–
Fleet services (including government motor transport)	–	–	2	–	–	–	–	–	–	–	–
Inventory: Materials and supplies	–	1	–	–	–	–	–	–	–	–	–
Consumable supplies	–	–	2	–	–	–	–	–	–	–	–
Consumable: Stationery, printing and office supplies	–	44	241	187	–	0.7%	198	207	218	5.2%	0.9%
Operating leases	–	25	–	–	–	–	–	–	–	–	–
Travel and subsistence	240	1 405	3 398	2 407	115.7%	10.5%	1 652	1 900	1 374	-17.0%	7.8%
Training and development	–	–	7	–	–	–	–	–	–	–	–
Operating payments	–	(139)	457	1 310	–	2.3%	1 050	1 094	1 080	-6.2%	4.8%
Venues and facilities	151	(564)	2 559	925	83.0%	4.3%	481	526	580	-14.4%	2.7%
Rental and hiring	–	–	20	–	–	–	–	–	–	–	–
Transfers and subsidies	–	–	2 367	–	–	3.3%	–	–	–	–	–
Higher education institutions	–	–	2 280	–	–	3.2%	–	–	–	–	–
Households	–	–	87	–	–	0.1%	–	–	–	–	–
Total	1 630.0	10 881.0	40 188.0	18 405.0	124.3%	100.0%	24 091.0	25 696.0	26 092.0	12.3%	100.0%
Proportion of total subprogramme expenditure to programme expenditure	0.5%	2.2%	6.7%	2.9%			4.2%	3.4%	4.5%		

Personnel information

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

Number of posts estimated for 31 March 2014			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																Average growth Rate (%)	Salary level/total: Average (%)		
		Actual			Revised estimate			Medium-term expenditure estimate												
		2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17	
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				
Spatial, Sector and Planning			16	17	9.1	0.5	16	10.4	0.7	31	19.8	0.6	31	20.8	0.7	31	21.6	0.7	24.7%	100.0%
Salary level																				
7 – 10	3	–	3	0.8	0.3	3	1.0	0.3	3	1.1	0.4	3	1.1	0.4	3	1.2	0.4	–	11.0%	
11 – 12	6	–	6	2.2	0.4	6	3.2	0.5	5	1.8	0.4	5	1.8	0.4	5	2.4	0.5	-5.9%	19.3%	
13 – 16	7	–	8	6.2	0.8	7	6.2	0.9	23	17.0	0.7	23	17.9	0.8	23	18.0	0.8	48.7%	69.7%	

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

². Rand million.

Expenditure trends

The spending focus over the medium term will be on developing and coordinating economic plans for South Africa, ensuring coherence between the state and state entities, aligning micro and macroeconomic plans, and supporting the development of spatial economic action plans for distressed areas. The main cost drivers of this subprogramme are compensation of employees, which accounts for 76.9 per cent of the programme's budget over the medium term, as well as goods and services items such as consultants and travel and subsistence, which support staff operations. Spending on compensation of employees is projected to grow significantly over the medium term as the personnel numbers increase to 31 posts by 2016/17 to support economic planning for rural development.

Between 2010/11 and 2013/14, spending on goods and services grew significantly due to the increase in programme activities to support rural and mining communities, where development had lagged behind; and an increased focus on planning, stakeholder engagements and research. In 2012/13, the subprogramme experienced a spike in expenditure mainly on advertising and contractors due to the extensive interaction required with rural communities, so media and local community organisers were used.

The subprogramme also supports the activities of the Presidential Infrastructure Coordinating Commission and the department provides the secretariat function. Between 2011/12 and 2013/14, the subprogramme used consultant services which included specialists in spatial planning to provide technical support to the commission. The subprogramme has since become fully staffed, contributing to the increase in spending on compensation of employees over the MTEF period.

Programme 4: Economic Development and Dialogue

Objectives

- Promote dialogue among social partners by convening and participating in national social dialogue forums relating to economic development as and when required over the medium term.
- Mobilise society and government to agree on common socioeconomic goals by promoting dialogue, facilitating, monitoring and reporting on the implementation of framework agreements, social pacts and accords on an ongoing basis, with progress reports being presented twice yearly.
- Develop partnership agreements in key sectors and workplaces through the process of social dialogue, in order to create and save jobs, and to ensure that jobs are sustainable through the utilisation of appropriate available mechanisms as and when required over the medium term.
- Enhance the understanding of government, society, the private sector and organised labour of the challenges and opportunities in socioeconomic development through effective stakeholder capacity building, on an ongoing basis.

- Promote and stimulate productivity, innovation and entrepreneurship at the workplace, cluster and sector level by facilitating social pacts and agreements and other related initiatives with key partners and stakeholders on an annual basis.

Subprogrammes

- National Social Dialogue and Strategic Frameworks* contributes to social dialogue on economic issues and policy development; and coordinates, monitors and ensures the development of action plans and framework agreements on various economic issues, such as the global economic crisis, as well as those that are envisaged, such as national economic development and decent work pacts. Key activities are to lead government in its dialogue with social partners on economic development; negotiate national economic development and decent work pacts and coordinate government's policy. This subprogramme had a staff complement of 5 in 2013/14.
- Sector and Workplace Social Dialogue* promotes workplace and sector agreements and social pacts that address challenges of growth and development, job creation and job retention, and productivity and innovation. Key objectives are to: facilitate the development of partnership agreements and the establishment of consultative forums in key sectors and workplaces; establish and administer a social partner fund; provide secretarial, logistical and research support to forums that include social partners; and disseminate information for use by social partners. This subprogramme had a staff complement of 3 in 2013/14.
- Capacity Building for Economic Development* promotes and builds the research output and knowledge base of social partners in economic development sectors and issues relating to equity and productivity. This entails implementing appropriate mechanisms for empowerment by hosting capacity building workshops at district level and value chain competitive workshops in provinces over the medium term period. This subprogramme had a staff complement of 2 in 2013/14.
- Productivity, Entrepreneurship, Innovation* promotes productivity, entrepreneurship and innovation by developing and reviewing policy frameworks; facilitating productivity agreements in cooperation with role players; monitoring and evaluating the implementation of policy frameworks and agreements; and working with Productivity South Africa. These functions will be executed through 6 sectoral engagements on productivity and the commissioning of productivity research reports over the medium term. This subprogramme had a staff complement of 2 in 2013/14.

Expenditure trends

Table 28.13 Economic Development and Dialogue

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand				2013/14	2010/11 - 2013/14					2013/14 - 2016/17	
National Social Dialogue and Strategic Frameworks	16	5 264	6 692	8 067	695.9%	56.5%	3 977	4 355	5 754	-10.7%	34.9%
Sector and Workplace Social Dialogue	440	5	–	621	12.2%	3.0%	2 450	2 571	3 427	76.7%	14.3%
Capacity Building for Economic Development	–	–	1 521	1 373	–	8.2%	6 167	6 378	6 686	69.5%	32.5%
Productivity, Entrepreneurship, Innovation	–	8 000	768	2 676	–	32.3%	2 667	2 804	3 512	9.5%	18.4%
Total	456	13 269	8 981	12 737	203.4%	100.0%	15 261	16 108	19 379	15.0%	100.0%
Change to 2013 Budget estimate				(5 823)			(4 482)	(4 742)	(2 765)		

Economic classification											
Current payments	456	5 270	8 958	12 737	203.4%	77.4%	15 261	16 108	19 379	15.0%	100.0%
Compensation of employees	448	3 028	6 051	6 973	149.7%	46.6%	11 149	11 714	12 169	20.4%	66.2%
Goods and services	8	2 242	2 907	5 764	796.5%	30.8%	4 112	4 394	7 210	7.7%	33.8%
of which:											
Administration fees	–	–	50	24	–	0.2%	25	26	107	64.6%	0.3%
Advertising	–	–	14	–	–	–	–	–	–	–	–
Assets less than the capitalisation threshold	–	33	4	–	–	0.1%	–	–	–	–	–

Table 28.13 Economic Development and Dialogue

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
Audited outcome											
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Catering: Departmental activities	–	14	216	16	–	0.7%	42	45	567	228.5%	1.1%
Communication	–	79	92	–	–	0.5%	65	67	550	–	1.1%
Consultants and professional services: Business and advisory services	–	10	14	–	–	0.1%	–	–	–	–	–
Contractors	–	–	1	–	–	–	–	–	–	–	–
Consumable: Stationery, printing and office supplies	–	125	202	158	–	1.4%	295	310	526	49.3%	2.0%
Operating leases	–	2	–	–	–	–	–	–	–	–	–
Travel and subsistence	8	927	1 478	2 117	542.0%	12.8%	1 747	1 850	2 175	0.9%	12.4%
Training and development	–	343	–	–	–	1.0%	–	–	–	–	–
Operating payments	–	–	159	838	–	2.8%	368	409	878	1.6%	3.9%
Venues and facilities	–	709	677	2 611	–	11.3%	1 570	1 687	2 407	-2.7%	13.0%
Transfers and subsidies	–	7 999	23	–	–	22.6%	–	–	–	–	–
Public corporations and private enterprises	–	8 000	–	–	–	22.6%	–	–	–	–	–
Households	–	(1)	23	–	–	0.1%	–	–	–	–	–
Total	456.0	13 269.0	8 981.0	12 737.0	203.4%	100.0%	15 261.0	16 108.0	19 379.0	15.0%	100.0%
Proportion of total programme expenditure to vote expenditure	0.1%	2.3%	1.3%	1.7%			2.2%	1.8%	2.7%		

Details of transfers and subsidies

Households											
Other transfers to households											
Current	–	(1)	23	–	–	0.1%	–	–	–	–	–
Households	–	(1)	23	–	–	0.1%	–	–	–	–	–
Public corporations and private enterprises											
Private enterprises											
Private enterprises - subsidies on products and production											
Current	–	8 000	–	–	–	22.6%	–	–	–	–	–
Proudly South Africa	–	8 000	–	–	–	22.6%	–	–	–	–	–

Personnel information

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

Number of posts estimated for 31 March 2014			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			Medium-term expenditure estimate						Average growth Rate (%)	Salary level/total: Average (%)			
			2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Economic Development and Dialogue																			
Salary level	15	–	11	6.1	0.6	12	7.0	0.6	15	11.1	0.7	15	11.7	0.8	15	12.2	0.8	7.7%	100.0%
7 – 10	3	–	1	0.2	0.2	4	1.1	0.3	3	0.9	0.3	3	0.9	0.3	3	1.0	0.3	-9.1%	22.8%
11 – 12	2	–	4	1.6	0.4	3	1.5	0.5	2	1.1	0.5	2	1.1	0.6	2	1.2	0.6	-12.6%	15.8%
13 – 16	10	–	6	4.2	0.7	5	4.3	0.9	10	9.2	0.9	10	9.7	1.0	10	10.0	1.0	26.0%	61.4%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on coordinating economic development policies through the activities of the National Social Dialogue and Strategic Frameworks and Capacity Building for Economic Development subprogrammes, which receive the bulk of the programme's allocation over the medium term. Improving strategies to meet the goals of creating jobs, attracting new industries and rolling out infrastructure to provide services forms a central part of these subprogrammes' activities. The main cost drivers in this programme are compensation of employees and goods and services items, specifically travel and subsistence and venues and facilities. Over the medium term, spending on compensation of employees is expected to grow at an average annual rate of 20.4 per cent. This is in line with the department's plans to increase the number of filled posts in this programme from 12 in 2013/14 to 15 in 2016/17 in order to capacitate the programme to

deliver on the implementation of the accords. As at 30 November 2013, the programme had 3 vacant posts as a result of natural attrition. The department expects to fill these posts by 2014/15. Spending on goods and services is expected to increase at an average annual rate of 7.7 per cent over the medium term, due to the work around implementing the accords, including stakeholder engagement, research, formulation of plans and strategy development.

Public entities and other agencies

Competition Commission

Mandate and goals

The Competition Commission is a statutory body constituted in terms of the Competition Act (1998). It is empowered to investigate, control and evaluate restrictive business practices, including the abuse of dominant positions and mergers, and to promote the advocacy of competition issues to achieve equity and efficiency in the South African economy.

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

- achieve demonstrable competitive outcomes in the economy
- increase stakeholder engagements to improve the competitive environment for economic activity
- build a high performance competition regulatory authority.

Selected performance indicators

Table 28.15 Competition Commission

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13		2014/15	2015/16	2016/17
Number of merger cases registered per year	Mergers and acquisitions	Outcome 12: An efficient, effective and development oriented public service and an empowered, fair, and inclusive citizenship	216	228	287	248	248	248	248
Number of prohibited practices initiated per year	Enforcements and exemptions		31	18	20	4	4	4	4
Number of prohibited practices cases referred to the competition tribunal per year	Enforcements and exemptions		20	8	18	4	4	4	4
Number of exemption evaluations completed per year	Enforcements and exemptions		— ¹	2	3	3	3	3	3
Number of corporate leniency applications completed per year	Cartel		— ¹	12	18	5	5	5	5
Number of economic research programmes conducted into specific sectors and topics related to industrial organisations	Policy and research		8	12	2	2	2	2	2

1. This indicator was introduced in 2011/12.

Programmes/activities/objectives

Table 28.16 Competition Commission

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Administration	45 106	63 005	64 385	71 090	16.4%	33.5%	78 083	81 980	86 183	6.6%	32.2%
Mergers and acquisitions	13 043	12 529	12 110	15 884	6.8%	7.5%	17 624	19 004	20 289	8.5%	7.4%
Enforcements and exemptions	23 271	19 420	19 767	25 629	3.3%	12.4%	30 064	31 297	31 722	7.4%	12.0%
Cartel	6 806	18 745	16 253	21 269	46.2%	8.4%	24 283	23 994	25 682	6.5%	9.7%
Policy and research	18 678	24 248	30 128	30 683	18.0%	14.2%	34 483	36 420	37 554	7.0%	14.1%
Legal services	22 012	33 764	34 797	43 675	25.7%	18.2%	46 229	48 746	50 067	4.7%	19.2%
Advocacy and stakeholder relations	12 188	7 179	8 467	13 602	3.7%	5.8%	12 501	13 223	14 058	1.1%	5.4%
Total expense	141 103	178 891	185 906	221 832	16.3%	100.0%	243 267	254 663	265 555	6.2%	100.0%

Expenditure estimates

Table 28.17 Competition Commission

Statement of financial performance

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Revenue											
Non-tax revenue	40 339	54 356	51 587	51 852	8.7%	25.4%	56 042	60 473	60 133	5.1%	22.8%
Sale of goods and services other than capital assets	37 955	50 770	49 273	49 260	9.1%	24.0%	52 517	56 765	56 227	4.5%	21.5%
of which:											
Administrative fees	37 955	50 770	49 273	49 260	9.1%	24.0%	52 517	56 765	56 227	4.5%	21.5%
Other non-tax revenue	2 384	3 586	2 314	2 592	2.8%	1.4%	3 525	3 708	3 906	14.6%	1.4%
Transfers received	122 531	126 725	162 192	176 888	13.0%	74.6%	188 127	198 045	208 541	5.6%	77.2%
Total revenue	162 870	181 081	213 779	228 740	12.0%	100.0%	244 169	258 518	268 674	5.5%	100.0%
Expenses											
Current expenses	141 103	178 891	185 906	221 833	16.3%	100.0%	243 267	254 664	265 555	6.2%	100.0%
Compensation of employees	82 496	101 523	104 931	133 080	17.3%	57.9%	149 057	159 599	166 208	7.7%	61.6%
Goods and services	55 566	72 993	78 488	84 341	14.9%	40.1%	89 561	90 221	94 504	3.9%	36.5%
Depreciation	2 886	4 295	2 384	4 332	14.5%	1.9%	4 569	4 763	4 763	3.2%	1.9%
Interest, dividends and rent on land	155	80	103	80	-19.8%	0.1%	80	80	80	-	0.0%
Total expenses	141 103	178 891	185 906	221 833	16.3%	100.0%	243 267	254 664	265 555	6.2%	100.0%
Surplus/(Deficit)	21 767	2 190	27 873	6 907	-31.8%		902	3 854	3 119	-23.3%	

Statement of financial position

Carrying value of assets	7 518	5 112	5 602	11 539	15.4%	11.6%	8 011	4 240	3 970	-29.9%	12.3%
of which:											
Acquisition of assets	3 577	1 937	2 927	1 142	-31.7%	3.6%	961	961	1 015	-3.9%	1.8%
Inventory	276	331	149	200	-10.2%	0.4%	200	200	200	-	0.4%
Receivables and prepayments	323	61	381	1 181	54.1%	0.8%	1 335	1 442	1 181	0.0%	2.3%
Cash and cash equivalents	42 873	78 724	91 653	45 184	1.8%	87.3%	45 298	47 614	53 961	6.1%	85.1%
Total assets	50 990	84 228	97 785	58 105	4.5%	100.0%	54 844	53 496	59 312	0.7%	100.0%
Accumulated surplus/(deficit)	27 218	29 410	57 279	29 408	2.6%	49.4%	29 408	29 408	29 408	-	52.2%
Capital reserve fund	-	-	2 092	-	-	0.5%	-	-	-	-	-
Finance lease	1 239	165	1 684	749	-15.4%	1.4%	185	185	-	-100.0%	0.5%
Deferred income	150	-	-	-	-100.0%	0.1%	-	-	-	-	-
Trade and other payables	21 969	54 526	36 603	23 489	2.3%	46.4%	20 555	18 958	24 959	2.0%	38.9%
Provisions	127	127	127	4 459	227.5%	2.1%	4 696	4 945	4 945	3.5%	8.5%
Derivatives financial instruments	287	-	-	-	-100.0%	0.1%	-	-	-	-	-
Total equity and liabilities	50 990	84 228	97 785	58 105	4.5%	100.0%	54 844	53 496	59 312	0.7%	100.0%

Personnel information

Table 28.18 Competition Commission

Number of posts estimated for 31 March 2014		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	185	185	170	104.9	0.6	185	133.1	0.7	185	149.1	0.8	185	159.6	0.9	185	166.2	0.9	7.7%	100.0%
7 – 10	56	56	51	19.4	0.4	56	27.3	0.5	56	29.4	0.5	56	30.1	0.5	56	31.7	0.6	5.1%	30.3%
13 – 16	129	129	119	85.5	0.7	129	105.8	0.8	129	119.7	0.9	129	129.5	1.0	129	134.5	1.0	8.3%	69.7%

1. Rand million.

Expenditure trends

The Competition Commission's revenue is derived mostly from transfers from the department. Other sources of revenue include filing fees paid by external parties, mainly for merger and acquisition transactions. Revenue is expected to grow at an average rate of 5.5 per cent over the medium term and will be used to support the ongoing goal of realising competitive outcomes in the economy.

The spending focus over the medium term will be on building enforcement capacity in line with the strategic objective to increase equity and performance in the South African economy through competition and enhancing economic activity through strategic partnerships, engagement, investments, dialogue, and advocacy. To achieve these goals, the commission will continue to focus on building a high performance regulatory agency, in line with best practices. Thus, expenditure on compensation of employees is the largest item of expenditure. The increase in spending on compensation of employees is due to the increase in the cases notified, which required the acquisition of more staff between 2010/11 and 2013/14. The commission had a funded establishment of 185 posts, 20 of which were vacant at the end of November 2013. These vacancies are due to the difficulty of finding scarce skills in a highly specialised sector. The commission will improve recruitment strategies and plans to fill all key vacancies by 2014.

Expenditure over the medium term is expected to increase at an average rate of 6.2 per cent due to the criminalisation of cartels and envisaged market enquiries for which experts will need to be hired, additional computer equipment purchased and communication, travel and subsistence expenses.

Expenditure increased significantly between 2010/11 and 2013/14 as the number of investigations grew because of the commission's proactive approach to enforcement activities through improved planning and the prioritisation of its corporate leniency policy. In June 2013, the commission finalised the fast-tracking of settlements of fines and penalties in the construction sector, and will continue with the finalisation of the phase 2 cases.

Competition Tribunal

Mandate and goals

The Competition Tribunal was established in 1999 in terms of the Competition Act (1998). All large corporate mergers and allegations of restrictive practices are brought before the Tribunal by the Competition Commission and interested parties for adjudication. The Tribunal may also hear appeals arising from certain decisions that the commission is empowered to make.

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

- promote and maintain competition within South Africa
- educate and create awareness among stakeholders on competition matters
- strengthen organisational capability and performance to deliver on the legislative mandate.

Selected performance indicators

Table 28.19 Competition Tribunal

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Percentage of pre-hearing invitations for prohibited practices sent within 20 business days	Promote and maintain competition within South Africa	Entity mandate	50%	100%	90%	90%	90%	90%	90%
Percentage of reasons in interim relief cases issued within 20 business days	Promote and maintain competition within South Africa		50%	85%	85%	85%	85%	85%	85%
Percentage of large mergers set down within 10 business days	Promote and maintain competition within South Africa		89%	73%	80%	75%	75%	75%	75%
Percentage of large merger orders issued within 10 business days	Promote and maintain competition within South Africa		100%	100%	100%	98%	98%	98%	98%
Percentage of large merger reasons for decisions issued within 20 business days	Promote and maintain competition within South Africa		59%	74%	51%	56%	56%	56%	56%
Percentage of reconsidered mergers set down within 10 business days	Promote and maintain competition within South Africa		67%	50%	57%	75%	75%	75%	75%
Percentage of reconsidered merger orders issued within 10 business days	Promote and maintain competition within South Africa		100%	100%	100%	98%	98%	98%	98%
Percentage of reasons for reconsidered merger decisions issued within 20 business days	Promote and maintain competition within South Africa		— ¹	— ¹	13%	56%	56%	56%	56%

1. This indicator was introduced in 2012/13.

Programmes/activities/objectives

Table 28.20 Competition Tribunal

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
Administration	7 220	8 188	10 295	12 749	20.9%	37.6%	15 860	16 534	17 410	10.9%	43.5%
Promote and maintain competition within South Africa	10 831	13 511	14 405	15 868	13.6%	54.1%	16 684	18 103	19 063	6.3%	48.6%
Educate and create awareness of competition matters to tribunal stakeholders	605	559	622	677	3.8%	2.5%	780	822	865	8.5%	2.2%
Enhance the expertise of tribunal staff	878	628	991	1 482	19.1%	3.9%	1 458	1 387	1 461	-0.5%	4.1%
Competition Appeal Court	425	402	476	623	13.6%	1.9%	543	573	603	-1.1%	1.6%
Total expense	19 960	23 287	26 789	31 400	16.3%	100.0%	35 325	37 420	39 401	7.9%	100.0%

Expenditure estimates

Table 28.21 Competition Tribunal

Statement of financial performance					Average growth rate (%)	Expenditure/total: Average (%)				Average growth rate (%)	Expenditure/total: Average (%)
Audited outcome				Revised estimate			Medium-term estimate				
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Revenue											
Non-tax revenue	8 188	11 218	9 540	15 056	22.5%	41.2%	18 527	19 461	19 286	8.6%	49.3%
Sale of goods and services other than capital assets	6 951	10 015	8 417	9 614	11.4%	33.3%	9 880	10 620	13 205	11.2%	29.5%
of which:											
Administrative fees	6 951	10 015	8 417	9 614	11.4%	33.3%	9 880	10 620	13 205	11.2%	29.5%
Other non-tax revenue	1 237	1 203	1 123	5 442	63.9%	7.9%	8 647	8 841	6 082	3.8%	19.7%
Transfers received	13 625	15 175	15 798	16 945	7.5%	58.8%	18 100	19 102	20 115	5.9%	50.7%
Total revenue	21 813	26 393	25 338	32 001	13.6%	100.0%	36 627	38 563	39 401	7.2%	100.0%

Table 28.21 Competition Tribunal

Statement of financial performance					Average growth rate (%)	Expenditure/ total: Average (%)				Average growth rate (%)	Expenditure/ total: Average (%)
Audited outcome				Revised estimate			Medium-term estimate				
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Expenses											
Current expenses	19 960	23 287	26 789	31 400	16.3%	100.0%	35 325	37 418	39 402	7.9%	100.0%
Compensation of employees	11 056	12 646	13 710	16 749	14.8%	53.6%	19 768	21 355	22 487	10.3%	55.9%
Goods and services	8 460	10 197	12 524	13 741	17.5%	44.2%	14 386	15 013	15 809	4.8%	41.2%
Depreciation	444	444	555	910	27.0%	2.3%	1 170	1 051	1 106	6.7%	3.0%
Total expenses	19 960	23 287	26 789	31 400	16.3%	100.0%	35 325	37 418	39 402	7.9%	100.0%
Surplus/(Deficit)	1 853	3 106	(1 452)	601	-31.3%		1 302	1 144	–	-100.0%	
Statement of financial position											
Carrying value of assets	2 870	3 601	3 880	3 534	7.2%	13.2%	3 665	4 258	4 113	5.2%	26.0%
of which:											
Acquisition of assets	2 279	1 198	910	601	-35.9%	4.8%	1 301	1 144	662	3.3%	5.8%
Inventory	14	34	18	–	-100.0%	0.1%	10	10	10	–	0.1%
Receivables and prepayments	1 038	976	797	–	-100.0%	2.6%	75	100	750	–	2.3%
Cash and cash equivalents	21 264	24 322	22 465	20 608	-1.0%	84.1%	17 994	11 388	4 167	-41.3%	71.6%
Total assets	25 186	28 933	27 160	24 142	-1.4%	100.0%	21 744	15 756	9 041	-27.9%	100.0%
Accumulated surplus/(deficit)	23 160	26 266	24 814	20 625	-3.8%	89.9%	13 148	5 192	1 496	-58.3%	48.8%
Finance lease	181	103	198	244	10.5%	0.7%	350	120	90	-28.3%	1.1%
Trade and other payables	1 384	1 953	1 604	2 473	21.3%	7.1%	7 446	9 644	6 655	39.1%	44.8%
Provisions	461	611	544	800	20.2%	2.3%	800	800	800	–	5.2%
Total equity and liabilities	25 186	28 933	27 160	24 142	-1.4%	100.0%	21 744	15 756	9 041	-27.9%	100.0%

Personnel information**Table 28.22 Competition Tribunal**

Number of posts estimated for 31 March 2014			Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment		Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
			2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	26	29	22	13.7	0.6	25	16.7	0.7	27	19.8	0.7	27	21.4	0.8	27	22.5	0.8	10.3%	100.0%	
1 – 6	1	2	3	0.5	0.2	1	0.2	0.2	1	0.6	0.6	1	0.6	0.6	1	0.6	0.6	54.6%	3.8%	
7 – 10	6	7	5	1.3	0.3	6	1.7	0.3	6	2.0	0.3	6	2.1	0.4	6	2.2	0.4	9.0%	22.7%	
11 – 12	11	13	7	3.0	0.4	11	5.2	0.5	12	6.1	0.5	12	7.0	0.6	12	7.3	0.6	12.4%	44.3%	
13 – 16	5	4	4	3.1	0.8	4	3.9	1.0	5	5.1	1.0	5	5.4	1.1	5	5.6	1.1	13.4%	17.9%	
17 – 22	3	3	3	5.9	2.0	3	5.8	1.9	3	6.0	2.0	3	6.3	2.1	3	6.6	2.2	4.5%	11.3%	

1. Rand million.

Expenditure trends

The Competition Tribunal receives 50.7 per cent of its revenue over the medium term in the form of transfers from the department. The tribunal's own income is generated from filing fees for merger applications with the revenue used to fund the tribunal operations.

The spending focus over the medium term will be on adjudicating cases, which explains the significant spending on the activities focused on the promotion and maintenance of competition within South Africa. Performance on this is measured by calculating, among others, the percentage of pre-hearing invitations for prohibited practices sent within 20 business days and percentage of large merger orders issued within 10 business days, as shown in the selected performance indicator table above. The tribunal is an adjudicative body and in terms of its mandate, its caseload is determined entirely by complaint referrals and notified mergers. Each case is adjudicated on merit. The main cost drivers are compensation of employees and goods and services, which are expected to gradually increase over the medium term due to the anticipated increase in cases referred to the tribunal by the Competition Commission.

Between 2010/11 and 2013/14, expenditure on compensation of employees and related goods and services increased due to a 29.3 per cent increase in the caseload. The increase in spending on compensation of employees between 2012/2013 and 2013/2014 was primarily related to the need to provide capacity for more secretarial support required by the increased caseload. The tribunal's approved establishment (excluding tribunal members) consists of 29 positions, 25 of which were filled at the end of November 2013.

Industrial Development Corporation of South Africa

Mandate and goals

The Industrial Development Corporation of South Africa is a national development finance institution established in terms of the Industrial Development Act (1940) with the objective of leading industrial capacity development. This entails aligning its priorities with those identified in government policies and programmes related to industrial development, including relevant elements of the national development plan, the new growth path, and the industrial policy action plan.

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

- facilitate the creation of sustainable employment opportunities
- improve regional equity
- create a more vibrant small, medium and micro enterprises sector
- promote entrepreneurial development
- have a transformational impact on communities
- grow the number of black industrialists
- ensure environmentally sustainable growth
- grow sectoral diversity
- increase the localisation of production.

Selected performance indicators

Table 28.23 Industrial Development Corporation of South Africa

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Percentage of pre-identified projects implemented per year ¹ (Projects start production)	Administration	Outcome 4: Decent employment through inclusive economic growth	–	–	62%	70%	70%	70%	70%
Value of funding approvals with agreements signed per year	Administration		R8.6bn	R16.4bn	R13.7bn	R14bn	R16bn	R20bn	R14bn
Value of funding disbursements per year	Administration		R6.4bn	R8.5bn	R16bn	R8bn	R8bn	R8bn	R8bn
Number of jobs in the industrial sector expected to be created or saved, counted at the time of agreements being signed per year	Administration		41 800	44 142	24 223	32 000	34 000	34 000	34 000
Number of jobs expected in rural areas to be created or saved, counted at the time of agreements being signed per year	Administration		10 450	21 188	6 248	7 000	7 000	7 000	7 000

1. The indicator was introduced in 2012/13.

Programmes/activities/objectives

Table 28.24 Industrial Development Corporation of South Africa

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Administration	7 093 000	9 676 000	12 611 000	18 637 000	38.0%	100.0%	19 755 220	20 940 533	22 196 965	6.0%	100.0%
Total expense	7 093 000	9 676 000	12 611 000	18 637 000	38.0%	100.0%	19 755 220	20 940 533	22 196 965	6.0%	100.0%

Expenditure estimates

Table 28.25 Industrial Development Corporation of South Africa

Statement of financial performance					Average growth rate (%)	Expenditure/total: Average (%)				Average growth rate (%)	Expenditure/total: Average (%)
	Audited outcome			Revised estimate			Medium-term estimate				
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Revenue											
Non-tax revenue	9 794 000	12 945 000	14 357 020	18 996 241	24.7%	99.1%	20 697 735	22 131 520	23 459 411	7.3%	98.4%
Sale of goods and services other than capital assets	5 376 000	6 150 000	8 540 020	12 858 241	33.7%	56.8%	13 629 735	14 447 520	15 314 371	6.0%	65.0%
of which:											
Administrative fees	276 000	349 000	632 000	669 920	34.4%	3.3%	710 115	752 722	797 885	6.0%	3.4%
Other sales	5 100 000	5 801 000	7 908 020	12 188 321	33.7%	53.5%	12 919 620	13 694 797	14 516 485	6.0%	61.6%
Other non-tax revenue	4 418 000	6 795 000	5 817 000	6 138 000	11.6%	42.3%	7 068 000	7 684 000	8 145 040	9.9%	33.4%
Transfers received	–	34 000	168 980	230 979	–	0.7%	242 604	406 397	213 124	-2.6%	1.3%
Total revenue	9 805 000	12 979 000	14 589 000	19 294 000	25.3%	100.0%	21 011 126	22 612 951	23 752 071	7.2%	100.0%
Expenses											
Current expenses	6 887 000	9 531 000	12 545 000	18 475 000	38.9%	98.6%	19 269 908	20 363 903	21 555 370	5.3%	97.8%
Compensation of employees	1 449 000	758 211	723 203	837 507	-16.7%	9.6%	887 757	941 023	997 484	6.0%	4.5%
Goods and services	4 819 000	8 017 789	10 691 797	16 439 693	50.5%	80.9%	17 112 483	18 077 032	19 131 287	5.2%	86.8%
Depreciation	273 000	309 000	441 000	467 460	19.6%	3.3%	495 508	525 238	556 752	6.0%	2.5%
Interest, dividends and rent on land	346 000	446 000	689 000	730 340	28.3%	4.7%	774 160	820 610	869 847	6.0%	3.9%
Total expenses	7 093 000	9 676 000	12 611 000	18 637 000	38.0%	100.0%	19 755 220	20 940 533	22 196 965	6.0%	100.0%
Surplus/(Deficit)	2 712 000	3 303 000	1 978 000	657 000	-37.7%		1 255 906	1 672 417	1 555 106	33.3%	
Statement of financial position											
Carrying value of assets	4 696 000	4 904 000	8 295 000	5 241 000	3.7%	4.8%	5 646 000	5 951 000	6 308 060	6.4%	3.9%
of which:											
Acquisition of assets	1 199 000	837 000	1 538 000	1 630 280	10.8%	1.1%	1 728 097	1 831 783	1 941 690	6.0%	1.2%
Investments	81 971 000	80 231 000	84 116 000	86 317 000	1.7%	70.2%	92 652 000	99 992 000	107 851 000	7.7%	65.1%
Inventory	1 251 000	1 860 000	3 390 000	2 100 000	18.8%	1.8%	2 310 000	2 541 000	2 693 460	8.7%	1.6%
Loans	12 053 000	15 978 000	18 666 000	28 363 000	33.0%	15.5%	33 608 000	39 589 000	44 644 000	16.3%	24.4%
Receivables and prepayments	907 000	1 267 000	2 961 000	1 450 000	16.9%	1.4%	1 595 000	1 754 500	1 859 770	8.7%	1.1%
Cash and cash equivalents	5 828 000	7 825 000	9 009 000	6 896 009	5.8%	6.2%	5 655 399	4 273 833	4 530 263	-13.1%	3.7%
Non-current assets held for sale	15 000	15 000	–	–	-100.0%	0.0%	–	–	–	–	–
Taxation	75 000	143 000	399 000	120 000	17.0%	0.2%	132 000	145 200	153 912	8.7%	0.1%
Derivatives financial instruments	10 000	7 000	49 000	–	-100.0%	0.0%	–	–	–	–	–
Total assets	106 806 000	112 230 000	126 885 000	130 487 009	6.9%	100.0%	141 598 399	154 246 533	168 040 465	8.8%	100.0%
Accumulated surplus/(deficit)	31 003 000	34 290 000	35 744 000	37 722 000	6.8%	29.2%	39 763 440	42 453 818	45 380 555	6.4%	27.9%
Capital and reserves	62 065 000	57 903 000	61 196 000	54 049 009	-4.5%	49.8%	55 485 359	56 653 654	59 276 486	3.1%	38.2%
Borrowings	6 691 000	9 926 000	19 033 000	27 132 000	59.5%	12.7%	33 938 000	41 731 000	48 901 000	21.7%	25.2%
Trade and other payables	1 544 000	2 286 000	3 190 000	2 286 000	14.0%	1.9%	2 514 600	2 766 060	2 932 024	8.7%	1.8%
Taxation	5 029 000	7 290 000	6 526 000	8 721 000	20.1%	5.8%	9 310 000	10 045 000	10 921 000	7.8%	6.6%
Provisions	415 000	473 000	1 134 000	520 000	7.8%	0.5%	530 000	540 000	572 400	3.3%	0.4%
Managed funds (e.g. poverty alleviation fund)	48 000	57 000	56 000	57 000	5.9%	0.0%	57 000	57 000	57 000	–	0.0%
Derivatives financial instruments	11 000	5 000	6 000	–	-100.0%	0.0%	–	–	–	–	–
Total equity and liabilities	106 806 000	112 230 000	126 885 000	130 487 009	6.9%	100.0%	141 598 399	154 246 533	168 040 465	8.8%	100.0%

Personnel information

Table 28.26 Industrial Development Corporation of South Africa

Number of posts estimated for 31 March 2014			Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Salary level	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
			2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
	865	865	794	723.2	0.9	865	837.5	1.0	865	887.8	1.0	865	941.0	1.1	902	997.5	1.1	6.0%	100.0%	
1 – 6	12	12	11	2.0	0.2	12	2.3	0.2	12	2.5	0.2	12	2.6	0.2	12	2.7	0.2	5.6%	1.4%	
7 – 10	204	204	187	71.3	0.4	204	82.5	0.4	204	87.5	0.4	204	92.7	0.5	216	104.5	0.5	8.2%	23.7%	
11 – 12	236	236	216	166.4	0.8	236	192.8	0.8	236	204.3	0.9	236	216.6	0.9	251	239.2	1.0	7.5%	27.4%	
13 – 16	405	405	373	463.5	1.2	405	535.8	1.3	405	567.9	1.4	405	602.0	1.5	415	623.9	1.5	5.2%	46.6%	
17 – 22	8	8	7	19.9	2.8	8	24.1	3.0	8	25.5	3.2	8	27.1	3.4	8	27.1	3.4	4.0%	0.9%	

1. Rand million.

Expenditure trends

The Industrial Development Corporation of South Africa generates revenue mainly from sales of goods and services by its industrial subsidiaries, and interest and dividends received from financing activities. Revenue over the medium term is expected to increase to R22.2 billion, mainly from interest income, as the corporation increases the levels of funding it provides to drive sector development.

In line with its commitment to the implementation of the new growth path and the industrial policy action plan, investment over the medium term will continue to focus on manufacturing, green industries, mining and minerals beneficiation, and the agricultural value chain. These investments are funded by revenue generated through new borrowings, and from the repayments of existing loans. Between 2010/11 and 2013/14, goods and services comprised over 80 per cent of expenditure and grew significantly over this period. This is due to the significant sourcing of specialist skills to support the industrial capacity function of the corporation, and the procurement of equipment to deliver on its mandate of investing in capital intensive projects. Expenditure on compensation of employees declined significantly over the same period due to increased productivity processes and systems being implemented. Over the medium term, expenditure on compensation of employees is expected to grow significantly as the number of posts is expected to grow from 865 posts to 902 posts by 2016/17.

Investment increased between 2011/12 and 2012/13, driven by commitments to large projects particularly in the renewable energy sector and the acquisition of the Scaw Metals Group. Following the approval of projects in previous years, in 2012/13, disbursements increased by 91 per cent to R16 billion. In 2012/13, investments worth R13.1 billion were approved, compared to R13.5 billion in 2011/12. The corporation saw a high uptake of special funding schemes, with 81 per cent of the Unemployment Insurance Fund scheme, 23 per cent of the manufacturing competitiveness enhancement programme, 35 per cent of the Green Energy Efficiency Fund, and 83 per cent of the Agro-Processing Competitiveness Fund committed by the end of March 2013.

Including its subsidiaries Scaw Metals, Foskor and the Small Enterprise Finance Agency, the corporation had an establishment of 959 at the end of November 2013. 99 of these posts were vacant, mainly due to natural attrition and the length of time it takes to finalise the recruitment process. Consultants are used in specialist areas such as marketing, as the corporation has outsourced this function. Consultants are also used for short-term, non-recurring projects requiring technical expertise.

International Trade Administration Commission of South Africa

Mandate and goals

The International Trade Administration Commission of South Africa is mandated to manage an efficient and effective trade administration system. It was established in terms of the International Trade Administration Act (2002). The aim of the commission is to foster economic growth and development, raise income levels, and promote investment and employment in South Africa and the Southern African Customs Union area by establishing an administration system for international trade. The commission's core functions are customs tariff investigations, trade remedies, and import and export control.

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

- ensure contribution to growth and development through effective delivery of international trade instruments
- ensure the alignment of trade regulatory functions with the national agenda
- ensure organisational efficiency and effectiveness by enhancing trade intelligence and monitoring.

Selected performance indicators

Table 28.27 International Trade Administration Commission of South Africa

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13		2014/15	2015/16	2016/17
Turnaround times for customs tariff amendments investigations (percentage of the final decision within 6 months)	Tariff investigations	Outcome 4: Decent employment through inclusive economic growth	104% (47/45)	140% (60/43)	125% (64/51)	80%	80%	80%	80%
Turnaround times for rebate and drawback permits (percentage of permits issued within two weeks)	Tariff investigations		87% (763/880)	97% (831/860)	135% (878/650)	80%	80%	80%	80%
Number of new investigations (anti-dumping, countervailing, safeguards, sunset reviews) initiated	Trade remedies		7	7	7	8	8	8	8
Number of import control permits issued per year	Import and export control		15 489	16 224	14 977	13 500	13 500	13 500	13 500
Number of export control permits issued per year	Import and export control		7 284	6 839	6 982	7 500	7 500	7 500	7 500
Number of enforcement container inspections conducted per year	Import and export control		1 232	1 275	1 275	1 000	1 000	1 000	1 000
Number of investigations on enforcement of permit conditions per year	Import and export control		24	16	14	16	16	16	16

Programmes/activities/objectives

Table 28.28 International Trade Administration Commission of South Africa

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Administration	34 796	35 512	39 880	38 081	3.1%	51.4%	39 762	42 862	45 126	5.8%	46.3%
Tariff investigations	14 541	16 483	16 995	20 902	12.9%	23.7%	22 225	23 414	24 643	5.6%	25.5%
Trade remedies	8 123	8 860	10 042	13 235	17.7%	13.8%	14 827	14 827	15 610	5.7%	16.4%
Import and export control	6 847	7 975	7 853	9 713	12.4%	11.1%	10 335	10 878	11 471	5.7%	11.8%
Total expense	64 307	68 830	74 770	81 931	8.4%	100.0%	87 149	91 981	96 850	5.7%	100.0%

Expenditure estimates

Table 28.29 International Trade Administration Commission of South Africa

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Revenue											
Non-tax revenue	1 413	2 132	1 964	2 161	15.2%	2.6%	2 088	2 382	2 502	5.0%	2.6%
Other non-tax revenue	1 413	2 132	1 964	2 161	15.2%	2.6%	2 088	2 382	2 502	5.0%	2.6%
Transfers received	64 343	69 604	74 403	79 770	7.4%	97.4%	85 061	89 599	94 348	5.8%	97.4%
Total revenue	65 756	71 736	76 367	81 931	7.6%	100.0%	87 149	91 981	96 850	5.7%	100.0%
Expenses											
Current expenses	64 307	68 830	74 770	81 931	8.4%	100.0%	87 149	91 981	96 850	5.7%	100.0%
Compensation of employees	47 697	51 404	55 199	61 558	8.9%	74.5%	66 164	68 993	72 637	5.7%	75.3%
Goods and services	14 862	15 384	18 172	18 769	8.1%	23.2%	19 279	21 189	22 319	5.9%	22.8%
Depreciation	1 703	1 883	1 308	1 508	-4.0%	2.2%	1 604	1 691	1 781	5.7%	1.8%
Interest, dividends and rent on land	45	159	91	96	28.7%	0.1%	102	108	113	5.6%	0.1%
Total expenses	64 307	68 830	74 770	81 931	8.4%	100.0%	87 149	91 981	96 850	5.7%	100.0%
Surplus/(Deficit)	1 449	2 906	1 597	-	-100.0%		-	-	-	-	

Statement of financial position	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Carrying value of assets	3 046	2 109	2 752	7 131	32.8%	11.3%	7 284	7 444	7 018	-0.5%	17.4%
<i>of which:</i>											
Acquisition of assets	1 089	963	1 979	2 107	24.6%	4.7%	2 233	2 456	2 701	8.6%	5.7%
Inventory	48	46	43	42	-4.4%	0.1%	39	37	35	-5.9%	0.1%
Receivables and prepayments	332	1 117	919	880	38.4%	2.5%	743	970	1 019	5.0%	2.2%
Cash and cash equivalents	23 018	27 225	29 463	30 936	10.4%	86.1%	32 483	34 107	35 812	5.0%	80.3%
Total assets	26 444	30 497	33 177	38 989	13.8%	100.0%	40 549	42 558	43 884	4.0%	100.0%
Accumulated surplus/(deficit)	17 411	20 317	21 914	25 233	13.2%	65.8%	24 694	26 036	27 306	2.7%	62.3%
Finance lease	603	699	356	330	-18.2%	1.6%	1 667	1 561	1 472	64.6%	3.0%
Trade and other payables	2 862	4 070	3 246	6 545	31.7%	12.7%	6 866	7 182	6 464	-0.4%	16.3%
Provisions	5 568	5 411	7 662	6 881	7.3%	19.9%	7 322	7 779	8 642	7.9%	18.4%
Total equity and liabilities	26 444	30 497	33 178	38 989	13.8%	100.0%	40 549	42 558	43 884	4.0%	100.0%

Table 28.30 International Trade Administration Commission of South Africa

1. Rand million.

The spending focus of the International Trade Administration Commission of South Africa over the medium term will be on managing an efficient and effective system for administering international trade and the Southern African Customs Union agreement. 97.4 per cent of the commission's revenue is in the form of transfers received from the department. Other income consists of interest received from a call account.

The commission's expenditure is expected to increase moderately over the medium term, with spending on compensation of employees remaining the main cost driver, representing 75.3 per cent of the budget over the medium term. The commission is an adjudication body and a significant part of the budget will be spent on employee costs and travel and subsistence due to investigations and compliance inspections. Expenditure on goods and services is set to increase over the medium term due to a rise in operating costs resulting from the higher caseload. The commission had a funded establishment of 131 posts at the end of November 2013, and the vacancy rate is maintained at below 5 per cent.

Mandate and goals

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particularly the objectives in the act related to SMME development.

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

- increase access to and provide finance to foster the development of SMMEs and enhance job creation
- provide institutional support services aimed at strengthening the delivery and small business capacity of its partner financial institutions.

Selected performance indicators

Table 28.31 Small Enterprise Finance Agency

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13		2014/15	2015/16	2016/17
Value of finance approved for direct lending to small enterprises per year	Administration	Outcome 4: Decent employment through inclusive economic growth	–	–	R35m	R222m	R280m	R353m	R378m
Value of finance approved medium enterprises per year	Administration		–	–	R111m	R 148m	R 205m	R 210m	R 252m
Value of finance disbursed small enterprises per year	Administration		–	–	R10m	R 222m	R224m	R 282m	R 321m
Value of finance disbursed medium enterprises per year	Administration		–	–	R31m	R 126m	R 164m	R 168m	R201m
Number of SMMEs financed per year	Administration		–	–	72	951	1 212	1 340	1 428
Number of jobs created through direct lending from the Small Enterprise Finance Agency per year	Administration	Outcome 5: A skilled and capable workforce to support an inclusive growth path	–	–	758	4 755	6 060	6 700	7 140
Value of finance approved per year for:	Administration	Outcome 4: Decent employment through inclusive economic growth							
- Business loans			–	–	R201m	R140m	R223m	R290m	R330m
- Credit indemnities			–	–	R21m	R90m	R50m	R60m	R70m
- Land reform empowerment facilities			–	–	R20m	R55m	R60m	R65m	R70m
Value for finance disbursed per year for:	Administration								
- Business loans		Outcome 4: Decent employment through inclusive economic growth	–	–	R57m	R161m	R144m	R241m	R268m
- Credit indemnities			–	–	R22m	R72	–	–	–
- Land reform empowerment facilities			–	–	R45m	R58m	R37m	R58m	R65m
Number of SMMEs financed in wholesale lending per year	Administration		–	–	105	845	96	161	179
Number of jobs created in wholesale sector per year	Administration	Outcome 5: A skilled and capable workforce to support an inclusive growth path	–	–	2 309	4 223	480	805	893
Value of finance approved per year for:	Administration	Outcome 4: Decent employment through inclusive economic growth							
- On-lending			–	–	R45m	R80m	R120m	R170m	R200m
- Co-operatives			–	–	–	R20m	R6m	R8m	R10m
- Capacity building			–	–	–	R60m	R33.4m	R73.6m	R129.8m
Value for finance disbursed per year for:	Administration								
- On-lending		Outcome 4: Decent employment through inclusive economic growth	–	–	R23m	R48m	R54m	R77m	R90m
- Co-operatives			–	–	–	R12m	R6m	R8m	R10m
- Capacity building			–	–	–	R36m	R17.4m	R35.6m	R61.8m
Number of new survivalist and micro enterprise finances per year	Administration		–	–	28 185	16 000	36 000	51 000	60 000
Number of jobs created (new survivalist and micro enterprises finance are new jobs created in micro enterprise lending) per year	Administration	Outcome 5: A skilled and capable workforce to support an inclusive growth path	–	–	16 786	16 000	25 515	36 350	42 385

Programmes/activities/objectives

Table 28.32 Small Enterprise Finance Agency

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Administration	-	-	266 512	269 387	-	-	360 283	399 718	394 703	13.6%	100.0%
Total expense	-	-	266 512	269 387	-	-	360 283	399 718	394 703	13.6%	100.0%

Expenditure estimates

Table 28.33 Small Enterprise Finance Agency

Statement of financial performance				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Revenue											
Non-tax revenue	-	-	120 422	111 878	-	-	133 878	164 137	210 563	23.5%	36.7%
Sale of goods and services other than capital assets	-	-	40 306	73 138	-	-	105 981	138 944	181 923	35.5%	29.2%
of which:											
Administrative fees	-	-	5 414	40 244	-	-	61 372	90 188	128 541	47.3%	18.5%
Sales by market establishment	-	-	34 892	32 894	-	-	44 609	48 756	53 382	17.5%	10.6%
Other non-tax revenue	-	-	80 116	38 740	-	-	27 897	25 193	28 640	-9.6%	7.5%
Transfers received	-	-	48 870	230 979	-	-	242 604	406 397	213 124	-2.6%	63.3%
Total revenue	-	-	202 098	342 857	-	-	376 482	570 534	423 687	7.3%	100.0%
Expenses											
Current expenses	-	-	266 512	265 770	-	-	343 783	382 228	376 164	12.3%	96.3%
Compensation of employees	-	-	85 157	99 774	-	-	129 471	150 241	158 455	16.7%	37.7%
Goods and services	-	-	177 076	161 510	-	-	209 288	227 316	212 614	9.6%	57.2%
Depreciation	-	-	4 046	4 486	-	-	5 024	4 671	5 095	4.3%	1.4%
Interest, dividends and rent on land	-	-	233	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	3 617	-	-	16 500	17 490	18 539	72.4%	3.7%
Total expenses	-	-	266 512	269 387	-	-	360 283	399 718	394 703	13.6%	100.0%
Surplus/(Deficit)	-	-	(64 414)	73 470	-	-	16 199	170 816	28 984	-26.7%	-
Statement of financial position											
Carrying value of assets	-	-	185 710	183 495	-	-	175 371	128 881	132 966	-10.2%	8.4%
of which:											
Acquisition of assets	-	-	12 843	4 483	-	-	3 983	3 483	4 496	0.1%	0.2%
Investments	-	-	684 360	178 581	-	-	211 080	247 587	286 094	17.0%	11.8%
Loans	-	-	303 060	359 697	-	-	864 275	1 395 294	1 874 607	73.4%	54.1%
Receivables and prepayments	-	-	21 303	21 188	-	-	38 798	71 798	91 798	63.0%	2.7%
Cash and cash equivalents	-	-	909 998	759 267	-	-	296 651	25 067	125 552	-45.1%	17.8%
Taxation	-	-	75 253	98 498	-	-	98 498	98 498	98 498	-	5.2%
Total assets	-	-	2 179 684	1 600 726	-	-	1 684 673	1 967 125	2 609 515	17.7%	100.0%
Capital and reserves	-	-	1 065 201	83 790	-	-	(107 612)	(345 736)	(543 497)	-286.5%	-9.9%
Capital reserve fund	-	-	-	308 300	-	-	308 300	308 300	308 300	-	16.3%
Borrowings	-	-	944 542	1 175 522	-	-	1 420 361	1 929 890	2 754 991	32.8%	90.4%
Trade and other payables	-	-	136 784	16 555	-	-	31 515	31 971	32 427	25.1%	1.4%
Taxation	-	-	15 628	-	-	-	-	-	-	-	-
Provisions	-	-	11 073	13 565	-	-	21 038	21 038	21 038	15.8%	1.0%
Derivatives financial instruments	-	-	6 456	2 994	-	-	11 071	21 662	36 256	129.6%	0.8%
Total equity and liabilities	-	-	2 179 684	1 600 726	-	-	1 684 673	1 967 125	2 609 515	17.7%	100.0%

Personnel Information

Table 28.34 Small Enterprise Finance Agency

Number of posts estimated for 31 March 2014			Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Salary level	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
			2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
	191	200	163	85.2	0.5	191	99.8	0.5	199	129.5	0.7	210	150.2	0.7	213	158.5	0.7	16.7%	100.0%	
1 – 6	5	5	5	0.6	0.1	5	0.8	0.2	5	0.8	0.2	5	0.9	0.2	5	0.9	0.2	5.7%	2.5%	
7 – 10	101	108	97	17.7	0.2	101	20.9	0.2	108	24.4	0.2	110	25.7	0.2	113	27.7	0.2	9.8%	53.1%	
11 – 12	49	49	31	29.0	0.9	49	36.4	0.7	49	49.8	1.0	53	66.3	1.3	53	67.9	1.3	23.1%	25.1%	
13 – 16	33	33	30	32.1	1.1	33	35.0	1.1	33	44.1	1.3	38	46.4	1.2	38	48.9	1.3	11.8%	17.4%	
17 – 22	3	5	–	5.7	–	3	6.7	2.2	4	10.4	2.6	4	10.9	2.7	4	13.0	3.3	24.7%	1.8%	

1. Rand million.

Expenditure trends

The Small Enterprise Finance Agency derives its revenue from government transfers and non-tax revenue, which accounts for 36.7 per cent of revenue. Non-tax revenue includes: indemnity fees, fee income, interest on loans, and dividends from investments, which are projected to grow as the agency increases its disbursements from the financing of small business.

Over the medium term, in line with its mandate as a development finance institution, the agency will continue to act as an indemnifier of credit and offer institutional support for funding programmes. The Industrial Development Corporation will provide a shareholder loan to the agency, with a repayment holiday for the first five years. Together with the allocation from the department, the funds will be used to enhance the loan book and strengthen market opportunities for small enterprises.

The spending focus over the medium term will be on providing retail and wholesale finance to support the development of the SMME sector. Thus, expenditure on goods and services is the main cost driver and is set to increase over the medium term as the agency increases its disbursements which may result in higher impairment levels. The expenditure enables the organisation to achieve its strategic objectives of increasing access to and providing finance for SMMEs, with 1 428 enterprises financed through direct lending in 2016/17

Expenditure on compensation of employees is also significant and is set to grow over the medium term due to the growth in the financing of small enterprises, which is labour intensive and requires increased monitoring. In fulfilling this function, agency personnel appraise loan applications, engage with applicants, conduct site visits, and prepare management recommendations. The entity had a funded establishment of 191 posts and 9 vacancies at the end of 30 November 2013. The entity is recently established and still building capacity in key areas of the organisation. The vacancies will be filled over the medium term and the number of posts filled is expected to increase to 213 over the medium term.

Additional tables

Table 28.A Summary of expenditure trends and estimates per programme and economic classification

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Adjustments	Adjusted	
R thousand	2012/13		2012/13	2013/14			2013/14
Administration	60 065	52 300	55 395	63 564	32 241	95 805	95 805
Economic Policy Development	29 056	18 467	11 575	25 549	(1 983)	23 566	23 566
Economic Planning and Coordination	565 462	613 005	597 522	663 793	(24 435)	639 358	639 358
Economic Development and Dialogue	18 149	12 746	8 981	18 560	(5 823)	12 737	12 737
Total	672 732	696 518	673 473	771 466	–	771 466	771 466
Economic classification							
Current payments	141 769	161 347	120 618	150 965	6 000	156 965	156 965
Compensation of employees	91 616	63 889	62 074	98 004	(25 561)	72 443	72 443
Goods and services	50 153	97 458	58 544	52 961	31 561	84 522	84 522
Transfers and subsidies	523 457	529 665	551 049	612 582	–	612 582	612 582
Departmental agencies and accounts	354 477	356 412	249 220	273 603	–	273 603	273 603
Higher education institutions	–	2 280	12 280	–	–	–	–
Public corporations and private enterprises	168 980	170 973	289 327	338 979	–	338 979	338 979
Households	–	–	222	–	–	–	–
Payments for capital assets	7 506	5 506	1 806	7 919	(6 000)	1 919	1 919
Machinery and equipment	6 005	4 005	1 705	6 335	(4 450)	1 885	1 885
Software and other intangible assets	1 501	1 501	101	1 584	(1 550)	34	34
Total	672 732	696 518	673 473	771 466	–	771 466	771 466

Table 28.B Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2010/11	2011/12	2012/13		2014/15	2015/16	2016/17
Compensation of employees (R thousand)	25 167	48 347	62 074	72 443	107 806	113 321	110 989
Training expenditure (R thousand)	–	1 353	358	980	1 078	1 133	1 110
Training spend as percentage of compensation	–	2.8%	0.6%	1.4%	1.0%	1.0%	1.0%
Total number trained (headcount)	–	41	69	–			



BUDGET 2014

ESTIMATES OF NATIONAL EXPENDITURE

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