

20 YEARS OF FREEDOM



BUDGET 2014 ESTIMATES OF NATIONAL EXPENDITURE

VOTE 36 TRADE AND INDUSTRY



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.

Trade and Industry

**National Treasury
Republic of South Africa**



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Vote 36

Trade and Industry

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 | 706.9 | 694.5 | 2.5 | 10.0 | 730.7 | 770.0 |
| International Trade and Economic Development | 147.2 | 102.5 | 43.8 | 0.9 | 154.8 | 163.8 |
| Broadening Participation | 1 005.8 | 105.8 | 899.3 | 0.7 | 1 060.2 | 1 118.1 |
| Industrial Development | 1 796.8 | 129.0 | 1 667.0 | 0.8 | 2 078.5 | 2 192.5 |
| Consumer and Corporate Regulation | 277.3 | 72.0 | 205.0 | 0.3 | 286.9 | 300.8 |
| Incentive Development and Administration | 5 540.3 | 190.0 | 5 340.2 | 10.0 | 6 246.5 | 7 050.8 |
| Trade and Investment South Africa | 360.7 | 242.6 | 116.7 | 1.5 | 370.1 | 387.6 |
| Total expenditure estimates | 9 835.0 | 1 536.4 | 8 274.5 | 24.1 | 10 927.7 | 11 983.5 |
| Executive authority | Minister of Trade and Industry | | | | | |
| Accounting officer | Director General of Trade and Industry | | | | | |
| Website address | www.thedti.gov.za | | | | | |

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

Aim

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

Mandate

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

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

Strategic goals

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

- facilitate the transformation of the economy to promote industrial development, investment, competitiveness and employment creation
- build mutually beneficial regional and global relations to advance South Africa's trade, industrial policy and economic development objectives
- facilitate broad based economic participation through targeted interventions to achieve more inclusive

growth

- create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner
- promote a professional, ethical, dynamic, and competitive and customer focused working environment that ensures effective and efficient service delivery.

Programme purposes

Programme 1: Administration

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

Programme 2: International Trade and Economic Development

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

Programme 3: Broadening Participation

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

Programme 4: Industrial Development

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

Programme 5: Consumer and Corporate Regulation

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

Programme 6: Incentive Development and Administration

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

Programme 7: Trade and Investment South Africa

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

Selected performance indicators

Table 36.1 Trade and Industry

| Indicator | Programme | Outcome | Past | | | Current | Projections | | |
|---|--|--|---------|---------|---------|---------|-------------|---------|---------|
| | | | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
| Number of successful technical and business missions to foreign countries and companies undertaken per year | International Trade and Economic Development | Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world | 23 | 15 | 15 | 19 | 17 | 18 | 19 |
| Number of government- to-government platforms per year | International Trade and Economic Development | | 18 | 18 | 18 | 48 | 22 | 24 | 26 |

Table 36.1 Trade and Industry

| Indicator | Programme | Outcome | Past | | | Current | Projections | | |
|---|--|--|----------------|----------------|----------------|---------|-------------|---------|---------|
| | | | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
| Number of projects supported under the support programme for industrial innovation per year | Broadening Participation | Outcome 4: Decent employment through inclusive economic growth | 110 | 52 | 53 | 25 | 25 | 25 | 30 |
| Value of support for industrial innovation projects per year | Broadening Participation | | R110m | R153m | R203.5m | R69.6m | R46m | R46m | R50m |
| Number of technology incubators supported per year | Broadening Participation | | 34 | 34 | 42 | 42 | 46 | 52 | 60 |
| Number of students supported by the technology and human resources for industry programme per year | Broadening Participation | Outcome 5: A skilled and capable workforce to support an inclusive growth path | 2 000 | 1 339 | 1 506 | 1 055 | 1 458 | 1 600 | 2 000 |
| Number of researchers supported by technology and human resources for industry programme per year | Broadening Participation | | 798 | 850 | 1 135 | 1 135 | 756 | 780 | 800 |
| Number of new incubators created per year | Broadening Participation | | — ¹ | — ¹ | — ¹ | 4 | 6 | 8 | 10 |
| Number of small, medium and micro enterprises supported (incubation, quality and technology transfers) per year | Broadening Participation | | — ¹ | — ¹ | 295 | 842 | 962 | 1 020 | 1 070 |
| Number of quarterly reports on industrial policy action plan tabled at ministers review meetings | Industrial Development | | 4 | 4 | 4 | 2 | 4 | 4 | 4 |
| Number of designation requests submitted to the Minister per year | Industrial Development | | — ¹ | 5 | 4 | 1 | 4 | 4 | 4 |
| Number of students enrolled in the tool-making apprenticeship programme per year | Industrial Development | | — ¹ | 650 | 436 | 389 | 200 | 120 | 50 |
| Number of workers trained through the industrial skills upgrading programme per year | Industrial Development | | — ¹ | 262 | 443 | 127 | 250 | 250 | 300 |
| Number of direct jobs facilitated per year: | Incentive Development and Administration | Outcome 4: Decent employment through inclusive economic growth | | | | | | | |
| - Business process services off-shoring | | | 806 | 800 | 3 936 | 1 145 | 6 000 | 6 000 | 6 000 |
| - Enterprise investment programme | | | 15 018 | 6 875 | 13 626 | 5 415 | 2 350 | 6 955 | 7 302 |
| Number of companies financially assisted per year through: | Incentive Development and Administration | | | | | | | | |
| - Export market and investment assistance | | | 1 753 | 664 | 1 082 | 959 | 950 | 960 | 1 150 |
| - Black business supplier development programme | | | 1 104 | 1 086 | 1 212 | 607 | 1 872 | 2 246 | 2 245 |
| - Cooperative incentive scheme | | | 232 | 115 | 314 | 193 | 431 | 490 | 553 |
| - Automotive incentive scheme | | | 36 | 92 | 28 | 10 | 25 | 25 | 22 |
| - Manufacturing competitiveness enhancement Programme | | | — ¹ | — ¹ | 189 | 210 | 350 | 400 | 500 |
| Number of film and television productions assisted per year | Incentive Development and Administration | | 49 | 40 | 70 | 49 | 70 | 76 | 80 |
| Key performance indicators for the critical infrastructure programme: | Incentive Development and Administration | | 12 | 6 | 6 | 8 | 13 | 13 | 13 |
| Number of new projects per year | | | | | | | | | |

1. No historical data, as these are new indicators.

The national development plan

The national development plan sets out the long term vision for the South African economy by affirming the need for a more dynamic and more inclusive economy. It identifies poverty, unemployment and inequality as the triple challenges facing the economy, which require both government and private sector intervention. The national development plan notes that higher rates of employment and inclusive growth will only arise if

government focuses its efforts on promoting exports, competitiveness and employment in labour absorbing industries, and providing an appropriate business environment.

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

The department gives effect to the national development plan through the industrial policy action plan and programmes that are aimed at industrialising the economy and broadening participation, which are actualised through policy and the incentive schemes administered by the department. These include incentives and disbursement schemes on vehicle manufacturing, entrepreneurship, women's development, clothing and textile production incentives, manufacturing development incentives, service sector incentives, broadening participation incentives, critical infrastructure, and employment creation. This will be evident by:

- the number of direct jobs facilitated per year through the enterprise investment programme, which are expected to rise from an estimated total of 5 415 in 2013/14 to 7 302 by 2016/17
- the number of companies financially assisted per year through the black business supplier development programme, which are expected to grow from 1 212 in 2012/13 to 2 245 in 2016/17
- the financial assistance of a projected 72 companies over the medium term through the automotive incentive scheme
- the partial financing of critical infrastructure projects such as access roads and water to enable investments by the private sector.

The department also endorses the plan through the industrial policy development to stimulate exports. In line with best practice, the department focuses on diversifying exports and developing a new pool of exporters through integrated trade policy and export facilitation initiatives. Between 2010/11 and 2013/14, through the export market and investment assistance programme, the number of companies that received financial assistance decreased from 1 753 to 959 due to the economic downturn. This is projected to grow to 1 150 in 2016/17 as the department plans to accelerate the programme.

Expenditure estimates

Table 36.2 Trade and Industry

| Programme | | | | Adjusted appropriation | | Revised estimate | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Expenditure/total: Average (%) |
|--|----------------|----------------|----------------|------------------------|----------------|------------------|-------------------------|--------------------------------|----------------------------------|-----------------|-----------------|-------------------------|--------------------------------|
| Audited outcome | | | | 2013/14 | | | 2010/11 - 2013/14 | | 2014/15 | 2015/16 | 2016/17 | 2013/14 - 2016/17 | |
| R million | 2010/11 | 2011/12 | 2012/13 | | | | | | | | | | |
| Administration | 480.0 | 639.4 | 705.4 | 725.9 | 725.9 | | 14.8% | 8.4% | 706.9 | 730.7 | 770.0 | 2.0% | 7.0% |
| International Trade and Economic Development | 106.9 | 132.9 | 132.7 | 141.6 | 141.6 | | 9.8% | 1.7% | 147.2 | 154.8 | 163.8 | 5.0% | 1.4% |
| Broadening Participation | 798.1 | 887.5 | 929.7 | 1 010.3 | 1 010.3 | | 8.2% | 12.0% | 1 005.8 | 1 060.2 | 1 118.1 | 3.4% | 9.9% |
| Industrial Development | 1 172.6 | 1 328.7 | 1 521.1 | 1 616.2 | 1 593.4 | | 10.8% | 18.5% | 1 796.8 | 2 078.5 | 2 192.5 | 11.2% | 18.2% |
| Consumer and Corporate Regulation | 145.0 | 218.6 | 223.6 | 256.2 | 256.2 | | 20.9% | 2.8% | 277.3 | 286.9 | 300.8 | 5.5% | 2.7% |
| Incentive Development and Administration | 2 793.0 | 3 283.5 | 4 514.6 | 5 443.1 | 5 393.1 | | 24.5% | 52.7% | 5 540.3 | 6 246.5 | 7 050.8 | 9.3% | 57.4% |
| Trade and Investment South Africa | 301.1 | 310.4 | 259.4 | 322.2 | 322.2 | | 2.3% | 3.9% | 360.7 | 370.1 | 387.6 | 6.4% | 3.4% |
| Total | 5 796.7 | 6 801.0 | 8 286.4 | 9 515.6 | 9 442.8 | | 17.7% | 100.0% | 9 835.0 | 10 927.7 | 11 983.5 | 8.3% | 100.0% |
| Change to 2013 Budget estimate | | | | (57.0) | (129.8) | | | | (123.0) | (477.0) | (38.0) | | |
| Economic classification | | | | | | | | | | | | | |
| Current payments | 990.0 | 1 160.8 | 1 264.9 | 1 527.7 | 1 527.7 | | 15.6% | 16.3% | 1 536.4 | 1 604.9 | 1 693.5 | 3.5% | 15.1% |
| Compensation of employees | 514.5 | 567.0 | 671.6 | 818.3 | 818.3 | | 16.7% | 8.5% | 916.9 | 980.9 | 1 033.9 | 8.1% | 8.9% |
| Goods and services | 475.2 | 593.7 | 592.8 | 709.4 | 709.4 | | 14.3% | 7.8% | 619.6 | 624.0 | 659.6 | -2.4% | 6.2% |
| of which: | | | | | | | | | | | | | |
| Administration fees | 3.1 | 6.6 | 4.4 | 7.3 | 7.3 | | 32.6% | 0.1% | 7.6 | 7.6 | 8.0 | 3.1% | 0.1% |

Table 36.2 Trade and Industry

| 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 | 2011/12 | 2012/13 | 2013/14 | | 2010/11 - 2013/14 | | 2014/15 | 2015/16 | 2016/17 | 2013/14 - 2016/17 | |
| Advertising | 14.3 | 32.1 | 29.3 | 36.1 | 36.1 | 36.2% | 0.4% | 31.2 | 32.9 | 31.9 | -4.1% | 0.3% |
| Assets less than the capitalisation threshold | 0.8 | 0.5 | 0.7 | 0.6 | 0.6 | -9.5% | 0.0% | 1.6 | 0.8 | 0.7 | 2.6% | 0.0% |
| Audit costs: External | 8.6 | 8.6 | 9.1 | 13.1 | 13.1 | 14.8% | 0.1% | 15.6 | 11.5 | 9.3 | -10.8% | 0.1% |
| Bursaries: Employees | 1.4 | 2.4 | 2.3 | 2.2 | 2.2 | 16.8% | 0.0% | 1.6 | 1.5 | 1.6 | -9.1% | 0.0% |
| Catering: Departmental activities | 3.1 | 4.6 | 4.5 | 6.8 | 6.8 | 29.7% | 0.1% | 4.0 | 5.8 | 6.3 | -2.6% | 0.1% |
| Communication | 11.6 | 10.9 | 11.3 | 12.6 | 12.6 | 2.9% | 0.2% | 14.4 | 14.9 | 16.1 | 8.3% | 0.1% |
| Computer services | 14.0 | 17.6 | 17.2 | 18.1 | 18.1 | 9.0% | 0.2% | 17.9 | 18.6 | 19.0 | 1.7% | 0.2% |
| Consultants and professional services: Business and advisory services | 40.3 | 47.3 | 37.0 | 50.1 | 50.1 | 7.5% | 0.6% | 65.3 | 64.0 | 67.0 | 10.2% | 0.6% |
| Consultants and professional services: Legal costs | 11.3 | 16.5 | 9.8 | 8.8 | 8.8 | -7.9% | 0.2% | 9.0 | 9.9 | 10.9 | 7.5% | 0.1% |
| Contractors | 7.5 | 19.4 | 28.8 | 36.9 | 36.9 | 70.0% | 0.3% | 19.6 | 23.5 | 25.3 | -11.8% | 0.2% |
| Agency and support / outsourced services | 4.7 | 5.1 | 0.2 | 2.5 | 2.5 | -19.6% | 0.0% | 2.8 | 3.6 | 3.8 | 15.9% | 0.0% |
| Entertainment | 1.1 | 1.1 | 1.3 | 1.9 | 1.9 | 20.5% | 0.0% | 1.2 | 1.4 | 1.5 | -8.0% | 0.0% |
| Fleet services (including government motor transport) | 0.2 | 0.4 | 0.4 | 0.8 | 0.8 | 45.8% | 0.0% | 0.7 | 0.7 | 0.7 | -2.3% | 0.0% |
| Inventory: Clothing material and accessories | - | - | - | 0.1 | 0.1 | - | 0.0% | 0.0 | 0.0 | 0.0 | -26.4% | 0.0% |
| Inventory: Fuel, oil and gas | - | - | 0.0 | 0.3 | 0.3 | - | 0.0% | 0.3 | 0.3 | 0.3 | 0.8% | 0.0% |
| Inventory: Learner and teacher support material | 0.1 | - | - | - | - | -100.0% | 0.0% | - | - | - | - | - |
| Inventory: Materials and supplies | 0.5 | 0.4 | 0.4 | 0.3 | 0.3 | -15.2% | 0.0% | 0.5 | 0.5 | 0.5 | 16.0% | 0.0% |
| Inventory: Medicine | 0.1 | 0.0 | - | - | - | -100.0% | 0.0% | - | - | - | - | 0.0% |
| Medsas inventory interface | - | - | - | 0.2 | 0.2 | - | 0.0% | - | - | - | -100.0% | 0.0% |
| Inventory: Other supplies | 0.4 | 1.0 | 0.8 | 0.3 | 0.3 | -11.9% | 0.0% | 1.1 | 0.1 | 0.3 | -1.4% | 0.0% |
| Consumable supplies | - | - | 0.0 | 1.8 | 1.8 | - | 0.0% | 2.4 | 2.3 | 1.6 | -4.2% | 0.0% |
| Consumable: Stationery, printing and office supplies | 12.9 | 15.4 | 10.7 | 13.8 | 13.8 | 2.2% | 0.2% | 15.1 | 15.4 | 16.3 | 5.7% | 0.1% |
| Operating leases | 191.4 | 200.0 | 218.7 | 252.3 | 252.3 | 9.6% | 2.8% | 196.9 | 199.7 | 210.6 | -5.9% | 2.0% |
| Property payments | 16.6 | 20.6 | 12.8 | 11.6 | 11.6 | -11.2% | 0.2% | 19.6 | 25.7 | 26.9 | 32.4% | 0.2% |
| Travel and subsistence | 78.7 | 110.4 | 117.5 | 134.4 | 134.4 | 19.5% | 1.5% | 113.2 | 117.9 | 128.9 | -1.4% | 1.2% |
| Training and development | 9.4 | 16.3 | 16.4 | 17.3 | 17.3 | 22.6% | 0.2% | 11.2 | 13.9 | 14.5 | -5.7% | 0.1% |
| Operating payments | 16.8 | 25.4 | 20.6 | 34.7 | 34.7 | 27.4% | 0.3% | 28.6 | 27.0 | 30.0 | -4.7% | 0.3% |
| Venues and facilities | 26.2 | 31.2 | 38.6 | 44.4 | 44.4 | 19.2% | 0.5% | 37.9 | 24.3 | 27.4 | -14.8% | 0.3% |
| Rental and hiring | - | - | - | 0.2 | 0.2 | - | 0.0% | 0.2 | 0.2 | 0.2 | - | 0.0% |
| Interest and rent on land | 0.3 | 0.1 | 0.5 | - | - | -100.0% | 0.0% | - | - | - | - | - |
| Transfers and subsidies | 4 789.2 | 5 568.1 | 6 898.9 | 7 950.0 | 7 877.2 | 18.0% | 82.9% | 8 274.5 | 9 291.7 | 10 258.0 | 9.2% | 84.6% |
| Departmental agencies and accounts | 839.0 | 1 058.6 | 1 128.0 | 1 285.7 | 1 285.7 | 15.3% | 14.2% | 1 347.9 | 1 456.1 | 1 532.1 | 6.0% | 13.3% |
| Higher education institutions | 14.8 | 14.8 | 32.6 | 12.8 | 12.8 | -4.6% | 0.2% | 15.8 | 12.5 | 13.1 | 0.8% | 0.1% |
| Foreign governments and international organisations | 36.6 | 40.2 | 37.3 | 34.5 | 34.5 | -2.0% | 0.5% | 35.6 | 29.0 | 30.5 | -4.1% | 0.3% |
| Public corporations and private enterprises | 3 774.5 | 4 394.6 | 5 607.6 | 6 510.2 | 6 453.2 | 19.6% | 66.7% | 6 736.7 | 7 651.7 | 8 529.8 | 9.7% | 69.6% |
| Non-profit institutions | 122.7 | 56.1 | 88.1 | 104.1 | 88.3 | -10.4% | 1.2% | 136.8 | 140.8 | 150.7 | 19.5% | 1.2% |
| Households | 1.7 | 3.8 | 5.3 | 2.6 | 2.6 | 16.0% | 0.0% | 1.8 | 1.7 | 1.8 | -12.2% | 0.0% |
| Payments for capital assets | 15.2 | 36.5 | 40.5 | 37.9 | 37.9 | 35.6% | 0.4% | 24.1 | 31.0 | 32.1 | -5.4% | 0.3% |
| Machinery and equipment | 12.9 | 20.1 | 36.6 | 13.5 | 13.5 | 1.7% | 0.3% | 12.4 | 20.8 | 21.8 | 17.2% | 0.2% |
| Software and other intangible assets | 2.3 | 16.4 | 3.9 | 24.3 | 24.3 | 119.1% | 0.2% | 11.7 | 10.3 | 10.3 | -25.0% | 0.1% |
| Payments for financial assets | 2.3 | 35.6 | 82.1 | 0.0 | 0.0 | -92.4% | 0.4% | - | - | - | -100.0% | 0.0% |
| Total | 5 796.7 | 6 801.0 | 8 286.4 | 9 515.6 | 9 442.8 | 17.7% | 100.0% | 9 835.0 | 10 927.7 | 11 983.5 | 8.3% | 100.0% |

Personnel information

Table 36.3 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 | Unit Cost | | | |
| Trade and Industry | | | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | Cost | Unit Cost | | | |
| Salary level | 1 715 | 290 | 1 553 | 671.6 | 0.4 | 1 715 | 818.3 | 0.5 | 1 731 | 916.9 | 0.5 | 1 731 | 980.9 | 0.6 | 1 731 | 1 033.9 | 0.6 | 0.3% | 100.0% | |
| 1 – 6 | 251 | 96 | 234 | 88.8 | 0.4 | 242 | 92.7 | 0.4 | 250 | 123.4 | 0.5 | 250 | 137.8 | 0.6 | 250 | 137.5 | 0.5 | 1.1% | 14.4% | |
| 7 – 10 | 767 | 130 | 671 | 156.8 | 0.2 | 785 | 250.1 | 0.3 | 782 | 264.7 | 0.3 | 782 | 285.4 | 0.4 | 782 | 303.2 | 0.4 | -0.1% | 45.3% | |
| 11 – 12 | 402 | 43 | 386 | 206.8 | 0.5 | 408 | 239.2 | 0.6 | 410 | 255.2 | 0.6 | 410 | 272.2 | 0.7 | 410 | 289.7 | 0.7 | 0.2% | 23.7% | |
| 13 – 16 | 295 | 21 | 262 | 193.4 | 0.7 | 280 | 236.3 | 0.8 | 289 | 273.6 | 0.9 | 289 | 285.6 | 1.0 | 289 | 303.6 | 1.1 | 1.1% | 16.6% | |
| Other | — | — | — | 25.7 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |

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 implementing incentives, policies, strategies and programmes to promote industrial development, create job opportunities and broaden participation in the economy while transforming it. The incentives make up approximately 70 per cent of the transfers over the medium term and are mainly transferred through the *Incentive Development and Administration* and *Industrial Development* programmes. The bulk of expenditure is within the *Incentive Development and Administration* programme, which makes up just over 57.4 per cent of the department's total budget over the medium term. This is allocated to incentives such as the manufacturing development incentives, which contribute to the development of manufacturing industries, and the special economic zones investment incentives, which attract investment, to further the objectives of the industrial development action plan. In addition, expenditure within the *Industrial Development* programme, which makes up just over 18.2 per cent of the department's total budget over the medium term, is largely allocated to the clothing and textile production incentive, which provides support to rejuvenate the sector in accordance with the industrial policy action plan.

Expenditure in the *Incentive Development and Administration* programme grew at an average annual rate of 24.5 per cent between 2010/11 and 2013/14. This was mainly due to the implementation of the special economic zones investment incentives scheme programme and the manufacturing competitiveness enhancement programme as part of the economic competitiveness and support package, which was implemented in 2011/12 as a special government intervention to support the economy during the global financial crisis. The special economic zones investment incentives scheme encourages increased investment in South Africa through the provision of infrastructure. The purpose of the manufacturing competitiveness enhancement programme is to improve manufacturing enterprises' competitiveness and support job retention and creation. The department implements this package through transfers to the programmes.

As part of Cabinet approved reductions, the department's allocation is reduced by R638 million over the medium term. The reductions are to be effected mainly in goods and services, on non-core items such as communication, venues and facilities, and travel and subsistence; and the economic competitiveness and support package for the special economic zones investment incentives. The reduction to the special economic zones investment incentives is not expected to negatively affect service delivery as the Special Economic Zones Bill (2013) was not passed in 2013. The deferment will enable the planning process to take shape. The mandate of the department expanded due to revisions in the legislation for broad based black economic empowerment, cooperatives, and the new Special Economic Zones Bill (2013), among others, as well as the implementation of new incentive schemes, which include the manufacturing competitiveness enhancement programme and the special economic zone incentives. As a result, spending on compensation of employees is projected to increase over the medium term, with the establishment growing to 1 731 posts in 2016/17 from a funded establishment of 1 715 posts in 2013/14, of which 290 were additional to the establishment. The additional positions were created to support the department's expanded mandate and deal with capacity requirements. There were 142 vacancies

at the end of November 2013, due to resignations and the difficulties experienced in recruiting personnel with the necessary skills. The department has recruitment strategies in place to fast track appointments by 2014/15.

Infrastructure spending

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

Mega project: Industrial development zones

The industrial development zones programme was introduced in 1999 as an incentive scheme to encourage the establishment of industrial development zones to promote foreign direct investment in export oriented industries. The programme had some initial success in meeting its goals, but a review in 2008 showed a number of weaknesses. As a result, the special economic zones strategic framework was developed and encapsulated in the Special Economic Zones Bill (2013). The special economic zones programme will now consist of special economic zones, as well as industrial development zones.

Between 2001/02 and 2012/13, the department transferred R6.1 billion to the Coega, East London and Richards Bay industrial development zones. These funds were used to develop the infrastructure to attract private sector investment in export orientated industries, promote the growth of domestic industries, and create jobs. In the period between 2010/11 and 2012/13, the department held several engagements regarding the Saldanha industrial development zone application, which was designated in August 2013.

The industrial development zones have to date attracted 72 investors and about R17 billion worth of investments. 42 of these projects are already operational. 20 are located in the Coega industrial development zone, 21 in the East London industrial development zone, and 1 in the Richards Bay industrial development zone. Collectively, these industrial development zones created approximately 49 000 direct and indirect jobs.

Over the medium term, the special economic zone investment incentive has a revised allocation of R3.6 billion, reduced by R553 million due to the need to conduct the preparatory work before the project becomes operational. This will be used mainly for conducting pre-feasibility and feasibility studies for the proposed special economic zones in all nine provinces, infrastructure projects in the existing industrial development zones, and newly designated special economic zones through the incentive scheme.

The **Coega industrial development zone** was designated in 2001. Between its inception and March 2013, the department transferred R4.3 billion to the zone for infrastructure projects, and R308 million in 2013/14. The zone currently has 20 operational investors with a value of R1.13 billion; and has created about 40 900 (construction, direct and indirect) jobs. Another 17 investors, with an investment value of R9 billion, have been signed up but are not yet operational on site. In 2012/13, the zone signed up 8 new investors worth R1.7 billion. Sectors active in this zone include agro-processing, general manufacturing, business process services, energy, automotive and petrochemicals. The infrastructure programmes include road construction, earthworks, electricity, water, sewerage, factories and office buildings.

The **East London industrial development zone** was designated in 2001. From inception to March 2013, the department transferred R1.3 billion for infrastructure development to the zone, of which R100 million was allocated for 2013/14. The zone has to date secured 31 investors to the value of R4 billion; 21 of these, worth R1.08 billion, are operational on site. The zone has so far created over 7 500 direct and indirect construction jobs. Its key focus sectors are automotive, marine aquaculture, agro-processing (bio-fuels, food and timber), pharmaceuticals, ICT and electronics, business process services, and the automotive supplier park. In 2012/13, the East London industrial development zone attracted 5 new investments to the value of R284 million.

The **Richards Bay industrial development zone** was designated in 2002 but due to delays related to land, environmental and other issues, only started infrastructure development in 2010/11. The department has to date transferred R331 million for infrastructure expenditure to this zone, with R30 million allocated for 2013/14. The zone's key strategic industrial sectors include aluminium clustering, wood, chemicals and mineral beneficiation. Thus far the industrial development zone has 1 investor worth R800 million (later expanded to R980 million) operational on site and this has created approximately 180 jobs.

The **OR Tambo International Airport industrial development zone** was designated in 2002 and received a provisional operator permit in 2010. The first phase of construction, on 6.1 hectares of land leased from the Airports Company of South Africa, was scheduled to begin in 2013/14, but this has not yet taken place. The department is assisting the Gauteng provincial government in addressing the bottlenecks delaying the progress of the zone. The department's funding for the planned zone will include provision for improved infrastructure.

The **Saldanha Bay industrial development zone** was designated in August 2013. The department will finance initial infrastructure developments in this zone through the special economic zones investment incentive. Infrastructure for which capital is required includes the water demand management programme, bulk sewerage, upgrading of the Saldanha waste water treatment system, public transport facilities, bulk water supply services, solid waste transfer systems, and internal engineering services inside the industrial development zone area.

Large project: Critical infrastructure development programme

The critical infrastructure development programme is a cost sharing grant for projects designed to improve critical infrastructure in South Africa. The programme supports infrastructure projects in mining, tourism, manufacturing and services on a reimbursement basis. R330.7 million was spent on this programme between 2010/11 and 2012/13, and R140 million in 2013/14. R570 million is allocated over the medium term for grants subsidising development costs, from a minimum of 10 per cent to a maximum of 30 per cent of qualifying infrastructure projects. The programme expects to provide financial support to 39 enterprises over the medium term, with an estimated project investment value of R19 billion.

Departmental receipts

Table 36.4 Receipts

| | Audited outcome | | | Adjusted estimate | Revised estimate | Average growth rate (%) | Receipt/ total: Average (%) | Medium-term receipts estimate | | | Average growth rate (%) | Receipt/ total: Average (%) |
|--|-----------------|---------|---------|-------------------|------------------|-------------------------|-----------------------------|-------------------------------|---------|---------|-------------------------|-----------------------------|
| | 2010/11 | 2011/12 | 2012/13 | | | | | 2014/15 | 2015/16 | 2016/17 | | |
| R thousand | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2013/14 | 2010/11 - 2013/14 | 2010/11 - 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2013/14 - 2016/17 | 2013/14 - 2016/17 |
| Departmental receipts | 35 630 | 78 707 | 135 323 | 89 023 | 89 205 | 35.8% | 100.0% | 96 631 | 102 777 | 108 292 | 6.7% | 100.0% |
| Tax receipts | 3 161 | 3 280 | 3 719 | 5 200 | 5 200 | 18.0% | 4.5% | 5 300 | 5 350 | 5 400 | 1.3% | 5.4% |
| Sales of goods and services produced by department | 213 | 350 | 444 | 525 | 391 | 22.4% | 0.4% | 413 | 516 | 511 | 9.3% | 0.5% |
| Sales by market establishments | 213 | 189 | 259 | 260 | 125 | -16.3% | 0.2% | 127 | 215 | 220 | 20.7% | 0.2% |
| of which: | | | | | | | | | | | | |
| Rental of parking | 213 | 189 | 259 | 260 | 125 | -16.3% | 0.2% | 127 | 215 | 220 | 20.7% | 0.2% |
| Administration fees | – | 51 | 51 | – | 1 | – | – | 1 | 1 | 1 | – | – |
| of which: | | | | | | | | | | | | |
| Request Information in terms of the Access to Information Act (2000) | – | 51 | 51 | – | 1 | – | – | 1 | 1 | 1 | – | – |
| Other sales | – | 110 | 134 | 265 | 265 | – | 0.2% | 285 | 300 | 290 | 3.1% | 0.3% |
| of which: | | | | | | | | | | | | |
| Commission on insurance and garnishee orders | – | 110 | 134 | 210 | 210 | – | 0.1% | 230 | 240 | 230 | 3.1% | 0.2% |
| Academic service: Registration, tuition and examination fees | – | – | – | 55 | 55 | – | – | 55 | 60 | 60 | 2.9% | 0.1% |
| Sales of scrap, waste, arms and other used current goods | – | – | – | – | 1 | – | – | 1 | 1 | 1 | – | – |
| of which: | | | | | | | | | | | | |
| Waste paper: Recycling of paper: Mondi | – | – | – | – | 1 | – | – | 1 | 1 | 1 | – | – |
| Fines, penalties and forfeits | 14 | 189 | 19 | 30 | 195 | 140.6% | 0.1% | 195 | 210 | 180 | -2.6% | 0.2% |
| Interest, dividends and rent on land | 513 | 20 470 | 39 349 | 25 032 | 25 032 | 265.4% | 25.2% | 26 000 | 26 500 | 27 000 | 2.6% | 26.3% |
| Interest | 513 | 20 470 | 39 349 | 25 032 | 25 032 | 265.4% | 25.2% | 26 000 | 26 500 | 27 000 | 2.6% | 26.3% |
| Sales of capital assets | 93 | 10 | – | – | 150 | 17.3% | 0.1% | 200 | 200 | 200 | 10.1% | 0.2% |
| Transactions in financial assets and liabilities | 31 636 | 54 408 | 91 792 | 58 236 | 58 236 | 22.6% | 69.7% | 64 522 | 70 000 | 75 000 | 8.8% | 67.5% |
| Total | 35 630 | 78 707 | 135 323 | 89 023 | 89 205 | 35.8% | 100.0% | 96 631 | 102 777 | 108 292 | 6.7% | 100.0% |

Programme 1: Administration

Expenditure estimates

Table 36.5 Administration

| Subprogramme | Audited outcome | | | Adjusted appropriation | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Expenditure/total: Average (%) |
|--------------------------------------|-----------------|----------------|----------------|------------------------|-------------------------|--------------------------------|----------------------------------|----------------|----------------|-------------------------|--------------------------------|
| R thousand | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2010/11 - 2013/14 | 2010/11 - 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2013/14 - 2016/17 | 2013/14 - 2016/17 |
| Ministry | 30 031 | 37 663 | 36 845 | 40 290 | 10.3% | 5.7% | 40 670 | 42 561 | 44 361 | 3.3% | 5.7% |
| Office of the Director General | 49 641 | 66 918 | 59 578 | 80 650 | 17.6% | 10.1% | 89 004 | 97 889 | 103 712 | 8.7% | 12.7% |
| Corporate Services | 313 247 | 376 673 | 401 564 | 427 913 | 11.0% | 59.6% | 387 345 | 406 188 | 429 648 | 0.1% | 56.3% |
| Office Accommodation | 7 821 | 8 292 | 2 177 | – | -100.0% | 0.7% | 9 738 | 10 186 | 10 726 | – | 1.0% |
| Financial Management | 35 075 | 69 769 | 120 728 | 65 393 | 23.1% | 11.4% | 91 328 | 80 208 | 82 521 | 8.1% | 10.9% |
| Media Relations and Public Relations | 4 622 | 4 558 | 6 049 | 14 089 | 45.0% | 1.1% | 17 616 | 18 288 | 19 471 | 11.4% | 2.4% |
| Communications | 39 552 | 75 502 | 78 485 | 97 594 | 35.1% | 11.4% | 71 245 | 75 352 | 79 575 | -6.6% | 11.0% |
| Total | 479 989 | 639 375 | 705 426 | 725 929 | 14.8% | 100.0% | 706 946 | 730 672 | 770 014 | 2.0% | 100.0% |
| Change to 2013 Budget estimate | | | | 35 850 | | | (13 689) | (17 639) | 3 216 | | |

Economic classification

| | | | | | | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|---------------|----------------|----------------|----------------|--------------|---------------|
| Current payments | 464 233 | 571 614 | 589 873 | 715 172 | 15.5% | 91.8% | 694 459 | 712 779 | 751 214 | 1.7% | 98.0% |
| Compensation of employees | 151 610 | 178 056 | 203 099 | 251 002 | 18.3% | 30.7% | 280 949 | 287 783 | 307 907 | 7.0% | 38.4% |
| Goods and services | 312 348 | 393 485 | 386 288 | 464 170 | 14.1% | 61.0% | 413 510 | 424 996 | 443 307 | -1.5% | 59.5% |
| of which: | | | | | | | | | | | |
| Administration fees | 2 281 | 5 743 | 3 408 | 5 984 | 37.9% | 0.7% | 6 382 | 6 307 | 6 654 | 3.6% | 0.9% |
| Advertising | 10 833 | 29 632 | 25 578 | 32 356 | 44.0% | 3.9% | 28 093 | 29 724 | 30 998 | -1.4% | 4.1% |
| Assets less than the capitalisation threshold | 369 | 131 | 306 | 351 | -1.7% | – | 478 | 404 | 422 | 6.3% | 0.1% |
| Audit costs: External | 8 641 | 8 591 | 9 099 | 13 079 | 14.8% | 1.5% | 15 580 | 11 535 | 9 297 | -10.8% | 1.7% |
| Bursaries: Employees | 1 353 | 2 398 | 2 326 | 2 100 | 15.8% | 0.3% | 1 585 | 1 540 | 1 622 | -8.2% | 0.2% |
| Catering: Departmental activities | 1 235 | 2 184 | 2 182 | 3 374 | 39.8% | 0.4% | 1 115 | 2 630 | 2 848 | -5.5% | 0.3% |
| Communication | 7 100 | 6 633 | 5 965 | 7 819 | 3.3% | 1.1% | 9 553 | 9 577 | 10 272 | 9.5% | 1.3% |
| Computer services | 12 276 | 16 631 | 16 256 | 15 303 | 7.6% | 2.4% | 14 798 | 17 337 | 18 238 | 6.0% | 2.2% |
| Consultants and professional services: | 15 038 | 16 022 | 9 602 | 20 454 | 10.8% | 2.4% | 24 591 | 26 757 | 26 983 | 9.7% | 3.4% |
| Business and advisory services | | | | | | | | | | | |
| Consultants and professional services: | 5 541 | 10 043 | 6 006 | 5 096 | -2.8% | 1.0% | 5 046 | 5 769 | 6 191 | 6.7% | 0.8% |
| Legal costs | | | | | | | | | | | |
| Contractors | 4 982 | 16 346 | 19 139 | 20 602 | 60.5% | 2.4% | 9 392 | 8 017 | 9 127 | -23.8% | 1.6% |
| Agency and support / outsourced services | 2 800 | 2 451 | 147 | 2 435 | -4.5% | 0.3% | 2 632 | 3 340 | 3 517 | 13.0% | 0.4% |
| Entertainment | 16 | 43 | 108 | 364 | 183.4% | – | 267 | 310 | 363 | -0.1% | – |
| Fleet services (including government motor transport) | 43 | 75 | 35 | 395 | 109.4% | – | 447 | 471 | 520 | 9.6% | 0.1% |
| Inventory: Clothing material and accessories | – | – | – | 60 | – | – | 42 | 41 | 43 | -10.5% | – |
| Inventory: Fuel, oil and gas | – | – | 1 | 260 | – | – | 267 | 284 | 344 | 9.8% | – |
| Inventory: Learner and teacher support material | 90 | – | – | – | -100.0% | – | – | – | – | – | – |
| Inventory: Materials and supplies | 537 | 413 | 381 | 320 | -15.8% | 0.1% | 521 | 498 | 503 | 16.3% | 0.1% |
| Inventory: Medical supplies | – | 2 | – | – | – | – | – | – | – | – | – |
| Inventory: Medicine | 55 | 32 | – | – | -100.0% | – | – | – | – | – | – |
| Medsas inventory interface | – | – | – | 159 | – | – | – | – | – | -100.0% | – |
| Inventory: Other supplies | 298 | 710 | 150 | 284 | -1.6% | 0.1% | 1 007 | 68 | 236 | -6.0% | 0.1% |
| Consumable supplies | – | – | – | 1 045 | – | – | 1 885 | 1 733 | 1 366 | 9.3% | 0.2% |
| Consumable: Stationery, printing and office supplies | 7 579 | 8 827 | 5 625 | 6 401 | -5.5% | 1.1% | 6 693 | 7 111 | 7 290 | 4.4% | 0.9% |
| Operating leases | 175 304 | 182 361 | 198 980 | 233 312 | 10.0% | 31.0% | 186 965 | 191 047 | 200 746 | -4.9% | 27.7% |
| Property payments | 15 431 | 19 335 | 11 213 | 9 855 | -13.9% | 2.2% | 19 144 | 25 113 | 26 391 | 38.9% | 2.7% |
| Travel and subsistence | 17 173 | 28 289 | 30 297 | 32 434 | 23.6% | 4.2% | 34 335 | 37 249 | 38 837 | 6.2% | 4.9% |
| Training and development | 8 717 | 15 970 | 15 529 | 14 204 | 17.7% | 2.1% | 11 181 | 12 380 | 13 129 | -2.6% | 1.7% |
| Operating payments | 8 084 | 9 583 | 8 242 | 12 774 | 16.5% | 1.5% | 16 160 | 16 335 | 17 467 | 11.0% | 2.1% |
| Venues and facilities | 6 572 | 11 040 | 15 713 | 23 350 | 52.6% | 2.2% | 15 351 | 9 419 | 9 914 | -24.8% | 2.0% |
| Interest and rent on land | 275 | 73 | 486 | – | -100.0% | – | – | – | – | – | – |
| Transfers and subsidies | 3 549 | 7 012 | 4 021 | 2 721 | -8.5% | 0.7% | 2 474 | 2 423 | 2 551 | -2.1% | 0.3% |
| Public corporations and private enterprises | 2 600 | 4 630 | 650 | 680 | -36.0% | 0.3% | 724 | 760 | 800 | 5.6% | 0.1% |
| Households | 949 | 2 382 | 3 371 | 2 041 | 29.1% | 0.3% | 1 750 | 1 663 | 1 751 | -5.0% | 0.2% |
| Payments for capital assets | 9 923 | 25 974 | 31 106 | 8 036 | -6.8% | 2.9% | 10 013 | 15 470 | 16 249 | 26.5% | 1.7% |
| Machinery and equipment | 7 653 | 13 522 | 28 495 | 7 221 | -1.9% | 2.2% | 6 802 | 15 242 | 16 008 | 30.4% | 1.5% |
| Software and other intangible assets | 2 270 | 12 452 | 2 611 | 815 | -28.9% | 0.7% | 3 211 | 228 | 241 | -33.4% | 0.2% |
| Payments for financial assets | 2 284 | 34 775 | 80 426 | – | -100.0% | 4.6% | – | – | – | – | – |
| Total | 479 989 | 639 375 | 705 426 | 725 929 | 14.8% | 100.0% | 706 946 | 730 672 | 770 014 | 2.0% | 100.0% |
| Proportion of total programme expenditure to vote expenditure | 8.3% | 9.4% | 8.5% | 7.6% | | | 7.2% | 6.7% | 6.4% | | |

Table 36.5 Administration

Details of transfers and subsidies

| | 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 | | | | | | | | | | | |
| Households | | | | | | | | | | | |
| Other transfers to households | | | | | | | | | | | |
| Current | 703 | 2 153 | 2 839 | 1 900 | 39.3% | 0.3% | 1 750 | 1 663 | 1 751 | -2.7% | 0.2% |
| Bursaries for non-employees | – | 1 652 | 2 584 | 1 900 | – | 0.2% | 1 590 | 1 663 | 1 751 | -2.7% | 0.2% |
| Gifts and donations | 144 | 245 | 215 | – | -100.0% | – | 160 | – | – | – | – |
| Employee social benefits | – | 256 | 40 | – | – | – | – | – | – | – | – |
| Bursaries for non-employees | 559 | – | – | – | -100.0% | – | – | – | – | – | – |
| Households | | | | | | | | | | | |
| Social benefits | | | | | | | | | | | |
| Current | 246 | 229 | 532 | 141 | -16.9% | – | – | – | – | -100.0% | – |
| Gifts and donations | 246 | – | – | – | -100.0% | – | – | – | – | – | – |
| Employee social benefits | – | 229 | 532 | 141 | – | – | – | – | – | -100.0% | – |
| Public corporations and private enterprises | | | | | | | | | | | |
| Public corporations | | | | | | | | | | | |
| Other transfers to public corporations | | | | | | | | | | | |
| Current | 2 600 | 4 630 | 650 | 680 | -36.0% | 0.3% | 724 | 760 | 800 | 5.6% | 0.1% |
| Industrial Development Corporation: Fund for research into industrial development, growth and equity | 2 600 | 4 630 | 650 | 680 | -36.0% | 0.3% | 724 | 760 | 800 | 5.6% | 0.1% |

Personnel information

Table 36.6 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 | | |
|---|---|--|------|-----------|------------------|------|-----------|----------------------------------|------|-----------|---------|------|-----------|---------|------|-----------|-------------------------|---------------------------------|-------------------|
| 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 | | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | Cost | Unit Cost | | | |
| Salary level | 595 | 115 | 578 | 203.1 | 0.4 | 595 | 251.0 | 0.4 | 595 | 280.9 | 0.5 | 595 | 287.8 | 0.5 | 595 | 307.9 | 0.5 | - | 100.0% |
| 1 – 6 | 167 | 56 | 165 | 17.5 | 0.1 | 167 | 30.1 | 0.2 | 167 | 31.3 | 0.2 | 167 | 32.0 | 0.2 | 167 | 34.2 | 0.2 | - | 28.1% |
| 7 – 10 | 230 | 39 | 221 | 47.4 | 0.2 | 230 | 85.7 | 0.4 | 230 | 91.4 | 0.4 | 230 | 93.7 | 0.4 | 230 | 100.4 | 0.4 | - | 38.7% |
| 11 – 12 | 124 | 13 | 130 | 64.0 | 0.5 | 124 | 70.6 | 0.6 | 124 | 77.9 | 0.6 | 124 | 79.9 | 0.6 | 124 | 85.1 | 0.7 | - | 20.8% |
| 13 – 16 | 74 | 7 | 62 | 48.5 | 0.8 | 74 | 64.7 | 0.9 | 74 | 80.4 | 1.1 | 74 | 82.2 | 1.1 | 74 | 88.2 | 1.2 | - | 12.4% |
| Other | - | - | - | 25.7 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |

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 continue to be on providing high quality corporate management services support to the department through sustainable and integrated resource solutions and services. Thus, expenditure on goods and services and compensation of employees will continue to drive spending, led by the *Corporate Services* and the *Office of the Director General* subprogrammes to ensure operational efficacy. The bulk of the allocation for goods and services across the seven-year period is for operating leases, consultants, and travel and subsidies. Spending in the *Communication* subprogramme is expected to decrease over the medium term due to the shifting of the media relations and public relations functions from this subprogramme to become a new separate subprogramme.

Between 2010/11 and 2013/14, the *Corporate Services* subprogramme accounted for 59.6 per cent of the programme spend mainly to provide for the payment of the operating lease for the department's accommodation. Expenditure in this subprogramme and on the operating leases is expected to continue to take up the bulk of the programme's allocation over the medium term. However, expenditure on goods and services is expected to decline over this period as the department implements the approved Cabinet approved reductions of R30 million on goods and services such as contractors and venues and facilities. The department will manage the reduction by implementing cost-cutting measures to ensure that they do not adversely affect service delivery.

Spending on compensation of employees is projected to grow moderately over the medium term due to improved conditions of service. The programme has a total of 595 funded posts, with 36 vacancies at the end of November 2013. The vacancies are due to high turnover and the difficulties experienced in recruiting qualified staff in light of the skills shortage.

Expenditure on consultants is expected to grow over the medium term as their services are required particularly within the *Corporate Services* subprogramme to serve the department's ICT needs; and within the *Office of the Director General* subprogramme for economic research and policy coordination, and to provide high quality corporate management services support to the department.

Programme 2: International Trade and Economic Development

Objectives

- Promote African economic integration and development at bilateral, regional and continental levels by:
 - advancing development integration in the Southern African Customs Union and the Southern African Development Community (SADC) free trade area with the Africa regional development programme to be implemented in 2014/15
 - launching the SADC-East African community common market free trade area in 2014/15.
- Advance South Africa's trade, industrial policy and economic development objectives through cooperation with key economies to address tariff and non-tariff barriers that inhibit South African value added exports in 2014/15.
- Build national consensus around trade and investment policy, strategy and negotiation by strengthening research and national consultation for agreed national trade and investment policy positions in 2014/15.

Subprogrammes

- International Trade Development* facilitates bilateral and multilateral trade relations and agreements. In 2012/13, South Africa was represented at the economic partnership agreement negotiations to establish a common trade in goods arrangement between the Southern African Customs Union and the European Union (EU). In 2013/14, trade negotiations should be finalised with the EU under the economic partnership agreement with the South African Customs Union, and also between India and the SADC. Transfer payments are made annually to the Organisation for the Prohibition of Chemical Weapons, and to Protechnik Laboratories, an Armaments Corporation of South Africa institute, as part of South Africa's contribution to international non-proliferation treaties and regimes; and to the World Trade Organisation for membership fees. This subprogramme had a staff complement of 100 in 2013/14.
- African Economic Development* facilitates bilateral and multilateral African trade relations aimed at deepening regional integration. In 2012/13, work was undertaken within the Southern African Customs Union to design and implement a five-point plan for regional industrial development. In 2013/14, work continued on the implementation of the union's five-point work programme. Transfer payments are made quarterly to the Development Bank of Southern Africa for regional spatial development initiatives. This subprogramme had a staff complement of 51 at the end of November 2013.

Expenditure estimates

Table 36.7 International Trade and Economic Development

| 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 | |
| International Trade Development | 63 595 | 72 892 | 81 898 | 90 640 | 12.5% | 60.1% | 91 190 | 95 194 | 101 804 | 3.9% | 62.4% |
| African Economic Development | 43 354 | 60 028 | 50 807 | 50 998 | 5.6% | 39.9% | 56 007 | 59 618 | 61 976 | 6.7% | 37.6% |
| Total | 106 949 | 132 920 | 132 705 | 141 638 | 9.8% | 100.0% | 147 197 | 154 812 | 163 780 | 5.0% | 100.0% |
| Change to 2013 Budget estimate | | | | 3 000 | | | (3 536) | (2 060) | – | | |

Expenditure estimates

Table 36.7 International Trade and Economic Development

| 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 | 75 772 | 98 903 | 96 652 | 104 535 | 11.3% | 73.1% | 102 548 | 112 607 | 119 338 | 4.5% | 72.3% |
| Compensation of employees | 53 459 | 63 539 | 71 842 | 75 652 | 12.3% | 51.4% | 81 996 | 84 974 | 90 583 | 6.2% | 54.9% |
| Goods and services | 22 313 | 35 364 | 24 810 | 28 883 | 9.0% | 21.7% | 20 552 | 27 633 | 28 755 | -0.1% | 17.4% |
| of which: | | | | | | | | | | | |
| Administration fees | 1 | 24 | 6 | 20 | 171.4% | — | 20 | 12 | 3 | -46.9% | — |
| Advertising | 208 | 522 | — | — | -100.0% | 0.1% | — | — | (21) | — | — |
| Assets less than the capitalisation threshold | 15 | 41 | 7 | 20 | 10.1% | — | 20 | 22 | 25 | 7.7% | — |
| Catering: Departmental activities | 83 | 158 | 103 | 377 | 65.6% | 0.1% | 408 | 405 | 436 | 5.0% | 0.3% |
| Communication | 876 | 1 028 | 1 657 | 1 165 | 10.0% | 0.9% | 1 098 | 1 363 | 1 456 | 7.7% | 0.8% |
| Computer services | — | — | — | 43 | — | — | — | 37 | 39 | -3.2% | — |
| Consultants and professional services: Business and advisory services | 894 | 495 | 871 | 1 165 | 9.2% | 0.7% | 633 | 1 909 | 2 016 | 20.1% | 0.9% |
| Consultants and professional services: Laboratory services | — | — | — | — | — | — | — | — | (1) | — | — |
| Contractors | 81 | 1 078 | 105 | 53 | -13.2% | 0.3% | 50 | 321 | 347 | 87.1% | 0.1% |
| Agency and support / outsourced services | 58 | — | — | — | -100.0% | — | — | — | — | — | — |
| Entertainment | 8 | 7 | 6 | 37 | 66.6% | — | 33 | 36 | 39 | 1.8% | — |
| Fleet services (including government motor transport) | 1 | 5 | 2 | — | -100.0% | — | — | — | — | — | — |
| Inventory: Materials and supplies | 1 | 3 | — | — | -100.0% | — | — | — | — | — | — |
| Inventory: Other supplies | 2 | — | 198 | — | -100.0% | — | — | — | — | — | — |
| Consumable supplies | — | — | — | 48 | — | — | 8 | 35 | (334) | -290.9% | — |
| Consumable: Stationery, printing and office supplies | 424 | 746 | 594 | 850 | 26.1% | 0.5% | 784 | 949 | 1 016 | 6.1% | 0.6% |
| Operating leases | 77 | 75 | 116 | 36 | -22.4% | 0.1% | — | 180 | 185 | 72.6% | 0.1% |
| Property payments | 30 | 19 | 46 | 180 | 81.7% | 0.1% | 4 | 19 | 6 | -67.8% | — |
| Travel and subsistence | 14 645 | 24 510 | 18 635 | 19 884 | 10.7% | 15.1% | 16 743 | 20 068 | 21 128 | 2.0% | 12.8% |
| Training and development | — | — | 35 | — | — | — | — | — | — | — | — |
| Operating payments | 144 | 434 | 141 | 410 | 41.7% | 0.2% | 126 | 487 | 575 | 11.9% | 0.3% |
| Venues and facilities | 992 | 4 916 | 995 | 4 445 | 64.9% | 2.2% | 475 | 1 640 | 1 776 | -26.3% | 1.4% |
| Rental and hiring | — | — | — | 150 | — | — | 150 | 150 | 150 | — | 0.1% |
| Transfers and subsidies | 30 636 | 33 310 | 35 571 | 36 583 | 6.1% | 26.5% | 43 768 | 41 409 | 43 604 | 6.0% | 27.2% |
| Foreign governments and international organisations | 10 832 | 12 360 | 13 145 | 15 243 | 12.1% | 10.0% | 19 277 | 15 791 | 16 629 | 2.9% | 11.0% |
| Public corporations and private enterprises | 19 747 | 20 840 | 22 298 | 21 292 | 2.5% | 16.4% | 24 491 | 25 618 | 26 975 | 8.2% | 16.2% |
| Households | 57 | 110 | 128 | 48 | -5.6% | 0.1% | — | — | — | -100.0% | — |
| Payments for capital assets | 541 | 707 | 482 | 520 | -1.3% | 0.4% | 881 | 796 | 838 | 17.2% | 0.5% |
| Machinery and equipment | 541 | 707 | 482 | 520 | -1.3% | 0.4% | 881 | 759 | 799 | 15.4% | 0.5% |
| Software and other intangible assets | — | — | — | — | — | — | — | 37 | 39 | — | — |
| Total | 106 949 | 132 920 | 132 705 | 141 638 | 9.8% | 100.0% | 147 197 | 154 812 | 163 780 | 5.0% | 100.0% |
| Proportion of total programme expenditure to vote expenditure | 1.8% | 2.0% | 1.6% | 1.5% | | | 1.5% | 1.4% | 1.4% | | |

Details of transfers and subsidies

| | | | | | | | | | | | |
|--|--------|--------|--------|--------|-------|-------|--------|--------|--------|------|-------|
| Households | | | | | | | | | | | |
| Other transfers to households | | | | | | | | | | | |
| Current | – | 85 | 44 | – | – | – | – | – | – | – | – |
| Gifts and donations | – | 85 | 44 | – | – | – | – | – | – | – | – |
| Foreign governments and international organisations | | | | | | | | | | | |
| Current | 10 832 | 12 360 | 13 145 | 15 243 | 12.1% | 10.0% | 19 277 | 15 791 | 16 629 | 2.9% | 11.0% |
| Organisation for the Prohibition of Chemical Weapons | 2 312 | 2 647 | 2 970 | 4 220 | 22.2% | 2.4% | 4 473 | 4 678 | 4 926 | 5.3% | 3.0% |
| World Trade Organisation | 8 520 | 9 713 | 10 175 | 10 023 | 5.6% | 7.5% | 10 624 | 11 113 | 11 703 | 5.3% | 7.2% |

Table 36.7 International Trade and Economic Development

| Details of transfers and subsidies | | | | 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 | |
| Council for Geosciences | – | – | – | 1 000 | – | 0.2% | 1 030 | – | – | -100.0% | 0.3% |
| Comprehensive Nuclear Test-Ban Treaty Organisation | – | – | – | – | – | – | 3 150 | – | – | – | 0.5% |
| Households | | | | | | | | | | | |
| Social benefits | | | | | | | | | | | |
| Current | 57 | 25 | 84 | 48 | -5.6% | – | – | – | – | -100.0% | – |
| Employee social benefits | 57 | 25 | 84 | 48 | -5.6% | – | – | – | – | -100.0% | – |
| Public corporations and private enterprises | | | | | | | | | | | |
| Public corporations | | | | | | | | | | | |
| Other transfers to public corporations | | | | | | | | | | | |
| Current | 18 747 | 19 846 | 20 898 | 19 437 | 1.2% | 15.3% | 23 373 | 24 460 | 25 756 | 9.8% | 15.3% |
| Development Bank of Southern Africa: Regional spatial development initiative | 16 500 | 17 500 | 18 500 | 16 605 | 0.2% | 13.4% | 20 689 | 21 663 | 22 811 | 11.2% | 13.5% |
| Protechnik Laboratories | 2 247 | 2 346 | 2 398 | 2 832 | 8.0% | 1.9% | 2 684 | 2 797 | 2 945 | 1.3% | 1.9% |
| Capital | 1 000 | 994 | 1 400 | 1 855 | 22.9% | 1.0% | 1 118 | 1 158 | 1 219 | -13.1% | 0.9% |
| Protechnik Laboratories | 1 000 | 994 | 1 400 | 1 855 | 22.9% | 1.0% | 1 118 | 1 158 | 1 219 | -13.1% | 0.9% |

Personnel information

Table 36.8 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 | | | |
|--|---|---|--|------|-----------|------------------|------|-----------|----------------------------------|------|-----------|--------|---------|-----------|-------------------------|---------------------------------|-------------------|--------|--------|
| 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 |
| International Trade and Economic Development | | | 152 | 71.8 | 0.5 | 151 | 75.7 | 0.5 | 151 | 82.0 | 0.5 | 151 | 85.0 | 0.6 | 151 | 90.6 | 0.6 | - | 100.0% |
| Salary level | 151 | 1 | 152 | 71.8 | 0.5 | 151 | 75.7 | 0.5 | 151 | 82.0 | 0.5 | 151 | 85.0 | 0.6 | 151 | 90.6 | 0.6 | - | 100.0% |
| 1 – 6 | 1 | - | 1 | 0.2 | 0.2 | 1 | 0.1 | 0.1 | 1 | 0.2 | 0.2 | 1 | 0.2 | 0.2 | 1 | 0.2 | 0.2 | - | 9.0% |
| 7 – 10 | 68 | 1 | 69 | 18.7 | 0.3 | 68 | 17.7 | 0.3 | 68 | 19.4 | 0.3 | 68 | 20.2 | 0.3 | 68 | 21.4 | 0.3 | - | 35.1% |
| 11 – 12 | 47 | - | 47 | 25.9 | 0.6 | 47 | 27.6 | 0.6 | 47 | 29.4 | 0.6 | 47 | 31.0 | 0.7 | 47 | 32.8 | 0.7 | - | 28.4% |
| 13 – 16 | 35 | - | 35 | 27.0 | 0.8 | 35 | 30.3 | 0.9 | 35 | 33.0 | 0.9 | 35 | 33.6 | 1.0 | 35 | 36.2 | 1.0 | - | 27.6% |

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 developing international trade relations and facilitating African economic development initiatives to build mutually beneficial regional and global relations to advance South Africa's trade, industrial policy and economic development objectives. This accounts for the significant spending over the medium term on compensation of employees, transfers to international bodies, and travel and subsistence. In addition, spending on compensation of employees on the programme's funded establishment of 151 posts at the end of November 2013 is projected to increase slightly over the medium term to ensure that the salaries of the personnel who perform these knowledge intensive activities remain competitive. Spending over this period is to ensure that the department reaches its target of 19 technical business missions and government-to-government platforms planned in 2016/17. These activities are carried out by the *International Trade and Development* subprogramme, where spending is projected to increase moderately as expenditure on travel and subsistence to represent the country in international trade negotiations is set to increase to R21.1 million by 2016/17. Expenditure in this subprogramme increased at an average annual rate of 12.5 per cent between 2010/11 and 2013/14, as the department was involved in trade negotiations with the European Union to establish a common trade in goods arrangement between the Southern African Customs Union and the EU.

At the end of November 2013, the programme had 10 vacancies, mainly due to the turnover of staff whose skills are in demand in the market. To give effect to Cabinet approved budget reductions, the department is to reduce spending on goods and services by R2.5 million over the medium term. The reductions are to be effected in spending on items such as communication, consultants, contractors, and venues and facilities. This will not

impact negatively on the programme's service delivery as the reduction is insignificant compared to the total programme budget.

Programme 3: Broadening Participation

Objectives

- Enhance economic growth and employment through fostering the growth of small, medium and micro enterprises and cooperatives by:
 - strengthening the establishment of 24 new incubators and support for 42 existing incubators by 2016/17
 - facilitating an increase in the number of small medium and micro enterprises (SMMEs) receiving business development support from the Small Enterprise Development Agency through its technology programme to 3 052 over the medium term, and the creation of 970 new enterprises over the medium term
 - coordinating the establishment of small scale cooperatives through the implementation of the Co-operatives Amendment Act (2013) to contribute to poverty reduction over the medium term
 - promoting entrepreneurship through the creation and support of centres of entrepreneurship over the medium term
 - supporting 80 industrial innovation projects and enabling 5 058 students to participate in the development of new technologies over the medium term.
- Phase in the implementation of the national informal business upliftment strategy to create an enabling environment for the mainstreaming and competitiveness of the informal business sector, by convening stakeholder workshops on the policy documents and the strategy, with 2 reviews in 2014.
- Facilitate financial and non-financial support for youth enterprises through the implementation of the youth enterprise development strategy by developing action plans on a quarterly basis over the medium term.
- Strengthen the department's capacity to implement the Broad Based Black Economic Empowerment Act (2003) by developing an action plan and convening stakeholder workshops in 2014, and establishing a broad based black economic empowerment commission by 2015/16.

Subprogrammes

- *Enterprise Development* is discussed in more detail below.
- *Equity and Empowerment* promotes broad based black economic empowerment (BEE) and women empowerment. Transfer payments are made to organisations that support entrepreneurial empowerment and transformation, such as the Isivande Women's Fund, which provides affordable finance to all sectors of the economy with particular emphasis on rural enterprises, and the South African Women Entrepreneurs' Network, which supports women entrepreneurship by developing networking facilities. In 2012/13, the black economic empowerment (BEE) legislation and codes of good practice were reviewed to support an environment for restructuring the South African economy to enable the meaningful participation of black people, women, youth, and people living with disabilities. The 2012 Broad-Based Black Economic Empowerment Amendment Bill was endorsed by the portfolio committee on trade and industry in 2013/14. This subprogramme had a staff complement of 33 at the end of November 2013.
- *Regional Economic Development* promotes spatially balanced economic development and productivity improvements by developing policies, strategies and programmes that focus on underdeveloped regions. In 2012/13, the regional industrial development strategy was developed. The strategy aims to unlock the economic potential of lagging regions and facilitate their industrialisation. In 2013/14, the strategy was implemented in phases with the focus being on completing 50 per cent of the special economic zones pre-feasibility studies. In addition, transfer payments were made to the University of Johannesburg's capacity building programme for economic development. The programme is contributing towards broadening and deepening the pool of skills required to support economic development, primarily at a local government level. This subprogramme had a staff complement of 39 at the end of November 2013.

Expenditure estimates

Table 36.9 Broadening Participation

| Subprogramme | | | | 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 | | |
| Enterprise Development | 732 170 | 816 799 | 846 191 | 930 444 | 8.3% | 91.7% | 902 464 | 947 290 | 999 420 | 2.4% | 90.1% |
| Equity and Empowerment | 39 547 | 35 970 | 32 898 | 39 573 | – | 4.1% | 52 853 | 58 522 | 63 458 | 17.0% | 5.1% |
| Regional Economic Development | 26 360 | 34 744 | 50 604 | 40 290 | 15.2% | 4.2% | 50 460 | 54 361 | 55 187 | 11.1% | 4.8% |
| Total | 798 077 | 887 513 | 929 693 | 1 010 307 | 8.2% | 100.0% | 1 005 777 | 1 060 173 | 1 118 065 | 3.4% | 100.0% |
| Change to 2013 Budget estimate | | | | 42 000 | | | 1 824 | 5 316 | – | | |

Economic classification

| | | | | | | | | | | | |
|--|----------------|----------------|----------------|------------------|--------------|---------------|------------------|------------------|------------------|---------------|---------------|
| Current payments | 62 046 | 77 933 | 89 361 | 107 326 | 20.0% | 9.3% | 105 806 | 117 233 | 123 631 | 4.8% | 10.8% |
| Compensation of employees | 40 989 | 49 504 | 57 502 | 74 222 | 21.9% | 6.1% | 75 234 | 90 637 | 94 482 | 8.4% | 8.0% |
| Goods and services | 21 057 | 28 429 | 31 859 | 33 104 | 16.3% | 3.2% | 30 572 | 26 596 | 29 149 | -4.2% | 2.8% |
| of which: | | | | | | | | | | | |
| Administration fees | 160 | 99 | 201 | 393 | 34.9% | – | 200 | 259 | 268 | -12.0% | – |
| Advertising | 869 | 17 | 60 | 619 | -10.7% | – | 366 | 454 | 128 | -40.9% | – |
| Assets less than the capitalisation threshold | 16 | 16 | 10 | 47 | 43.2% | – | 7 | 4 | 8 | -44.6% | – |
| Catering: Departmental activities | 510 | 352 | 459 | 827 | 17.5% | 0.1% | 663 | 805 | 889 | 2.4% | 0.1% |
| Communication | 337 | 351 | 410 | 458 | 10.8% | – | 590 | 552 | 579 | 8.1% | 0.1% |
| Computer services | 647 | 100 | – | 500 | -8.2% | – | 950 | 570 | – | -100.0% | – |
| Consultants and professional services: | 6 470 | 8 579 | 7 114 | 3 417 | -19.2% | 0.7% | 12 067 | 8 977 | 9 614 | 41.2% | 0.8% |
| Business and advisory services | – | 1 055 | 705 | 1 522 | – | 0.1% | 894 | 1 013 | 1 066 | -11.2% | 0.1% |
| Consultants and professional services: | – | – | – | – | – | – | – | – | – | – | – |
| Legal costs | – | – | – | – | – | – | – | – | – | – | – |
| Contractors | 509 | 263 | 1 102 | 1 504 | 43.5% | 0.1% | 750 | 691 | 746 | -20.8% | 0.1% |
| Agency and support / outsourced services | 419 | 1 956 | 6 | – | -100.0% | 0.1% | – | 133 | 139 | – | – |
| Entertainment | 4 | 5 | 7 | 18 | 65.1% | – | 18 | 14 | 13 | -10.3% | – |
| Fleet services (including government motor transport) | 4 | 20 | 42 | 10 | 35.7% | – | – | – | – | -100.0% | – |
| Inventory: Fuel, oil and gas | – | – | – | 10 | – | – | – | – | – | -100.0% | – |
| Inventory: Materials and supplies | – | – | – | – | – | – | 2 | – | – | – | – |
| Inventory: Other supplies | 10 | 6 | 4 | – | -100.0% | – | – | – | – | – | – |
| Consumable supplies | – | – | – | 7 | – | – | 5 | – | – | -100.0% | – |
| Consumable: Stationery, printing and office supplies | 722 | 741 | 738 | 1 058 | 13.6% | 0.1% | 1 378 | 976 | 973 | -2.8% | 0.1% |
| Operating leases | 166 | 124 | 158 | 311 | 23.3% | – | 277 | 372 | 403 | 9.0% | – |
| Property payments | 2 | 4 | 2 | – | -100.0% | – | 9 | 162 | 11 | – | – |
| Travel and subsistence | 7 047 | 12 074 | 16 736 | 16 110 | 31.7% | 1.4% | 8 810 | 8 550 | 11 000 | -11.9% | 1.1% |
| Training and development | 594 | 172 | 813 | 2 718 | 66.0% | 0.1% | – | 1 488 | 1 354 | -20.7% | 0.1% |
| Operating payments | 620 | 129 | 1 039 | 755 | 6.8% | 0.1% | 502 | 1 169 | 1 531 | 26.6% | 0.1% |
| Venues and facilities | 1 951 | 2 366 | 2 253 | 2 820 | 13.1% | 0.3% | 3 084 | 407 | 427 | -46.7% | 0.2% |
| Transfers and subsidies | 735 528 | 808 740 | 839 589 | 901 787 | 7.0% | 90.6% | 899 305 | 942 241 | 993 692 | 3.3% | 89.1% |
| Departmental agencies and accounts | 640 121 | 726 764 | 761 270 | 823 947 | 8.8% | 81.4% | 799 393 | 842 394 | 887 041 | 2.5% | 79.9% |
| Higher education institutions | – | – | 10 000 | 12 831 | – | 0.6% | 15 748 | 12 471 | 13 132 | 0.8% | 1.3% |
| Public corporations and private enterprises | 85 000 | 78 490 | 59 740 | 56 362 | -12.8% | 7.7% | 67 844 | 70 650 | 74 394 | 9.7% | 6.4% |
| Non-profit institutions | 10 300 | 3 125 | 7 900 | 8 335 | -6.8% | 0.8% | 16 320 | 16 726 | 19 125 | 31.9% | 1.4% |
| Households | 107 | 361 | 679 | 312 | 42.9% | – | – | – | – | -100.0% | – |
| Payments for capital assets | 503 | 840 | 743 | 1 194 | 33.4% | 0.1% | 666 | 699 | 742 | -14.7% | 0.1% |
| Machinery and equipment | 503 | 840 | 641 | 1 194 | 33.4% | 0.1% | 666 | 699 | 742 | -14.7% | 0.1% |
| Software and other intangible assets | – | – | 102 | – | – | – | – | – | – | – | – |
| Total | 798 077 | 887 513 | 929 693 | 1 010 307 | 8.2% | 100.0% | 1 005 777 | 1 060 173 | 1 118 065 | 3.4% | 100.0% |
| Proportion of total programme expenditure to vote expenditure | 13.8% | 13.0% | 11.2% | 10.6% | | | 10.2% | 9.7% | 9.3% | | |

Details of transfers and subsidies

| | | | | | | | | | | | |
|--|----------------|----------------|----------------|----------------|--------------|--------------|----------------|----------------|----------------|----------------|--------------|
| Households | | | | | | | | | | | |
| Other transfers to households | | | | | | | | | | | |
| Current | 107 | 246 | 534 | 312 | 42.9% | – | – | – | – | -100.0% | – |
| Bursaries for non-employees | – | – | – | 12 | – | – | – | – | – | -100.0% | – |
| Gifts and donations | 50 | 246 | 534 | 300 | 81.7% | – | – | – | – | -100.0% | – |
| Bursaries: for non-employees | 57 | – | – | – | -100.0% | – | – | – | – | – | – |
| Departmental agencies and accounts | | | | | | | | | | | |
| Departmental agencies (non-business entities) | | | | | | | | | | | |
| Current | 640 121 | 726 764 | 761 270 | 823 947 | 8.8% | 81.4% | 799 393 | 842 394 | 887 041 | 2.5% | 79.9% |
| Small Enterprise Development Agency | 401 621 | 441 514 | 441 570 | 525 371 | 9.4% | 49.9% | 498 282 | 527 470 | 555 426 | 1.9% | 50.2% |

Table 36.9 Broadening Participation

| Details of transfers and subsidies | | | | 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 | |
| Small Enterprise Development Agency: Technology programme | 76 000 | 120 000 | 153 000 | 123 295 | 17.5% | 13.0% | 126 368 | 132 181 | 139 187 | 4.1% | 12.4% |
| National Research Foundation: Technology and human resources for industry programme | 151 000 | 155 000 | 157 000 | 161 630 | 2.3% | 17.2% | 165 573 | 174 649 | 183 905 | 4.4% | 16.3% |
| National Productivity Institute: Workplace Challenge | 11 500 | 9 500 | 8 200 | 13 651 | 5.9% | 1.2% | 9 170 | 8 094 | 8 523 | -14.5% | 0.9% |
| Independent Regulatory Board of Auditors | – | 750 | 1 500 | – | – | 0.1% | – | – | – | – | – |
| Non-profit institutions | | | | | | | | | | | |
| Current | 10 300 | 3 125 | 7 900 | 8 335 | -6.8% | 0.8% | 16 320 | 16 726 | 19 125 | 31.9% | 1.4% |
| South African Women Entrepreneurs Network | 10 300 | 3 125 | 7 900 | 8 335 | -6.8% | 0.8% | 16 320 | 16 726 | 19 125 | 31.9% | 1.4% |
| Higher education institutions | | | | | | | | | | | |
| Current | – | – | 10 000 | 12 831 | – | 0.6% | 15 748 | 12 471 | 13 132 | 0.8% | 1.3% |
| University of Johannesburg: Capacity building programme for economic development | – | – | 10 000 | 12 830 | – | 0.6% | 15 747 | 12 471 | 13 132 | 0.8% | 1.3% |
| Wits Business School: Centre for entrepreneurship | – | – | – | 1 | – | – | 1 | – | – | -100.0% | – |
| Households | | | | | | | | | | | |
| Social benefits | | | | | | | | | | | |
| Current | – | 115 | 145 | – | – | – | – | – | – | – | – |
| Employee social benefit | – | 115 | 145 | – | – | – | – | – | – | – | – |
| Public corporations and private enterprises | | | | | | | | | | | |
| Public corporations | | | | | | | | | | | |
| Other transfers to public corporations | | | | | | | | | | | |
| Current | 10 500 | 10 700 | – | 1 000 | -54.3% | 0.6% | 11 190 | 11 251 | 11 847 | 128.0% | 0.8% |
| Industrial Development Corporation: Isivande women's fund | 10 500 | 10 700 | – | 1 000 | -54.3% | 0.6% | 11 190 | 11 251 | 11 847 | 128.0% | 0.8% |
| Capital | 74 500 | 64 790 | 57 740 | 53 861 | -10.2% | 6.9% | 55 153 | 57 827 | 60 892 | 4.2% | 5.4% |
| Industrial Development Corporation: Support Programme for Industrial Innovation | 74 500 | 59 789 | 52 740 | 53 860 | -10.2% | 6.6% | 55 152 | 57 827 | 60 892 | 4.2% | 5.4% |
| Industrial Development Corporation: Technology venture capital | – | 5 001 | 5 000 | 1 | – | 0.3% | 1 | – | – | -100.0% | – |
| Public corporations and private enterprises | | | | | | | | | | | |
| Public corporations | | | | | | | | | | | |
| Public corporations - subsidies on products and production | | | | | | | | | | | |
| Current | – | 3 000 | 2 000 | 1 501 | – | 0.2% | 1 501 | 1 572 | 1 655 | 3.3% | 0.1% |
| Council for Scientific and Industrial Research: Fibre and textile centre of excellence | – | 3 000 | 2 000 | 1 501 | – | 0.2% | 1 501 | 1 572 | 1 655 | 3.3% | 0.1% |

Personnel information

Table 36.10 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 | | | | | | | | | | | | | | | 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 | |
| Broadening Participation | | | 133 | 57.5 | 0.4 | 134 | 74.2 | 0.6 | 134 | 75.2 | 0.6 | 134 | 90.6 | 0.7 | 134 | 94.5 | 0.7 | – | 100.0% |
| 1 – 6 | 12 | 6 | 9 | 0.7 | 0.1 | 12 | 2.4 | 0.2 | 12 | 2.4 | 0.2 | 12 | 2.5 | 0.2 | 12 | 2.2 | 0.2 | – | 9.0% |
| 7 – 10 | 47 | 3 | 33 | 7.8 | 0.2 | 47 | 18.7 | 0.4 | 47 | 16.5 | 0.4 | 47 | 20.3 | 0.4 | 47 | 20.4 | 0.4 | – | 35.1% |
| 11 – 12 | 38 | 5 | 38 | 27.8 | 0.7 | 38 | 29.5 | 0.8 | 38 | 28.7 | 0.8 | 38 | 31.2 | 0.8 | 38 | 33.0 | 0.9 | – | 28.4% |
| 13 – 16 | 37 | 4 | 53 | 21.3 | 0.4 | 37 | 23.7 | 0.6 | 37 | 27.6 | 0.7 | 37 | 36.6 | 1.0 | 37 | 38.9 | 1.1 | – | 27.6% |

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: broadening economic participation and employment by financing the development of small enterprises, promoting entrepreneurship and small enterprise development, and giving effect to the provisions of the amended Co-operatives Act (2005); and implementing policies,

legislation and strategies, such as the amended broad based black economic empowerment legislation, the national strategic framework on gender and women economic empowerment and the regional industrial development strategy, in the *Regional Economic Development* and *Equity and Empowerment* subprogrammes.

At 79.9 per cent of the total budget, transfers to departmental agencies and accounts are the largest spending item over the medium term. These are largely undertaken in the *Enterprise Development* subprogramme and take the form of transfers to aid small enterprises, incubation, and technological skills, among others. More information about this is provided below under the selected subprogramme discussion. Compensation of employees is the second largest item of expenditure in this programme over the seven-year period due to the labour intensive work of the programme, with significant growth in expenditure notable between 2010/11 and 2013/14 for capacitating the programme. Spending on compensation of employees is projected to increase over the medium term to provide for improved conditions of service. At the end of November 2013, the programme had an approved establishment of 134 posts and 18 additional posts, with 9 vacancies. Vacant posts were mainly due to staff turnover and natural attrition.

While expenditure on goods and services is set to decline over the medium term to give effect to Cabinet approved budget reductions, the department has implemented cost-cutting measures with reductions in spending on contractors, venues and facilities. However, expenditure on consultants is set to grow significantly over the medium term for legislative drafting and review; research, monitoring and evaluation; feasibility studies; and trend analysis. These are all functions for which the skills are not available internally.

Subprogramme: Enterprise Development

This subprogramme creates an enabling environment conducive to the development and growth of informal businesses, SMMEs and cooperative enterprises. It also provides a broad range of business development support. In 2012/13, the incubation support programme was introduced with a view to establishing 250 incubators by 2015/2016. In 2012/13, 13 applications were approved with a total project value of R373 million in sectors ranging from renewable energy, ICT, agro-processing, chemicals, mining, and clothing and textiles. At the end of September 2013, applications to the value of approximately R410 million had been approved, with a total value of investment to be made of R817 million, and over 19 500 jobs to be created.

In 2012/13, the Co-operatives Act (2005) was reviewed with the aim of enhancing institutional mechanisms by establishing the cooperatives development departmental component, which will provide business development support to cooperatives; and establishing a cooperatives tribunal, which will adjudicate disputes. In August 2013, the president approved the Co-operatives Amendment Act (2013). In addition, the guidelines and programme for red tape reduction were launched in the second quarter of 2013/14, to provide a supportive regulatory environment for SMME entrepreneurship.

50 per cent of total transfers go to the Small Enterprise Development Agency, which provides non-financial business development and support services to small enterprises, and 16 per cent to the agency's technology programme. Other large transfers are made to the National Research Foundation technology for human resources and industry programme, and the Industrial Development Corporation of South Africa support programme for industrial innovation. The subprogramme had a funded establishment of 62 in 2013/14.

Expenditure estimates

Table 36.11 Enterprise Development

| 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 | |
| Current payments | 17 451 | 22 559 | 26 286 | 50 920 | 42.9% | 3.5% | 46 191 | 45 261 | 49 583 | -0.9% | 5.1% |
| Compensation of employees | 10 690 | 12 886 | 16 757 | 39 041 | 54.0% | 2.4% | 39 499 | 41 552 | 44 314 | 4.3% | 4.3% |
| Goods and services | 6 761 | 9 673 | 9 529 | 11 879 | 20.7% | 1.1% | 6 692 | 3 709 | 5 269 | -23.7% | 0.7% |
| of which: | | | | | | | | | | | |
| Administration fees | 115 | 22 | – | 79 | -11.8% | – | 10 | 59 | 64 | -6.8% | – |
| Advertising | 73 | – | – | 486 | 88.1% | – | – | 15 | 16 | -68.0% | – |
| Assets less than the capitalisation threshold | – | 9 | – | 23 | – | – | 4 | 1 | 5 | -39.9% | – |

Table 36.11 Enterprise Development

| 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 | 53 | 60 | 160 | 370 | 91.1% | — | 161 | 182 | 194 | -19.4% | — |
| Communication | 71 | 84 | 111 | 209 | 43.3% | — | 237 | 235 | 245 | 5.4% | — |
| Computer services | — | — | — | 500 | — | — | — | — | — | -100.0% | — |
| Consultants and professional services: Business and advisory services | 3 728 | 5 510 | 992 | 1 327 | -29.1% | 0.3% | 1 879 | 380 | 564 | -24.8% | 0.1% |
| Consultants and professional services: Legal costs | — | — | — | 500 | — | — | — | — | — | -100.0% | — |
| Contractors | — | 51 | 457 | 1 149 | — | — | — | — | — | -100.0% | — |
| Entertainment | 1 | — | — | 10 | 115.4% | — | 10 | 6 | 4 | -26.3% | — |
| Fleet services (including government motor transport) | — | 1 | 10 | — | — | — | — | — | — | — | — |
| Inventory: Other supplies | 2 | — | 2 | — | -100.0% | — | — | — | — | — | — |
| Consumable: Stationery, printing and office supplies | 334 | 187 | 148 | 584 | 20.5% | — | 466 | 427 | 393 | -12.4% | — |
| Operating leases | 37 | 56 | 61 | 148 | 58.7% | — | 150 | 150 | 158 | 2.2% | — |
| Travel and subsistence | 2 056 | 3 206 | 6 214 | 5 168 | 36.0% | 0.5% | 2 798 | 1 946 | 3 301 | -13.9% | 0.3% |
| Training and development | — | — | — | 54 | — | — | — | 308 | — | -100.0% | — |
| Operating payments | 37 | 18 | 910 | 512 | 140.1% | — | 294 | — | 325 | -14.1% | — |
| Venues and facilities | 254 | 469 | 464 | 760 | 44.1% | 0.1% | 683 | — | — | -100.0% | — |
| Transfers and subsidies | 714 621 | 793 957 | 819 786 | 879 309 | 7.2% | 96.5% | 856 047 | 901 793 | 949 588 | 2.6% | 94.9% |
| Departmental agencies and accounts | 640 121 | 726 014 | 759 770 | 823 947 | 8.8% | 88.7% | 799 393 | 842 394 | 887 041 | 2.5% | 88.7% |
| Public corporations and private enterprises | 74 500 | 67 790 | 59 740 | 55 362 | -9.4% | 7.7% | 56 654 | 59 399 | 62 547 | 4.2% | 6.2% |
| Households | — | 153 | 276 | — | — | — | — | — | — | — | — |
| Payments for capital assets | 98 | 283 | 119 | 215 | 29.9% | — | 226 | 236 | 249 | 5.0% | — |
| Machinery and equipment | 98 | 283 | 119 | 215 | 29.9% | — | 226 | 236 | 249 | 5.0% | — |
| Total | 732 170 | 816 799 | 846 191 | 930 444 | 8.3% | 100.0% | 902 464 | 947 290 | 999 420 | 2.4% | 100.0% |
| Proportion of total subprogramme expenditure to programme expenditure | 91.7% | 92.0% | 91.0% | 92.1% | | | 89.7% | 89.4% | 89.4% | | |

Personnel information

Table 36.12 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 | | 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 | |
| Enterprise Development | | | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | Cost | Unit Cost | | |
| Salary Level | 62 | 9 | 52 | 16.8 | 0.3 | 62 | 39.0 | 0.63 | 62 | 39.5 | 0.6 | 63 | 41.6 | 0.7 | 63 | 44.3 | 0.7 | 0.5% | 100.0% |
| 1 – 6 | 4 | 4 | – | 0.4 | – | 4 | 0.4 | 0.1 | 4 | 0.4 | 0.1 | 4 | 0.4 | 0.1 | 4 | 0.5 | 0.1 | – | 6.4% |
| 7 – 10 | 23 | 1 | 22 | 5.5 | 0.3 | 24 | 5.9 | 0.2 | 24 | 6.3 | 0.3 | 24 | 6.6 | 0.3 | 24 | 6.9 | 0.3 | – | 38.4% |
| 11 – 12 | 17 | 2 | 15 | 9.1 | 0.6 | 16 | 9.7 | 0.6 | 16 | 10.3 | 0.7 | 16 | 10.9 | 0.7 | 16 | 11.5 | 0.7 | – | 25.6% |
| 13 – 16 | 18 | 2 | 15 | 14.3 | 1.0 | 18 | 15.2 | 0.9 | 18 | 16.2 | 0.9 | 19 | 17.1 | 0.9 | 19 | 18.0 | 1.0 | 1.8% | 29.6% |
| Other | – | – | – | (12.5) | – | – | 7.9 | – | – | 6.3 | – | – | 6.5 | – | – | 7.4 | – | – | – |

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 expanding the contribution of SMMEs and cooperative enterprises to job creation and economic growth by funding technology and skills development programmes, promoting centres of entrepreneurship, and implementing the informal business upliftment and youth enterprise development strategies. The funding is provided by way of transfers to the Small Enterprise Development Agency and the National Research Foundation. The agency provides non-financial business development and support services to SMMEs, and supports early technology ventures aimed at increasing competitiveness through the small enterprise development technology programme, which is projected to increase the number of technology incubators supported from 42 in 2013/14 to 60 in 2016/17, and to create 970 new enterprises over the medium term. The transfer to the foundation supports research and technology development through the

technology for human resources programme, with a target of skills being transferred to 2 000 students and 800 researchers by 2016/17.

Due to the new cooperative development departmental component, and the need to increase capacity, spending on compensation of employees grew by 54 per cent between 2010/11 and 2013/14, and is expected to grow modestly over the medium term. To give effect to Cabinet approved budget reductions, the department is to spending on goods and services over the medium term. This subprogramme had a total of 62 funded posts to the establishment at the end of November 2013, and 6 vacancies, which will be filled by 2014/15.

Programme 4: Industrial Development

Objectives

- To achieve its objectives, the Industrial Development programme requires advocacy work, and the development and deployment of industrial policy instruments to prevent industrial decline. The programme will support the growth and diversification of South Africa's manufacturing sector by:
 - facilitating diversification beyond the current reliance on traditional commodities and non-tradable services in priority sectors over the medium term
 - promoting the long term intensification of South Africa's industrialisation process and movement towards a knowledge economy on an ongoing basis
 - promoting a more labour absorbing industrialisation path with a particular emphasis on tradable labour absorbing goods and services, and economic linkages that catalyse employment creation over the medium term
 - promoting a broader based industrialisation path characterised by increased participation in the mainstream of the industrial economy over the medium term of historically disadvantaged people and marginalised regions
 - contributing to industrial development on the African continent, with a strong emphasis on building its productive capacity over the medium term.
- Specific interventions contained in the three-year industrial policy action plan, which is produced and reviewed annually, include the development of sector specific action plans to expand value added activities in existing and new sectors of the economy; the deployment of skills initiatives to support industrial development; and the creation of economic benefits for South African industries by leveraging off government procurement.

Subprogrammes

- *Industrial Competitiveness* develops policies, strategies and programmes to strengthen the ability of manufacturing, and other value adding sectors, to create decent jobs, and increase value addition and competitiveness in domestic and export markets, as set out in the annual three-year rolling industrial policy action plan. The fourth industrial policy action plan was launched in April 2013, setting out transversal and sector specific programmes and key action plans with time bound milestones. Transfer payments are made to various public entities, including the South African Bureau of Standards, the National Metrology Institute of South Africa, the National Regulator for Compulsory Specifications, the South African National Accreditation System, the Council for Scientific and Industrial Research for the national cleaner production centre of South Africa, and Proudly South African. This subprogramme had a staff complement of 55 at the end of November 2013.
- *Customised Sector Programmes* develops and implements high impact sector strategies focused on manufacturing and other value adding sectors to create decent jobs and increase value addition and competitiveness in domestic and export markets, as set out in the annual three-year rolling industrial policy action plan. In 2010/11, the clothing and textiles competitiveness programme was developed to introduce an important production and competitiveness enhancement incentive, which encourages production and job creation activities more directly. By the end of September 2013, 728 enterprises had been supported and approximately 62 350 jobs had been saved. Transfer payments are made to various public entities, including the Industrial Development Corporation of South Africa for the clothing and textiles production incentive;

customised sector programmes at the Council for Scientific and Industrial Research for the aerospace industry programme; the National Foundry Technology Network; the Intsimbi national tooling initiative; and the Centurion Aerospace Village. This subprogramme had a staff complement of 116 at the end of November 2013.

Expenditure estimates

Table 36.13 Industrial 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 | | 2014/15 | 2015/16 | 2016/17 | 2013/14 - 2016/17 | |
| Industrial Competitiveness | 534 452 | 479 327 | 476 772 | 560 673 | 1.6% | 36.4% | 657 302 | 745 737 | 788 635 | 12.0% | 35.8% |
| Customised Sector Programmes | 638 177 | 849 344 | 1 044 318 | 1 055 551 | 18.3% | 63.6% | 1 139 522 | 1 332 768 | 1 403 912 | 10.0% | 64.2% |
| Total | 1 172 629 | 1 328 671 | 1 521 090 | 1 616 224 | 11.3% | 100.0% | 1 796 824 | 2 078 505 | 2 192 547 | 10.7% | 100.0% |
| Change to 2013 Budget estimate | | | | 9 700 | | | 25 511 | 28 675 | - | | |
| Economic classification | | | | | | | | | | | |
| Current payments | 69 794 | 85 693 | 94 916 | 116 351 | 18.6% | 6.5% | 129 027 | 128 869 | 138 638 | 6.0% | 6.7% |
| Compensation of employees | 54 046 | 62 140 | 74 726 | 89 413 | 18.3% | 5.0% | 102 646 | 101 691 | 107 924 | 6.5% | 5.2% |
| Goods and services | 15 748 | 23 553 | 20 190 | 26 938 | 19.6% | 1.5% | 26 381 | 27 178 | 30 714 | 4.5% | 1.4% |
| of which: | | | | | | | | | | | |
| Administration fees | 30 | 19 | 68 | 18 | -15.7% | - | 87 | 192 | 211 | 127.2% | - |
| Advertising | 584 | - | 2 412 | - | -100.0% | 0.1% | - | - | - | - | - |
| Assets less than the capitalisation threshold | 15 | 25 | 22 | 67 | 64.7% | - | 77 | 77 | 82 | 7.0% | - |
| Catering: Departmental activities | 311 | 356 | 220 | 396 | 8.4% | - | 290 | 365 | 389 | -0.6% | - |
| Communication | 463 | 500 | 521 | 636 | 11.2% | - | 686 | 671 | 727 | 4.6% | - |
| Computer services | 31 | - | - | 112 | 53.4% | - | 84 | 87 | 93 | -6.0% | - |
| Consultants and professional services: | 3 363 | 10 020 | 5 148 | 9 126 | 39.5% | 0.5% | 11 969 | 10 273 | 12 635 | 11.5% | 0.6% |
| Business and advisory services | - | 273 | 182 | - | - | - | - | - | - | - | - |
| Consultants and professional services: | - | 273 | 182 | - | - | - | - | - | - | - | - |
| Legal costs | - | 273 | 182 | - | - | - | - | - | - | - | - |
| Contractors | 15 | 6 | 10 | 50 | 49.4% | - | 69 | 113 | 114 | 31.6% | - |
| Agency and support / outsourced services | 203 | 130 | - | - | -100.0% | - | - | 53 | 47 | - | - |
| Entertainment | 5 | 2 | 4 | 38 | 96.6% | - | 37 | 55 | 56 | 13.8% | - |
| Fleet services (including government motor transport) | 2 | 1 | 8 | 5 | 35.7% | - | 5 | 5 | 5 | - | - |
| Inventory: Learner and teacher support material | 1 | - | - | - | -100.0% | - | - | - | - | - | - |
| Inventory: Materials and supplies | - | 1 | 1 | 5 | - | - | 10 | 10 | 10 | 26.0% | - |
| Inventory: Other supplies | 9 | 14 | 15 | - | -100.0% | - | - | - | - | - | - |
| Consumable supplies | - | - | - | 152 | - | - | 183 | 184 | 191 | 7.9% | - |
| Consumable: Stationery, printing and office supplies | 765 | 795 | 472 | 1 110 | 13.2% | 0.1% | 1 081 | 1 061 | 1 127 | 0.5% | 0.1% |
| Operating leases | 99 | 89 | 145 | 45 | -23.1% | - | 95 | 93 | 101 | 30.9% | - |
| Property payments | 2 | - | 2 | - | -100.0% | - | - | - | - | - | - |
| Travel and subsistence | 7 399 | 8 181 | 9 283 | 12 045 | 17.6% | 0.7% | 8 749 | 10 713 | 11 464 | -1.6% | 0.6% |
| Training and development | 6 | - | - | 327 | 279.1% | - | 29 | 31 | 33 | -53.4% | - |
| Operating payments | 1 113 | 1 832 | 915 | 1 021 | -2.8% | 0.1% | 1 196 | 1 227 | 1 310 | 8.7% | 0.1% |
| Venues and facilities | 1 332 | 1 309 | 762 | 1 785 | 10.2% | 0.1% | 1 734 | 1 968 | 2 119 | 5.9% | 0.1% |
| Transfers and subsidies | 1 102 309 | 1 241 108 | 1 425 541 | 1 498 865 | 10.8% | 93.4% | 1 667 043 | 1 948 945 | 2 053 181 | 11.1% | 93.3% |
| Departmental agencies and accounts | 108 800 | 155 377 | 192 593 | 282 415 | 37.4% | 13.1% | 348 010 | 404 659 | 426 107 | 14.7% | 19.0% |
| Higher education institutions | 14 793 | 14 800 | 22 600 | 3 | -94.1% | 0.9% | 3 | 3 | 3 | - | - |
| Foreign governments and international organisations | 12 096 | 12 996 | 4 789 | 5 275 | -24.2% | 0.6% | 5 592 | 5 849 | 6 159 | 5.3% | 0.3% |
| Public corporations and private enterprises | 854 049 | 1 004 669 | 1 125 180 | 1 115 338 | 9.3% | 72.7% | 1 192 990 | 1 414 356 | 1 489 305 | 10.1% | 67.8% |
| Non-profit institutions | 112 354 | 53 000 | 80 168 | 95 784 | -5.2% | 6.1% | 120 448 | 124 078 | 131 607 | 11.2% | 6.1% |
| Households | 217 | 266 | 211 | 50 | -38.7% | - | - | - | - | -100.0% | - |
| Payments for capital assets | 526 | 1 070 | 633 | 1 008 | 24.2% | 0.1% | 754 | 691 | 728 | -10.3% | - |
| Machinery and equipment | 526 | 1 070 | 633 | 978 | 23.0% | 0.1% | 754 | 691 | 728 | -9.4% | - |
| Software and other intangible assets | - | - | - | 30 | - | - | - | - | - | -100.0% | - |
| Payments for financial assets | - | 800 | - | - | - | - | - | - | - | - | - |
| Total | 1 172 629 | 1 328 671 | 1 521 090 | 1 616 224 | 11.3% | 100.0% | 1 796 824 | 2 078 505 | 2 192 547 | 10.7% | 100.0% |
| Proportion of total programme expenditure to vote expenditure | 20.2% | 19.5% | 18.4% | 17.0% | | | 18.3% | 19.0% | 18.3% | | |

Table 36.13 Industrial Development

| Details of transfers and subsidies | | | | 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 |
| Households | | | | | | | | | | | |
| Other transfers to households | | | | | | | | | | | |
| Current | 67 | – | – | 50 | -9.3% | – | – | – | – | -100.0% | – |
| Gifts and donations | 67 | – | – | 50 | -9.3% | – | – | – | – | -100.0% | – |
| Departmental agencies and accounts | | | | | | | | | | | |
| Departmental agencies (non-business entities) | | | | | | | | | | | |
| Current | 108 800 | 130 377 | 192 593 | 222 415 | 26.9% | 11.6% | 237 010 | 250 060 | 263 314 | 5.8% | 12.7% |
| South African National Accreditation System | 18 239 | 30 623 | 30 676 | 33 473 | 22.4% | 2.0% | 35 712 | 37 652 | 39 648 | 5.8% | 1.9% |
| National Metrology Institute of South Africa | 57 519 | 62 581 | 82 233 | 85 942 | 14.3% | 5.1% | 91 564 | 96 296 | 101 400 | 5.7% | 4.9% |
| National Regulator for Compulsory Specifications | 33 042 | 37 173 | 79 684 | 103 000 | 46.1% | 4.5% | 109 734 | 116 112 | 122 266 | 5.9% | 5.9% |
| Capital | – | 25 000 | – | 60 000 | – | 1.5% | 111 000 | 154 599 | 162 793 | 39.5% | 6.4% |
| National Metrology Institute of South Africa: Infrastructure | – | 25 000 | – | 60 000 | – | 1.5% | 111 000 | 154 599 | 162 793 | 39.5% | 6.4% |
| Non-profit institutions | | | | | | | | | | | |
| Current | 79 900 | 53 000 | 80 168 | 95 784 | 6.2% | 5.5% | 120 448 | 124 078 | 131 607 | 11.2% | 6.1% |
| Intsimbi national tooling initiative | 47 400 | 36 000 | 49 168 | 54 434 | 4.7% | 3.3% | 67 700 | 70 353 | 74 082 | 10.8% | 3.5% |
| Centurion Aerospace Village | 5 000 | 10 000 | 15 000 | 15 800 | 46.7% | 0.8% | 16 748 | 17 517 | 18 445 | 5.3% | 0.9% |
| Trade and Industrial Policy Strategies | – | – | – | 6 000 | – | 0.1% | 6 000 | 4 000 | 4 212 | -11.1% | 0.3% |
| Proudly South African campaign | 27 500 | 7 000 | 16 000 | 19 550 | -10.8% | 1.2% | 30 000 | 32 208 | 34 868 | 21.3% | 1.5% |
| Capital | 32 454 | – | – | – | -100.0% | 0.6% | – | – | – | – | – |
| Centurion Aerospace Village | 32 454 | – | – | – | -100.0% | 0.6% | – | – | – | – | – |
| Foreign governments and international organisations | | | | | | | | | | | |
| Current | 12 096 | 12 996 | 4 789 | 5 275 | -24.2% | 0.6% | 5 592 | 5 849 | 6 159 | 5.3% | 0.3% |
| United Nations Industrial Development Organisation | 3 096 | 3 644 | 4 789 | 5 275 | 19.4% | 0.3% | 5 592 | 5 849 | 6 159 | 5.3% | 0.3% |
| United Nations Industrial Development Organisation: Automotive component supplier development programme | 7 000 | 7 152 | – | – | -100.0% | 0.3% | – | – | – | – | – |
| French Institute of South Africa: African programme on rethinking development economics | 2 000 | 2 200 | – | – | -100.0% | 0.1% | – | – | – | – | – |
| Higher education institutions | | | | | | | | | | | |
| Current | 14 793 | 14 800 | 22 600 | 3 | -94.1% | 0.9% | 3 | 3 | 3 | – | – |
| University of the Witwatersrand: National aerospace skills sector support centre | 9 000 | 6 300 | 12 400 | 1 | -95.2% | 0.5% | 1 | 1 | 1 | – | – |
| University of the North West: Advanced manufacturing skills sector support programme | 5 793 | 8 500 | 10 200 | 1 | -94.4% | 0.4% | 1 | 1 | 1 | – | – |
| University of Pretoria: Advanced engineering centre of excellence | – | – | – | 1 | – | – | 1 | 1 | 1 | – | – |
| Households | | | | | | | | | | | |
| Social benefits | | | | | | | | | | | |
| Current | 150 | 266 | 211 | – | -100.0% | – | – | – | – | – | – |
| Employee social benefits | 150 | 266 | 211 | – | -100.0% | – | – | – | – | – | – |
| Public corporations and private enterprises | | | | | | | | | | | |
| Public corporations | | | | | | | | | | | |
| Other transfers to public corporations | | | | | | | | | | | |
| Current | 669 908 | 887 198 | 1 055 828 | 1 094 112 | 17.8% | 65.7% | 1 170 490 | 1 390 822 | 1 464 524 | 10.2% | 66.6% |
| Council for Mineral Technology and Research: Customised sector programmes | 400 | – | – | – | -100.0% | – | – | – | – | – | – |
| Industrial Development Corporation: Customised sector programmes | 51 092 | 57 427 | 56 470 | 140 366 | 40.1% | 5.4% | 156 239 | 174 817 | 184 071 | 9.5% | 8.5% |
| Council for Scientific and Industrial Research: National cleaner production centre | 32 000 | 40 141 | 41 225 | 43 678 | 10.9% | 2.8% | 55 179 | 70 522 | 74 259 | 19.4% | 3.2% |
| South African Bureau of Standards: Research contribution | 178 845 | 181 496 | 185 930 | 204 967 | 4.6% | 13.3% | 220 078 | 253 268 | 266 691 | 9.2% | 12.3% |
| South African Bureau of Standards: Small business consulting | 1 071 | 1 134 | 1 203 | 1 482 | 11.4% | 0.1% | 1 381 | 1 445 | 1 522 | 0.9% | 0.1% |
| Industrial Development Corporation: Clothing and textile production incentive | 400 000 | 600 000 | 750 000 | 682 425 | 19.5% | 43.1% | 723 370 | 855 643 | 900 992 | 9.7% | 41.2% |
| Council for Scientific and Industrial Research: National foundry technology network: Metals | 6 500 | 7 000 | 21 000 | 21 194 | 48.3% | 1.0% | 14 243 | 35 127 | 36 989 | 20.4% | 1.4% |

Table 36.13 Industrial Development

Details of transfers and subsidies

| | 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 | | | | | | | | | | | |
| Capital | 184 141 | 117 471 | 69 352 | 21 226 | -51.3% | 7.0% | 22 500 | 23 534 | 24 781 | 5.3% | 1.2% |
| Council for Scientific and Industrial Research: Aerospace industry | 9 901 | 17 291 | 21 352 | 21 226 | 28.9% | 1.2% | 22 500 | 23 534 | 24 781 | 5.3% | 1.2% |
| South African Bureau of Standards: Upgrading of vehicle testing facility | – | 7 000 | – | – | – | 0.1% | – | – | – | – | – |
| South African Bureau of Standards | 174 240 | 93 180 | 48 000 | – | -100.0% | 5.6% | – | – | – | – | – |

Personnel information

Table 36.14 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 | | | | | |
| Industrial Development | | | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | Cost | Unit Cost | | |
| Salary level | 171 | 18 | 164 | 74.7 | 0.5 | 171 | 89.4 | 0.5 | 171 | 102.6 | 0.6 | 171 | 101.7 | 0.6 | 171 | 107.9 | 0.6 | – | 100.0% |
| 1 – 6 | 10 | 10 | 10 | 0.8 | 0.1 | 10 | 1.3 | 0.1 | 10 | 2.4 | 0.2 | 10 | 2.5 | 0.3 | 10 | 2.7 | 0.3 | – | 5.8% |
| 7 – 10 | 67 | 5 | 65 | 14.8 | 0.2 | 67 | 20.7 | 0.3 | 67 | 23.7 | 0.4 | 67 | 24.9 | 0.4 | 67 | 26.6 | 0.4 | – | 39.2% |
| 11 – 12 | 47 | 2 | 44 | 22.7 | 0.5 | 47 | 25.4 | 0.5 | 47 | 24.2 | 0.5 | 47 | 25.4 | 0.5 | 47 | 27.1 | 0.6 | – | 27.5% |
| 13 – 16 | 47 | 1 | 45 | 36.5 | 0.8 | 47 | 42.0 | 0.9 | 47 | 52.3 | 1.1 | 47 | 48.8 | 1.0 | 47 | 51.5 | 1.1 | – | 27.5% |

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 continue to be on strengthening the manufacturing and other value added sectors, such as clothing and textiles, metals, and pharmaceuticals, which generate employment and increased value in domestic and international markets. This will be done by implementing the key action programmes of the annual three-year rolling industrial policy action plan, the fourth iteration of which was released in 2013. The plan is implemented through the *Customised Sector Programmes* subprogramme, which uses the bulk of the programme's allocation over the seven-year period. Through funding the key clothing incentive mechanism, the programme created approximately 12 200 new, decent permanent jobs in the sector between 2010/11 and 2013/14.

Other transfers and subsidises, which make up 19 per cent of the total budget and increase over the medium term, are for assisting technical regulatory institutions to improve the industrial, safety, health technical standards and specifications, accreditation mechanisms and enforcement procedures, which they implement and which form a central pillar of South African industry. The focus enables the provision of additional resources to the National Regulator for Compulsory Specifications to build a culture of compliance, and allows for the upgrading of ageing equipment and facilities at the National Metrology Institute of South Africa. Other transfers to public corporations include programmes that address the manufacturing skills gap through the national tooling initiative and the national foundry technology network. At the end of November 2013, the programme had a total of 171 funded posts, which is expected to remain constant throughout the MTEF period. There were 17 vacancies, mainly due to natural attrition.

To give effect to Cabinet approved budget reductions, the department is to reduce spending in this programme by R8 million over the medium term. The reductions are to be effected in spending on consultants, and travel and subsistence. The reductions are not expected to adversely affect service delivery.

Programme 5: Consumer and Corporate Regulation

Objectives

- Increase access to economic opportunities for small businesses and historically disadvantaged citizens by

attracting domestic and foreign investment by 2016.

- Increase investor confidence and certainty in the economy by:
 - developing world class regulatory frameworks for the monitoring, compliance and enforcement of consumer and corporate regulations by 2017
 - conducting regulatory impact assessments that address financial, economic and social assessments, annually
 - reviewing and finalising amendments to legislation, including the Business Act (1991), the National Credit Act (2005), and the 2013 Licensing of Business Bill; and developing a regulatory framework for the lotteries in 2014/15
 - reviewing the Liquor Act (2003) and the National Gambling Act (2004); and developing policy on intellectual property and 2 regulatory frameworks emanating from the amended versions of the National Credit Act (2005) and the Business Act (1991) in 2015/16
 - reviewing the Consumer Protection Act (2008) and the Companies Act (2008), developing a regulatory framework for intellectual property by 2016/17, and protecting intellectual property rights by formulating policies and drafting legislation by 2018.
- Create competitive, fair and efficient markets by:
 - having effective financial, economic, governance and related regulatory institutions in place by 2015
 - conducting biannual regulatory impact assessments on consumer and corporate regulations.
- Enhance and protect consumer rights through improved consumer awareness of the dispute resolution institutions by monitoring the performance of the institutions on an ongoing basis.
- Create a business regulatory environment that promotes competitive, fair and efficient markets by:
 - continuously monitoring and evaluating institutional management through the implementation of the agency rationalisation project recommendations on performance and management
 - continuously monitoring, evaluating, and assessing the impact of the work of the department, including its focus on anti-piracy; formalising projects; and conducting market research, surveys and trend analyses.
- Provide access to redress for consumers and businesses to increase confidence in markets by monitoring compliance through inspections of facilities; and providing education and awareness of safety, health and environment standards on an ongoing basis.
- Review, amend and implement the framework to increase industry transformation, enhance consumer protection, and carry out socio-economic impact assessments annually.
- Coordinate the implementation of concurrent jurisdiction mandates by reviewing the Consumer Protection Act (2005) and the Gambling Act (2008) in 2016/17; and implementing the Lotteries Amendment Act (2013) over the medium term.
- Promote awareness of rights, duties and responsibilities to increase activism and public participation in consumer and corporate regulations by:
 - engaging with and providing support to institutions of higher learning and research institutions
 - advocating and capacitating fieldworkers so they can educate and raise awareness about available services and products in areas such as intellectual property for the protection of indigenous knowledge, and the amended Lotteries Act (1997), between 2014/15 and 2016/17.
- Share and exchange regulatory experience with partners nationally and internationally to promote simple, appropriate and more effective regulatory solutions by participating in international forums such as the World Intellectual Property Organisation and relevant trade and investment forums, and developing position papers for publication and ratification over the medium term.

Subprogrammes

- *Policy and Legislative Development* develops policies, laws and regulatory frameworks. Key activities in 2012/13 included the development of a policy framework and the 2013 Licensing of Businesses Bill; the finalisation of the policy framework for intellectual property, which incorporates the Copyright Review Commission report and which was adopted by Cabinet for public consultation; the 2013 National Credit

Amendment Bill; the policy framework and 2013 Lotteries Amendment Bill, which was developed and presented to Cabinet; and the development of the impact assessment study on the Liquor Act (2003) and draft policy by September 2013. This subprogramme had a staff complement of 33 at the end of November 2013.

- *Enforcement and Compliance* conducts trend analyses, impact assessments and market surveys, and monitors the effectiveness of regulation. Key activities in 2012/13 included implementing the governance in liquor regulation, the cooperative governance in liquor regulation, and compliance inspections with regard to the Africa Cup of Nations, carried out by 14 officials across 5 provinces for all 32 matches. By the end of September 2013, the process of updating and scanning liquor registration files had been completed, cancelled registrations had been closed, and the files had been archived. In 2013/14, alcohol abuse prevention strategies and campaigns were implemented through television, radio and print advertisements, reaching a viewership and listenership of approximately 31 million people. This subprogramme had a staff complement of 43 at the end of November 2013.
- *Regulatory Services* transfers funds to and oversees the following regulatory agencies: the National Consumer Tribunal; the National Credit Regulator; the National Gambling Board; the National Consumer Commission; the Companies and Intellectual Property Commission; the Companies Tribunal; the National Lotteries Board, which does not receive funding from the department but regulates the lotteries sector and facilitates the distribution of lottery funds to worthy organisations that serve public interest; the Takeover Regulation Panel; and the Financial Reporting Standards Council, which does not receive funding from the department but is responsible for regulating applicable transactions and the issuance of standards. A memorandum of agreement with the Congress of Traditional Leaders of South Africa was finalised in November 2011 to build and formalise relations and help the department to reach rural communities. 50 fieldworkers were deployed in 9 provinces, with another 50 to be deployed before the end of 2013/14. The multimedia anti-piracy campaign, which aims to curb illegal copying and to promote South African products, was relaunched in September 2013. In addition, formalisation workshops were held to encourage the creative industry to know the copyright law, formalise and register their businesses, register for tax, and gain access to government incentives and training programmes. The agency rationalisation project and its implementation plan, which recommends appropriate governance structures for regulatory agencies and aims to improve their efficiency and monitor them over the medium term, will be completed over the medium term. This subprogramme had a staff complement of 74 at the end of November 2013.

Expenditure estimates

Table 36.15 Consumer and Corporate Regulation

| Subprogramme | | | | Adjusted appropriation | Average growth rate (%) | Expenditure/total: Average (%) | | | | Average growth rate (%) | Expenditure/total: Average (%) |
|---|---------|---------|----------------------------------|------------------------|-------------------------|--------------------------------|---------|-------------------|---------|-------------------------|--------------------------------|
| Audited outcome | | | Medium-term expenditure estimate | | | | | | | | |
| R thousand | 2010/11 | 2011/12 | 2012/13 | | | | 2013/14 | 2010/11 - 2013/14 | 2014/15 | | |
| Policy and Legislative Development | 9 637 | 12 912 | 14 421 | 23 210 | 34.0% | 7.1% | 20 069 | 21 209 | 24 707 | 2.1% | 8.0% |
| Enforcement and Compliance | 36 348 | 16 118 | 14 458 | 20 945 | -16.8% | 10.4% | 34 549 | 38 402 | 38 098 | 22.1% | 11.8% |
| Regulatory Services | 99 036 | 189 534 | 194 689 | 212 002 | 28.9% | 82.4% | 222 638 | 227 328 | 237 949 | 3.9% | 80.3% |
| Total | 145 021 | 218 564 | 223 568 | 256 157 | 20.9% | 100.0% | 277 256 | 286 939 | 300 754 | 5.5% | 100.0% |
| Change to 2013 Budget estimate | | | | - | | | 29 014 | 28 664 | (3 216) | | |
| Economic classification | | | | | | | | | | | |
| Current payments | 51 830 | 38 521 | 43 050 | 71 777 | 11.5% | 24.3% | 71 988 | 73 204 | 76 896 | 2.3% | 26.2% |
| Compensation of employees | 39 711 | 26 482 | 30 021 | 49 328 | 7.5% | 17.3% | 49 562 | 52 311 | 55 763 | 4.2% | 18.5% |
| Goods and services | 12 119 | 12 039 | 13 029 | 22 449 | 22.8% | 7.1% | 22 426 | 20 893 | 21 133 | -2.0% | 7.8% |
| of which: | | | | | | | | | | | |
| Administration fees | - | - | - | 82 | - | - | 9 | - | - | -100.0% | - |
| Advertising | 193 | 709 | 855 | 2 900 | 146.8% | 0.6% | 2 500 | 2 563 | 599 | -40.9% | 0.8% |
| Assets less than the capitalisation threshold | 6 | - | 3 | - | -100.0% | - | 9 | - | - | - | - |
| Catering: Departmental activities | 372 | 333 | 1 063 | 846 | 31.5% | 0.3% | 691 | 695 | 741 | -4.3% | 0.3% |
| Communication (G&S) | 223 | 153 | 165 | 418 | 23.3% | 0.1% | 360 | 324 | 432 | 1.1% | 0.1% |
| Computer services | - | - | - | 1 000 | - | 0.1% | 1 492 | - | - | -100.0% | 0.2% |
| Consultants and professional services: | 4 258 | 3 184 | 2 307 | 5 560 | 9.3% | 1.8% | 7 561 | 7 423 | 8 432 | 14.9% | 2.6% |
| Business and advisory services | | | | | | | | | | | |
| Consultants and professional services: | 386 | 516 | 44 | 124 | -31.5% | 0.1% | 300 | 300 | 325 | 37.9% | 0.1% |
| Legal costs | | | | | | | | | | | |
| Contractors | 60 | 113 | 690 | 117 | 24.9% | 0.1% | - | 99 | 105 | -3.5% | - |

Table 36.15 Consumer and Corporate Regulation

| 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 | | | | 2013/14 - 2016/17 | | |
| Agency and support / outsourced services | 32 | 222 | — | — | -100.0% | — | — | — | — | — | |
| Entertainment | 5 | 3 | 4 | 8 | 17.0% | — | 7 | 7 | 7 | -4.4% | |
| Fleet services (including government motor transport) | 1 | 2 | 2 | 2 | 26.0% | — | — | — | — | -100.0% | |
| Inventory: Fuel, oil and gas | — | — | — | 1 | — | — | — | — | — | -100.0% | |
| Inventory: Other supplies | 1 | 5 | 4 | — | -100.0% | — | — | — | — | — | |
| Consumable supplies | — | — | — | 13 | — | — | — | — | — | -100.0% | |
| Consumable: Stationery, printing and office supplies | 486 | 634 | 327 | 588 | 6.6% | 0.2% | 631 | 680 | 723 | 7.1% | |
| Operating leases | 175 | 85 | 139 | 83 | -22.0% | 0.1% | 43 | 45 | 48 | -16.7% | |
| Travel and subsistence | 4 730 | 4 458 | 4 803 | 7 587 | 17.1% | 2.6% | 6 001 | 5 402 | 6 341 | -5.8% | |
| Operating payments | 325 | 694 | 171 | 942 | 42.6% | 0.3% | 860 | 1 033 | 1 075 | 4.5% | |
| Venues and facilities | 866 | 928 | 2 452 | 2 178 | 36.0% | 0.8% | 1 962 | 2 322 | 2 305 | 1.9% | |
| Transfers and subsidies | 92 908 | 179 610 | 177 536 | 183 622 | 25.5% | 75.1% | 204 968 | 213 735 | 223 858 | 6.8% | |
| Departmental agencies and accounts | 90 059 | 176 458 | 174 132 | 179 360 | 25.8% | 73.5% | 200 495 | 209 056 | 218 931 | 6.9% | |
| Foreign governments and international organisations | 2 630 | 3 066 | 3 362 | 4 220 | 17.1% | 1.6% | 4 473 | 4 679 | 4 927 | 5.3% | |
| Households | 219 | 86 | 42 | 42 | -42.3% | — | — | — | — | -100.0% | |
| Payments for capital assets | 283 | 429 | 1 278 | 758 | 38.9% | 0.3% | 300 | — | — | -100.0% | |
| Machinery and equipment | 283 | 429 | 1 278 | 758 | 38.9% | 0.3% | 300 | — | — | -100.0% | |
| Payments for financial assets | — | 4 | 1 704 | — | — | 0.2% | — | — | — | — | |
| Total | 145 021 | 218 564 | 223 568 | 256 157 | 20.9% | 100.0% | 277 256 | 286 939 | 300 754 | 5.5% | |
| Proportion of total programme expenditure to vote expenditure | 2.5% | 3.2% | 2.7% | 2.7% | | | 2.8% | 2.6% | 2.5% | | |

Details of transfers and subsidies

| Departmental agencies and accounts | | | | | | | | | | | |
|---|--------|---------|---------|---------|--------|-------|---------|---------|---------|---------|-------|
| Departmental agencies (non-business entities) | | | | | | | | | | | |
| Current | 90 059 | 176 458 | 174 132 | 179 360 | 25.8% | 73.5% | 200 495 | 209 056 | 218 931 | 6.9% | 72.1% |
| National Credit Regulator | 46 000 | 53 042 | 57 931 | 60 691 | 9.7% | 25.8% | 63 845 | 65 727 | 69 577 | 4.7% | 23.2% |
| National Gambling Board | 22 000 | 37 605 | 26 057 | 27 717 | 8.0% | 13.4% | 29 797 | 31 483 | 30 121 | 2.8% | 10.6% |
| National Consumer Tribunal | 22 059 | 28 833 | 33 165 | 36 099 | 17.8% | 14.2% | 40 164 | 43 029 | 46 151 | 8.5% | 14.8% |
| Companies and Intellectual Property Commission | – | 13 990 | – | – | – | 1.7% | – | – | – | – | – |
| National Consumer Commission | – | 32 988 | 46 842 | 44 516 | – | 14.7% | 53 376 | 54 596 | 58 013 | 9.2% | 18.8% |
| Companies Tribunal | – | 10 000 | 10 137 | 10 337 | – | 3.6% | 13 313 | 14 221 | 15 069 | 13.4% | 4.7% |
| Foreign governments and international organisations | | | | | | | | | | | |
| Current | 2 630 | 3 066 | 3 362 | 4 220 | 17.1% | 1.6% | 4 473 | 4 679 | 4 927 | 5.3% | 1.6% |
| World Intellectual Property Organisation | 2 630 | 3 066 | 3 362 | 4 220 | 17.1% | 1.6% | 4 473 | 4 679 | 4 927 | 5.3% | 1.6% |
| Households | | | | | | | | | | | |
| Social benefits | | | | | | | | | | | |
| Current | 219 | 86 | 42 | 42 | -42.3% | – | – | – | – | -100.0% | – |
| Employee social benefits | 219 | 86 | 42 | 42 | -42.3% | – | – | – | – | -100.0% | – |

Personnel information

Table 36.16 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 | | | | | | | | | | | | | | | | | |
| Consumer and Corporate Regulation | | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | Cost | Unit Cost | | | |
| Salary level | 150 | 69 | 71 | 30.0 | 0.4 | 150 | 49.3 | 0.3 | 150 | 49.6 | 0.3 | 150 | 52.3 | 0.3 | 150 | 55.8 | 0.4 | - | 100.0% |
| 1 – 6 | 12 | 11 | 1 | 0.1 | 0.1 | 12 | 0.8 | 0.1 | 12 | 0.8 | 0.1 | 12 | 0.9 | 0.1 | 12 | 0.9 | 0.1 | - | 8.0% |
| 7 – 10 | 84 | 50 | 34 | 7.7 | 0.2 | 84 | 19.8 | 0.2 | 84 | 20.6 | 0.2 | 84 | 21.9 | 0.3 | 84 | 23.2 | 0.3 | - | 56.0% |
| 11 – 12 | 23 | 7 | 19 | 8.9 | 0.5 | 23 | 11.3 | 0.5 | 23 | 10.7 | 0.5 | 23 | 11.4 | 0.5 | 23 | 12.0 | 0.5 | - | 15.3% |
| 13 – 16 | 31 | 1 | 17 | 13.3 | 0.8 | 31 | 17.4 | 0.6 | 31 | 17.4 | 0.6 | 31 | 18.2 | 0.6 | 31 | 19.6 | 0.6 | - | 20.7% |

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 upholding the quality of standards for businesses and consumers by making significant transfers to the departmental agencies through the *Regulatory Services* subprogramme. Thus, over the medium term, transfers to the agencies are expected to make up over 72.1 per cent of the budget. Also in this period, spending on compensation of employees is expected to take up 18.5 per cent of the programme's total budget, and to increase moderately to provide for improved conditions of service.

Within the *Policy and Legislative Development* subprogramme, the focus over the medium term will be on providing a policy and regulatory framework and solutions to achieve efficient, competitive and socially responsible legislation. This will involve developing policies; reviewing regulations; conducting legislative audits and advocating on these; developing regulations; drafting legislation on wide ranging matters including intellectual property, with the aim of extending access to medicine and education; and reviewing the companies and consumer protection acts to assess their implementation and impact.

Between 2010/11 and 2013/14 the programme's expenditure on transfers to departmental agencies increased significantly, due to the establishment of the National Consumer Commission, the Companies Tribunal, and the Companies and Intellectual Property Commission, which ensure that well functioning markets are fair, competitive, and responsible to consumers; adjudicate disputes in accordance with the Companies Act (2008); and manage, regulate and enforce compliance by businesses. Expenditure on transfers and subsidies over the medium term is expected to increase by R94 million, due to increased allocations through reprioritisation to the entities to enhance regulation capacity. To give effect to Cabinet approved budget reductions, the department is to reduce spending in this programme by R8 million over the medium term. Reductions are to be effected in spending on goods and services, travel and subsistence, contractors, and venues and facilities.

This programme has a funded establishment of 150 posts, and at the end of November 2013 there were 20 vacancies, mainly due to staff turnover. The department plans to fill these vacancies by 2014/15.

Programme 6: Incentive Development and Administration

Objectives

- Stimulate and facilitate the development of sustainable, competitive enterprises, through the efficient provision of effective and accessible incentive measures that support national priorities in accordance with the medium term strategic framework over the medium term.
- Improve the impact of incentive programmes through the implementation of an online and automated integrated electronic management system in 2014/15.
- Design, administer, monitor and evaluate a range of incentive programmes on an ongoing basis, based on the industrial policies and sector strategies developed by the department.
- Administer the manufacturing competitiveness enhancement programme which provides a credible support package to stabilise and grow output, employment and confidence in the manufacturing sector in order to encourage firms to innovate and invest in activities that will enhance their productivity and bolster competitiveness by 2017/18.
- Develop the special economic zones to contribute to the accelerated growth of manufacturing and internationally traded services by attracting foreign direct investment and developing growth orientated domestic businesses, leading to increased employment, exports and regional development over the long term.

Subprogrammes

- *Broadening Participation Incentives* provides incentive programmes that promote broader participation in the mainstream economy by businesses owned by individuals from historically disadvantaged communities and marginalised regions. Transfers are made to the black business supplier development programme, through which qualifying black business suppliers are supported; and the cooperatives incentive scheme, through which qualifying cooperatives in the emerging economy acquire business development skills and services. In 2012/13, 1 527 enterprises were supported. By the end of September 2013, the broadening participation incentives had supported 800 black business suppliers and cooperatives. This subprogramme

had a staff complement of 54 as at 30 November 2013.

- *Manufacturing Incentives* provides incentives to promote additional investment in the manufacturing sector. The manufacturing investment cluster comprises the following programmes and schemes: the manufacturing competitive enhancement programme, the enterprise investment programme, the small and medium enterprise development programme, the automotive investment scheme, the export marketing and investment assistance scheme, the sector-specific assistance scheme, the capital projects feasibility programme, and the section 12I tax incentive scheme. In 2012/13, 589 projects were approved with a total grant of R5.1 billion. Of these, 548 were in the manufacturing investment programme, 29 were in the automotive incentive scheme, and 12 were in the 12I tax incentive scheme. The manufacturing investment cluster incentives are projected to support the creation of approximately 87 000 jobs. To create and sustain jobs, 1 132 claims worth R700 million were paid for manufacturing investment programme projects, and 135 claims worth R824 million were paid for automotive incentive scheme projects. In the first six months of 2013/14, 392 incentive scheme projects were approved with a total investment of R14.4 billion; of these, 167 were in the manufacturing investment programme, 12 were in the automotive incentive scheme, 3 were in the section 12I tax incentive scheme, and 210 were in the manufacturing competitiveness enhancement programme. This subprogramme had a staff complement of 185 at the end of November 2013.
- *Services Investment Incentives* provides incentive programmes that promote increased investment and job creation in the services sector. The programmes include the business process services programme, and the film and television production incentive support programme for South African and foreign productions. In 2012/13, 205 projects were approved with a total grant value of R657 million. Of these, 71 were for film and television productions, with a total value of R331 million; and 12 were business process services with a total value of R41 million. In the first 6 months of 2013/14, 55 projects were approved with a total investment value of R1 633 million. Of these, 49 were for film and television productions, with a total investment value of R1 2693 million; and 5 were business process services with a total value of R370 million. This subprogramme had a staff complement of 15 at the end of November 2013.
- *Infrastructure Development Support* leverages off investments in the South African economy by providing infrastructure critical to industrial development, thereby increasing the export of value added commodities and creating employment opportunities. In 2012/13, 6 projects were supported and the special economic zones programme was established. Parliament is expected to consider the 2013 Special Economic Zones Bill in 2014. In the first 6 months 2013/14, 2 projects were approved for the critical infrastructure programme. This subprogramme had a staff complement of 21 at the end of November 2013.
- *Product and Systems Development* reviews, monitors and develops incentive programmes to support the industrial policy action plan, and develops sector strategies to address market failures. Key activities include the development and enhancement of incentive project products. The revised manufacturing competitiveness enhancement, incubator support, and aquaculture development enhancement programmes were launched in 2013/14. This subprogramme had a staff complement of 24 at the end of November 2013.
- *Business Development and After Care* facilitates access to targeted enterprises by reviewing the success of incentive schemes and improving such schemes. In 2012/13, an incentive capacity building workshop was held for officials from the Western Cape investment and trade promotion agency and the East London industrial development zone. In addition, incentive road shows took place in February 2013 in partnership with the Western Cape Department of Economic Development and Tourism. In the first 6 months of 2013/14, 55 targeted workshops were conducted on broadening participation and competitiveness in the manufacturing and services clusters. This subprogramme had a staff complement of 34 in 2013/14.

Expenditure estimates

Table 36.17 Incentive Development and Administration

| Subprogramme | | | | 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 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2013/14 - 2016/17 | |
| Broadening Participation Incentives | 183 832 | 112 054 | 209 854 | 391 821 | 28.7% | 5.6% | 421 352 | 422 082 | 423 563 | 2.6% | 6.8% |
| Manufacturing Incentives | 1 336 769 | 2 100 813 | 2 954 767 | 3 357 184 | 35.9% | 60.8% | 3 649 733 | 3 802 255 | 4 026 499 | 6.2% | 61.1% |
| Services Investment Incentives | 233 551 | 306 592 | 427 027 | 618 902 | 38.4% | 9.9% | 580 496 | 580 919 | 621 386 | 0.1% | 9.9% |
| Infrastructure Development Support | 1 020 607 | 742 582 | 896 375 | 1 042 325 | 0.7% | 23.1% | 853 800 | 1 404 397 | 1 939 611 | 23.0% | 21.6% |
| Product and Systems Development | 5 817 | 8 499 | 12 701 | 13 656 | 32.9% | 0.3% | 15 736 | 16 313 | 17 519 | 8.7% | 0.3% |
| Business Development and After Care | 12 418 | 13 009 | 13 827 | 19 246 | 15.7% | 0.4% | 19 164 | 20 504 | 22 236 | 4.9% | 0.3% |
| Total | 2 792 994 | 3 283 549 | 4 514 551 | 5 443 134 | 24.9% | 100.0% | 5 540 281 | 6 246 470 | 7 050 814 | 9.0% | 100.0% |
| Change to 2013 Budget estimate | | | | (100 000) | | | (105 467) | (457 613) | — | | |

Economic classification

| | | | | | | | | | | | |
|---|------------------|------------------|------------------|------------------|----------------|---------------|------------------|------------------|------------------|---------------|---------------|
| Current payments | 99 115 | 114 036 | 132 749 | 175 308 | 20.9% | 3.3% | 190 045 | 209 583 | 222 062 | 8.2% | 3.3% |
| Compensation of employees | 73 536 | 83 062 | 101 569 | 142 013 | 24.5% | 2.5% | 158 393 | 178 489 | 188 963 | 10.0% | 2.8% |
| Goods and services | 25 579 | 30 974 | 31 180 | 33 295 | 9.2% | 0.8% | 31 652 | 31 094 | 33 099 | -0.2% | 0.5% |
| of which: | | | | | | | | | | | |
| Administration fees | 180 | 441 | 247 | 453 | 36.0% | - | 481 | 472 | 508 | 3.9% | - |
| Advertising | 300 | 954 | 15 | - | -100.0% | - | - | - | - | - | - |
| Assets less than the capitalisation threshold | 118 | 20 | 22 | 52 | -23.9% | - | 81 | 89 | 96 | 22.7% | - |
| Bursaries: Employees | - | - | - | 56 | - | - | - | - | - | -100.0% | - |
| Catering: Departmental activities | 185 | 330 | 303 | 549 | 43.7% | - | 456 | 473 | 509 | -2.5% | - |
| Communication | 419 | 370 | 632 | 703 | 18.8% | - | 845 | 891 | 936 | 10.0% | - |
| Computer services | 355 | 63 | - | - | -100.0% | - | - | - | - | - | - |
| Consultants and professional services: Business and advisory services | 8 726 | 7 044 | 8 240 | 5 165 | -16.0% | 0.2% | 6 397 | 6 425 | 5 394 | 1.5% | 0.1% |
| Consultants and professional services: Legal costs | 1 438 | 3 054 | 1 394 | 2 077 | 13.0% | - | 2 758 | 2 840 | 3 394 | 17.8% | - |
| Contractors | 1 | 4 | 46 | 130 | 406.6% | - | 9 | 9 | 10 | -57.5% | - |
| Agency and support / outsourced services | 779 | 157 | 58 | - | -100.0% | - | 114 | 111 | 119 | - | - |
| Entertainment | 12 | 25 | 34 | 69 | 79.2% | - | 80 | 82 | 88 | 8.4% | - |
| Fleet services (including government motor transport) | 42 | 104 | 94 | 152 | 53.5% | - | 167 | 175 | 183 | 6.4% | - |
| Inventory: Clothing material and accessories | - | - | - | 25 | - | - | - | - | - | -100.0% | - |
| Inventory: Fuel, oil and gas | - | - | - | 63 | - | - | - | - | - | -100.0% | - |
| Inventory: Materials and supplies | 2 | 1 | - | 5 | 35.7% | - | 5 | 5 | 5 | - | - |
| Inventory: Other supplies | 7 | 28 | 6 | - | -100.0% | - | 32 | 33 | 36 | - | - |
| Consumable supplies | - | - | - | 55 | - | - | - | - | - | -100.0% | - |
| Consumable: Stationery, printing and office supplies | 1 577 | 1 879 | 1 203 | 1 796 | 4.4% | - | 2 428 | 2 425 | 2 899 | 17.3% | - |
| Operating leases | 962 | 751 | 1 179 | 440 | -23.0% | - | 573 | 606 | 627 | 12.5% | - |
| Property payments | 36 | 57 | 53 | 205 | 78.6% | - | 66 | 66 | 70 | -30.1% | - |
| Travel and subsistence | 9 078 | 13 922 | 16 459 | 18 902 | 27.7% | 0.4% | 14 939 | 14 050 | 15 482 | -6.4% | 0.3% |
| Training and development | - | 55 | - | - | - | - | - | - | - | - | - |
| Operating payments | 576 | 339 | 98 | 483 | -5.7% | - | 489 | 510 | 539 | 3.7% | - |
| Venues and facilities | 786 | 1 376 | 1 097 | 1 915 | 34.6% | - | 1 732 | 1 832 | 2 204 | 4.8% | - |
| Transfers and subsidies | 2 692 604 | 3 164 898 | 4 379 382 | 5 243 326 | 24.9% | 96.5% | 5 340 236 | 6 024 887 | 6 816 752 | 9.1% | 96.5% |
| Foreign governments and international organisations | - | - | 3 710 | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | 2 692 596 | 3 164 422 | 4 375 411 | 5 243 246 | 24.9% | 96.5% | 5 340 236 | 6 024 887 | 6 816 752 | 9.1% | 96.5% |
| Households | 8 | 476 | 261 | 80 | 115.4% | - | - | - | - | -100.0% | - |
| Payments for capital assets | 1 274 | 4 615 | 2 420 | 24 500 | 167.9% | 0.2% | 10 000 | 12 000 | 12 000 | -21.2% | 0.2% |
| Machinery and equipment | 1 274 | 731 | 1 270 | 1 500 | 5.6% | - | 1 500 | 2 000 | 2 000 | 10.1% | - |
| Software and other intangible assets | - | 3 884 | 1 150 | 23 000 | - | 0.2% | 8 500 | 10 000 | 10 000 | -24.2% | 0.2% |
| Payments for financial assets | 1 | - | - | - | -100.0% | - | - | - | - | - | - |
| Total | 2 792 994 | 3 283 549 | 4 514 551 | 5 443 134 | 24.9% | 100.0% | 5 540 281 | 6 246 470 | 7 050 814 | 9.0% | 100.0% |
| Proportion of total programme expenditure to vote expenditure | 48.2% | 48.3% | 54.5% | 57.2% | | | 56.3% | 57.2% | 58.8% | | |

Table 36.17 Incentive Development and Administration

| Details of transfers and subsidies | | | | 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 |
| Households | | | | | | | | | | | |
| Other transfers to households | | | | | | | | | | | |
| Current | – | 3 | – | – | – | – | – | – | – | – | – |
| Gifts and donations | – | 3 | – | – | – | – | – | – | – | – | – |
| Foreign governments and international organisations | | | | | | | | | | | |
| Current | – | – | 3 710 | – | – | – | – | – | – | – | – |
| United Nations Industrial Development Organisation: Incentive Monitoring Framework | – | – | 3 710 | – | – | – | – | – | – | – | – |
| Households | | | | | | | | | | | |
| Social benefits | | | | | | | | | | | |
| Current | 8 | 473 | 261 | 80 | 115.4% | – | – | – | – | -100.0% | – |
| Employee social benefits | 8 | 473 | 261 | 80 | 115.4% | – | – | – | – | -100.0% | – |
| Public corporations and private enterprises | | | | | | | | | | | |
| Public corporations | | | | | | | | | | | |
| Other transfers to public corporations | | | | | | | | | | | |
| Capital | 932 000 | 615 682 | 749 876 | 438 195 | -22.2% | 17.1% | – | – | – | -100.0% | 1.8% |
| Coega Development Corporation | 714 000 | 383 718 | 417 858 | 308 195 | -24.4% | 11.4% | – | – | – | -100.0% | 1.3% |
| East London industrial development zone | 198 000 | 171 282 | 150 000 | 100 000 | -20.4% | 3.9% | – | – | – | -100.0% | 0.4% |
| Richards Bay industrial development zone company | 20 000 | 60 682 | 182 018 | 30 000 | 14.5% | 1.8% | – | – | – | -100.0% | 0.1% |
| Public corporations and private enterprises | | | | | | | | | | | |
| Private enterprises | | | | | | | | | | | |
| Other transfers to private enterprises | | | | | | | | | | | |
| Current | 308 911 | 270 348 | 376 431 | 586 000 | 23.8% | 9.6% | 640 000 | 640 000 | 650 000 | 3.5% | 10.4% |
| Broadening participation development incentives | 175 033 | 101 740 | 194 431 | 367 000 | 28.0% | 5.2% | 400 000 | 400 000 | 400 000 | 2.9% | 6.5% |
| Export market and investment assistance | 133 878 | 168 608 | 182 000 | 219 000 | 17.8% | 4.4% | 240 000 | 240 000 | 250 000 | 4.5% | 3.9% |
| Capital | 80 642 | 118 473 | 131 597 | 140 000 | 20.2% | 2.9% | 190 000 | 190 000 | 190 000 | 10.7% | 2.9% |
| Critical infrastructure programme | 80 642 | 118 473 | 131 597 | 140 000 | 20.2% | 2.9% | 190 000 | 190 000 | 190 000 | 10.7% | 2.9% |
| Public corporations and private enterprises | | | | | | | | | | | |
| Private enterprises | | | | | | | | | | | |
| Private enterprises - subsidies on products and production | | | | | | | | | | | |
| Current | 1 371 043 | 2 159 919 | 3 112 507 | 3 629 051 | 38.3% | 64.1% | 4 060 236 | 4 064 887 | 4 292 302 | 5.8% | 66.1% |
| Services sector development incentives | 226 782 | 298 759 | 418 629 | 610 000 | 39.1% | 9.7% | 570 000 | 570 000 | 610 000 | – | 9.7% |
| Manufacturing development incentives | 1 144 261 | 1 861 160 | 2 693 878 | 3 019 051 | 38.2% | 54.4% | 3 290 236 | 3 424 887 | 3 632 302 | 6.4% | 55.0% |
| Industrial development zones: Other | – | – | – | – | – | – | 200 000 | 70 000 | 50 000 | – | 1.3% |
| Capital | – | – | 5 000 | 450 000 | – | 2.8% | 450 000 | 1 130 000 | 1 684 450 | 55.3% | 15.3% |
| Special economic zones: Investment incentives | – | – | 5 000 | 450 000 | – | 2.8% | 450 000 | 1 130 000 | 1 684 450 | 55.3% | 15.3% |

Personnel information

Table 36.18 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 | | | |
|---|--------------|------------------------|--|---------|-------|-----------|------------------|-------|-----------|----------------------------------|-------|-----------|---------|-------|-----------|---------|-------|-----------|-------------------------|---------------------------------|-------------------|
| Incentive Development and Administration | 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 | | | |
| | 333 | 57 | | 280 | 101.6 | 0.4 | 333 | 142.0 | 0.4 | 333 | 158.4 | 0.5 | 333 | 178.5 | 0.5 | 333 | 189.0 | 0.6 | - | 100.0% | |
| 1 – 6 | 32 | 13 | | 29 | 3.1 | 0.1 | 32 | 4.4 | 0.1 | 31 | 4.5 | 0.1 | 31 | 5.2 | 0.2 | 31 | 5.6 | 0.2 | -1.1% | 9.4% | |
| 7 – 10 | 195 | 29 | | 166 | 40.2 | 0.2 | 195 | 59.0 | 0.3 | 194 | 63.4 | 0.3 | 194 | 73.3 | 0.4 | 194 | 78.1 | 0.4 | -0.2% | 58.3% | |
| 11 – 12 | 71 | 11 | | 55 | 30.9 | 0.6 | 71 | 41.9 | 0.6 | 69 | 49.7 | 0.7 | 69 | 57.2 | 0.8 | 69 | 61.0 | 0.9 | -0.9% | 20.9% | |
| 13 – 16 | 35 | 4 | | 30 | 27.3 | 0.9 | 35 | 36.7 | 1.0 | 39 | 40.7 | 1.0 | 39 | 42.8 | 1.1 | 39 | 44.3 | 1.1 | 3.7% | 11.4% | |

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 promoting activities through the provision of manufacturing development incentives to stimulate additional investment in the manufacturing sector, resulting

in increased output and employment. Preparatory work including research, stakeholder relations and infrastructure planning has been done to stimulate industrial development. This includes consultations and negotiating mandates for the special economic zones in all nine provinces. The largest expenditure item in the programme in this period is transfers to public corporations and private enterprises, which make up 96.5 per cent of the total budget. Over the medium term, the *Manufacturing Incentives* subprogramme receives just over 61.1 per cent of the total budget and the *Infrastructure Development Support* subprogramme 21.6 per cent.

Expenditure increased between 2010/11 and 2013/14 on transfers to the manufacturing development incentives following the implementation of new incentives under transfers to private enterprises. These include the automotive incentives scheme and the enterprise investment programme, which are significant job creating initiatives within the manufacturing development incentives. These initiatives are expected to continue over the medium term, which accounts for the significant allocation to manufacturing development incentives transfers and subsidies in this period, which include the manufacturing competitiveness enhancement programme. As a result of these initiatives, the number of companies supported through the manufacturing competitiveness enhancement programme is anticipated to increase to 500 in 2016/17 from 189 in 2012/13. By 2016/17, over 7 302 jobs are expected to be supported through the enterprise investment programme and manufacturing development incentives, compared with 5 415 in 2013/14.

To give effect to Cabinet approved budget reductions, a decrease in spending of R9.1 million is to be effected over the medium term on goods and services, particularly on consultants, contractors, and travel and subsistence; and R533 million on special economic zones investment incentives. The spending plans will be informed by the 2013 Special Economic Zones Bill, once it is enacted.

The programme has a funded establishment of 333 posts. At the end of November 2013, there were 31 vacancies, mainly due to staff promotions and the difficulties experienced in recruiting staff because of the scarcity of skills in this specialised area. The subprogramme has a recruitment strategy to fill the vacancies in 2014/15.

Programme 7: Trade and Investment South Africa

Objectives

- Promote and attract direct investment from targeted countries into targeted sectors of the South African economy, as per the industrial policy action plan, with a target of R135 billion by 2016/17.
- Promote South African value added goods and services abroad by broadening the export base; increasing market share in targeted high growth markets, especially in countries such as the Brazil-Russia-India-China-South Africa (BRICS) group of countries, African countries, and other developing countries; and sustaining market share in traditional markets, with a target of R3 billion for 2014/15 and R10.5 billion by 2016/17.
- Review the export strategy over the medium period in order to enhance South African export capabilities by 2014/15.
- Manage the implementation of the revised national exporter development programme that covers a number of critical components and a menu of innovative structures, new tools, and value-added services, to increase the exporter base in the country as well as to assist exporters and better position them to enter new markets by 2014/15. It also provides for a more coherent stakeholder engagement and co-ordination programme between government and the private sector based on the review of the export council model.
- Further enhance the promotion of exports and investment by placing foreign economic representatives, responsible for promoting foreign direct investment and the export of South African goods and services internationally, in 27 foreign economic missions over the medium term.

Subprogrammes

- *Investment Promotion and Facilitation* facilitates the increase in the quality and quantity of foreign and domestic direct investment by providing investment, recruitment, problem solving and information services. The subprogramme promotes South Africa as an investment destination, with a target of R50 billion in investments for 2013/14. In 2012/13, a pipeline of projects worth R53.5 billion was achieved and a further

R23.2 billion had been achieved by the end of September 2013. Key activities include stakeholder engagement, strategy formulation, study tours and country visits. The subprogramme is also responsible for organising annual international investment conferences, such as the Africa Dialogue. This subprogramme had a staff complement of 51 at the end of November 2013.

- *Export Promotion and Marketing* promotes exports of South African value added goods and services to increase market share in targeted high growth markets and to sustain market share in traditional markets. Over the medium term, the trade and investment funding and participation will be extended to 70 national pavilions, 6 group trade missions, 15 investment and trade initiatives and 3 China expos. In 2012/13 22 national pavilions were managed at international trade fairs, 43 group trade missions were organised and 5 international trade initiatives were conducted. By the end of September 2013, 11 national pavilions, 23 group trade missions, 1 international trade institute and 2 special projects, the World Cup legacy in Qatar and a China expo, had been supported. This subprogramme had a staff complement of 55 at the end of November 2013.
- *International Operations* promotes trade and investment, and administers and provides corporate services to the department's foreign office network of 27 foreign economic representatives in 43 countries to enable South African businesses to access global markets. The department also employs 42 locally recruited marketing officers. This subprogramme had a staff complement of 33 at the end of November 2013.
- *Export Development and Support* manages the national exporter development programme, which is designed to contribute to positioning South Africa as a reliable trade partner and improve and expand the country's exporter base. The subprogramme focuses on creating an export culture which encourages global participation; providing assistance, extensive capacity building, and the creation of trade opportunities for exporters; and serving as an industry interface for the department. The national exporter development programme was launched and implemented in April 2013, and will include the global exporter passport training programme, which is set to begin in 2014/15. To support the global exporter programme, a help desk was established at the Department of Trade and Industry campus in 2013/14. In addition, the interest make-up incentive scheme, which supports South African exporters and fosters the utilisation of local technology and goods and services to generate export earnings, receives annual transfers, and is administered by the Export Credit Insurance Corporation of South Africa. This subprogramme had a staff complement of 26 at the end of November 2013.

Expenditure estimates

Table 36.19 Trade and Investment South Africa

| Subprogramme | | | | 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 | |
| Investment Promotion and Facilitation | 27 276 | 27 985 | 39 101 | 53 816 | 25.4% | 12.4% | 49 520 | 69 680 | 73 211 | 10.8% | 17.1% |
| Export Promotion and Marketing | 149 576 | 156 337 | 70 046 | 117 306 | -7.8% | 41.3% | 160 262 | 155 030 | 156 004 | 10.0% | 40.9% |
| International Operations | 116 837 | 115 322 | 134 334 | 130 568 | 3.8% | 41.7% | 123 408 | 123 726 | 135 884 | 1.3% | 35.7% |
| Export Development and Support | 7 393 | 10 744 | 15 914 | 20 501 | 40.5% | 4.6% | 27 558 | 21 658 | 22 455 | 3.1% | 6.4% |
| Total | 301 082 | 310 388 | 259 395 | 322 191 | 2.3% | 100.0% | 360 748 | 370 094 | 387 554 | 6.4% | 100.0% |
| Change to 2013 Budget estimate | | | | (47 550) | | | (56 657) | (62 343) | - | | |
| Economic classification | | | | | | | | | | | |
| Current payments | 167 250 | 174 091 | 218 274 | 237 208 | 12.4% | 66.8% | 242 558 | 250 629 | 261 712 | 3.3% | 68.9% |
| Compensation of employees | 101 173 | 104 205 | 132 791 | 136 642 | 10.5% | 39.8% | 168 089 | 184 982 | 188 316 | 11.3% | 47.1% |
| Goods and services | 66 077 | 69 886 | 85 482 | 100 566 | 15.0% | 27.0% | 74 469 | 65 647 | 73 396 | -10.0% | 21.8% |
| of which: | | | | | | | | | | | |
| Administration fees | 487 | 254 | 467 | 363 | -9.3% | 0.1% | 468 | 331 | 369 | 0.5% | 0.1% |
| Advertising | 1 289 | 252 | 352 | 221 | -44.4% | 0.2% | 272 | 150 | 159 | -10.4% | 0.1% |

Table 36.19 Trade and Investment South Africa

| 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 | |
| Assets less than the capitalisation threshold | 279 | 274 | 303 | 70 | -36.9% | 0.1% | 939 | 156 | 23 | -31.0% | 0.1% |
| Catering: Departmental activities | 412 | 908 | 121 | 417 | 0.4% | 0.2% | 393 | 432 | 450 | 2.6% | 0.1% |
| Communication | 2 184 | 1 885 | 1 963 | 1 436 | -13.0% | 0.6% | 1 272 | 1 521 | 1 665 | 5.1% | 0.4% |
| Computer services | 664 | 813 | 899 | 1 115 | 18.9% | 0.3% | 604 | 596 | 634 | -17.2% | 0.2% |
| Consultants and professional services: Business and advisory services | 1 534 | 1 929 | 3 724 | 5 206 | 50.3% | 1.0% | 2 116 | 2 203 | 1 940 | -28.0% | 0.8% |
| Consultants and professional services: Scientific and technological services | — | — | — | — | — | — | 3 | — | — | — | — |
| Consultants and professional services: Legal costs | 165 | 237 | 130 | — | -100.0% | — | 45 | 22 | 31 | — | — |
| Contractors | 1 860 | 1 638 | 7 682 | 14 419 | 97.9% | 2.1% | 9 292 | 14 270 | 14 851 | 1.0% | 3.7% |
| Agency and support / outsourced services | 436 | 140 | 9 | 23 | -62.5% | 0.1% | 10 | — | — | -100.0% | — |
| Entertainment | 1 051 | 1 019 | 1 144 | 1 392 | 9.8% | 0.4% | 753 | 874 | 935 | -12.4% | 0.3% |
| Fleet services (including government motor transport) | 152 | 156 | 266 | 195 | 8.7% | 0.1% | 112 | — | — | -100.0% | — |
| Inventory: Clothing material and accessories | — | — | — | 23 | — | — | — | — | — | -100.0% | — |
| Inventory: Fuel, oil and gas | — | — | — | 2 | — | — | 10 | — | — | -100.0% | — |
| Inventory: Learner and teacher support material | 1 | — | — | — | -100.0% | — | — | — | — | — | — |
| Inventory: Materials and supplies | 4 | 3 | 40 | 2 | -20.6% | — | — | — | — | -100.0% | — |
| Inventory: Other supplies | 89 | 248 | 402 | — | -100.0% | 0.1% | 15 | — | — | — | — |
| Consumable supplies | — | — | 3 | 483 | — | — | 284 | 341 | 364 | -9.0% | 0.1% |
| Consumable: Stationery, printing and office supplies | 1 376 | 1 771 | 1 788 | 1 999 | 13.3% | 0.6% | 2 124 | 2 208 | 2 290 | 4.6% | 0.6% |
| Operating leases | 14 640 | 16 508 | 17 998 | 18 106 | 7.3% | 5.6% | 8 905 | 7 361 | 8 452 | -22.4% | 3.0% |
| Property payments | 1 055 | 1 182 | 1 464 | 1 339 | 8.3% | 0.4% | 356 | 366 | 386 | -33.9% | 0.2% |
| Transport provided: Departmental activity | — | — | — | — | — | — | 45 | — | — | — | — |
| Travel and subsistence | 18 677 | 18 962 | 21 267 | 27 445 | 13.7% | 7.2% | 23 665 | 21 889 | 24 607 | -3.6% | 6.8% |
| Training and development | 54 | 96 | 59 | 35 | -13.5% | — | — | — | — | -100.0% | — |
| Operating payments | 5 932 | 12 356 | 10 025 | 18 353 | 45.7% | 3.9% | 9 253 | 6 238 | 7 546 | -25.6% | 2.9% |
| Venues and facilities | 13 736 | 9 255 | 15 376 | 7 922 | -16.8% | 3.9% | 13 533 | 6 689 | 8 694 | 3.1% | 2.6% |
| Interest and rent on land | — | — | 1 | — | — | — | — | — | — | — | — |
| Transfers and subsidies | 131 672 | 133 435 | 37 287 | 83 107 | -14.2% | 32.3% | 116 670 | 118 079 | 124 338 | 14.4% | 30.7% |
| Foreign governments and international organisations | 11 084 | 11 750 | 12 338 | 9 800 | -4.0% | 3.8% | 6 300 | 2 632 | 2 772 | -34.4% | 1.5% |
| Public corporations and private enterprises | 120 488 | 121 517 | 24 307 | 73 293 | -15.3% | 28.5% | 110 370 | 115 447 | 121 566 | 18.4% | 29.2% |
| Households | 100 | 168 | 642 | 14 | -48.1% | 0.1% | — | — | — | -100.0% | — |
| Payments for capital assets | 2 139 | 2 855 | 3 833 | 1 875 | -4.3% | 0.9% | 1 520 | 1 386 | 1 504 | -7.1% | 0.4% |
| Machinery and equipment | 2 095 | 2 838 | 3 833 | 1 375 | -13.1% | 0.9% | 1 520 | 1 386 | 1 504 | 3.0% | 0.4% |
| Software and other intangible assets | 44 | 17 | — | 500 | 124.8% | — | — | — | — | -100.0% | — |
| Payments for financial assets | 21 | 7 | 1 | 1 | -63.8% | — | — | — | — | -100.0% | — |
| Total | 301 082 | 310 388 | 259 395 | 322 191 | 2.3% | 100.0% | 360 748 | 370 094 | 387 554 | 6.4% | 100.0% |
| Proportion of total programme expenditure to vote expenditure | 5.2% | 4.6% | 3.1% | 3.4% | | | 3.7% | 3.4% | 3.2% | | |

Details of transfers and subsidies

| | | | | | | | | | | | |
|--|--------|--------|--------|-------|---------|------|-------|-------|-------|---------|------|
| Households | | | | | | | | | | | |
| Other transfers to households | | | | | | | | | | | |
| Current | - | - | 266 | - | - | - | - | - | - | - | - |
| Gifts and donations | - | - | 266 | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | | | | | | | | | | | |
| Current | 11 084 | 11 750 | 12 338 | 9 800 | -4.0% | 3.8% | 6 300 | 2 632 | 2 772 | -34.4% | 1.5% |
| Export Consultancy Trust Funds: | 5 542 | 5 875 | 6 169 | 4 900 | -4.0% | 1.9% | 3 150 | 1 316 | 1 386 | -34.4% | 0.7% |
| International Bank for Reconstruction and Development | | | | | | | | | | | |
| Export Consultancy Trust Funds: | 5 542 | 5 875 | 6 169 | 4 900 | -4.0% | 1.9% | 3 150 | 1 316 | 1 386 | -34.4% | 0.7% |
| International Finance Corporation | | | | | | | | | | | |
| Households | | | | | | | | | | | |
| Social benefits | | | | | | | | | | | |
| Current | 100 | 168 | 376 | 14 | -48.1% | 0.1% | - | - | - | -100.0% | - |
| Gifts and donations | - | 4 | - | 7 | - | - | - | - | - | -100.0% | - |
| Gifts, donations and sponsorships | - | - | - | 7 | - | - | - | - | - | -100.0% | - |
| Employees social benefit | 100 | 164 | 376 | - | -100.0% | 0.1% | - | - | - | - | - |

Table 36.19 Trade and Investment South Africa

| Details of transfers and subsidies | | | | | | | | | | | |
|--|---------|---------|---------|------------------------|-------------------------|--------------------------------|----------------------------------|---------|---------|-------------------------|--------------------------------|
| 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 | |
| Public corporations and private enterprises | | | | | | | | | | | |
| Public corporations | | | | | | | | | | | |
| Other transfers to public corporations | | | | | | | | | | | |
| Current | 120 488 | 121 517 | 24 307 | 73 293 | -15.3% | 28.5% | 110 370 | 115 447 | 121 566 | 18.4% | 29.2% |
| Export Credit Insurance Corporation: Interest make-up scheme | 120 488 | 121 517 | 24 307 | 73 293 | -15.3% | 28.5% | 110 370 | 115 447 | 121 566 | 18.4% | 29.2% |

Personnel information

Table 36.20 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 | Unit Cost | | | |
| Trade and Investment South Africa | | | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | Cost | Unit Cost | | | |
| Salary level | 181 | 12 | 175 | 132.8 | 0.8 | 181 | 136.6 | 0.8 | 197 | 168.1 | 0.9 | 197 | 185.0 | 0.9 | 197 | 188.3 | 1.0 | 2.9% | 100.0% | |
| 1 – 6 | 17 | – | 19 | 66.4 | 3.5 | 8 | 53.6 | 6.7 | 17 | 81.8 | 4.8 | 17 | 94.3 | 5.5 | 17 | 91.7 | 5.4 | 28.6% | 7.6% | |
| 7 – 10 | 76 | 3 | 83 | 20.2 | 0.2 | 94 | 28.5 | 0.3 | 92 | 29.6 | 0.3 | 92 | 31.1 | 0.3 | 92 | 33.2 | 0.4 | -0.7% | 47.9% | |
| 11 – 12 | 52 | 5 | 53 | 26.5 | 0.5 | 58 | 33.1 | 0.6 | 62 | 34.4 | 0.6 | 62 | 36.2 | 0.6 | 62 | 38.5 | 0.6 | 2.2% | 31.6% | |
| 13 – 16 | 36 | 4 | 20 | 19.6 | 1.0 | 21 | 21.4 | 1.0 | 26 | 22.3 | 0.9 | 26 | 23.4 | 0.9 | 26 | 24.9 | 1.0 | 7.4% | 12.8% | |

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 quality and quantity of domestic and foreign direct investment, promoting South African products in targeted markets, and promoting exports and investment in targeted countries. The *Export Promotion and Marketing* subprogramme, which maintains a network of foreign based economic offices, an export helpdesk, and a website, is the largest item of expenditure. The programme aims to achieve an investment pipeline totalling R135 billion over the medium term that will consist of investments from particular countries that are targeted at specific sectors. Spending on compensation of employees is expected to grow significantly over the medium term in line with the programme's plans to increase its funded establishment from 181 posts in 2013/14 to 197 posts by 2016/17 in order to implement the new export strategy. At the end of November 2013, the programme had 19 vacancies, which were mainly due to staff turnover, but which will be filled in 2014/15.

At 35.7 per cent of the total budget over the medium term, the *International Operations* subprogramme is the second largest in the programme, mainly because of spending on compensation of employees and goods and services due to the high costs of operating foreign missions. The subprogramme provides corporate services to the economic offices abroad, which promote South African businesses' access to global markets as part of the trade relations strategy. However, to give effect to Cabinet approved budget reductions, spending on goods and services over the medium term is projected to decline at an average rate of 10 per cent. Other reductions include expenditure on consultants and travel and subsistence. These cuts are not expected to adversely affect service delivery.

Between 2010/11 and 2013/14, expenditure on transfers and subsidies decreased significantly due to a decrease in transfers for the interest make-up incentive scheme administered by the Export Credit and Insurance Corporation. Unspent funds from the scheme were used to cover spikes in disbursements over this period. Allocations to this incentive scheme are projected to grow significantly over the medium term to enhance the competitiveness of South African exports.

Public entities and other agencies

Companies and Intellectual Property Commission

Mandate and goals

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

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

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

Selected performance indicators

Table 36.21 Companies and Intellectual Property Commission

| Indicator | Programme/Activity/Objective | Outcome | Past ¹ | | | Current | Projections | | |
|---|-------------------------------------|----------------|-------------------|---------|---------|---------|-------------|---------|---------|
| | | | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
| Percentage website availability for online filings 24 hours a day and 7 days a week | Administration | Entity mandate | – | – | – | 90% | 90% | 90% | 90% |
| Call answer rate | Administration | | – | – | – | 50% | 50% | 60% | 70% |
| Percentage of companies registered manually within 25 working days | Business Regulations and Reputation | | – | – | – | 85% | 88% | 90% | 95% |
| Percentage of companies registered electronically within 1 working day | Business Regulations and Reputation | | – | – | – | 85% | 90% | 90% | 95% |
| Percentage of cooperatives registered within 21 working days | Business Regulations and Reputation | | – | – | – | 85% | 90% | 90% | 95% |
| Percentage of trademark applications processed within 5 working days | Business Regulations and Reputation | | – | – | – | 85% | 90% | 90% | 95% |
| Percentage compliance with annual return obligations | Business Regulations and Reputation | | – | – | – | 56% | 50% | 60% | 60% |
| Percentage of investigations completed within 135 working days | Business Regulations and Reputation | | – | – | – | 85% | 90% | 90% | 95% |
| Percentage of patent applications processed within 5 working days | Innovation and Creativity Promotion | | – | – | – | 85% | 90% | 90% | 95% |
| Percentage of design applications processed within 5 working days | Innovation and Creativity Promotion | | – | – | – | 85% | 90% | 90% | 95% |
| Percentage of copyright in film applications processed within 2 working days | Innovation and Creativity Promotion | | – | – | – | 85% | 90% | 90% | 95% |

1. No historical data is available, as these are new indicators in line with the annual performance plan.

Programmes/activities/objectives

Table 36.22 Companies and Intellectual Property Commission

| | 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 | 231 552 | 145 981 | 170 310 | 227 468 | -0.6% | 59.9% | 238 700 | 161 264 | 251 233 | 3.4% | 49.7% |
| Business regulations and reputation | 82 298 | 85 603 | 85 603 | 95 027 | 4.9% | 27.5% | 136 836 | 195 816 | 153 031 | 17.2% | 32.2% |
| Innovation and creativity promotion | 27 433 | 41 217 | 28 694 | 66 752 | 34.5% | 12.6% | 62 908 | 105 383 | 88 828 | 10.0% | 18.1% |
| Total expense | 341 283 | 272 801 | 284 607 | 389 247 | 4.5% | 100.0% | 438 444 | 462 463 | 493 092 | 8.2% | 100.0% |

Expenditure estimates

Table 36.23 Companies and Intellectual Property Commission

| 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 | 445 615 | 422 684 | 397 030 | 389 247 | -4.4% | 97.2% | 438 444 | 462 463 | 493 092 | 8.2% | 100.0% |
| Sale of goods and services other than capital assets of which: | 361 150 | 363 229 | 329 846 | 326 747 | -3.3% | 81.2% | 393 444 | 423 963 | 457 092 | 11.8% | 89.5% |
| Administrative fees | 361 150 | 363 229 | 329 846 | 326 747 | -3.3% | 81.2% | 393 444 | 423 963 | 457 092 | 11.8% | 89.5% |
| Other non-tax revenue | 84 465 | 59 455 | 67 184 | 62 500 | -9.6% | 16.0% | 45 000 | 38 500 | 36 000 | -16.8% | 10.5% |
| Transfers received | 38 091 | 13 990 | - | - | -100.0% | 2.8% | - | - | - | - | - |
| Total revenue | 483 706 | 436 674 | 397 030 | 389 247 | -7.0% | 100.0% | 438 444 | 462 463 | 493 092 | 8.2% | 100.0% |
| Expenses | | | | | | | | | | | |
| Current expenses | 341 283 | 272 801 | 284 607 | 389 247 | 4.5% | 100.0% | 438 444 | 462 463 | 493 092 | 8.2% | 100.0% |
| Compensation of employees | 150 163 | 150 717 | 159 790 | 191 700 | 8.5% | 51.2% | 263 176 | 283 204 | 300 196 | 16.1% | 57.8% |
| Goods and services | 181 578 | 112 542 | 119 946 | 195 547 | 2.5% | 46.7% | 173 268 | 177 259 | 190 896 | -0.8% | 41.7% |
| Depreciation | 9 542 | 9 542 | 4 871 | 2 000 | -40.6% | 2.1% | 2 000 | 2 000 | 2 000 | - | 0.5% |
| Total expenses | 341 283 | 272 801 | 284 607 | 389 247 | 4.5% | 100.0% | 438 444 | 462 463 | 493 092 | 8.2% | 100.0% |
| Surplus/(Deficit) | 142 423 | 163 873 | 112 423 | - | -100.0% | | - | - | - | - | |
| Statement of financial position | | | | | | | | | | | |
| Carrying value of assets of which: | 21 593 | 15 257 | 20 184 | 38 165 | 20.9% | 1.9% | 41 692 | 212 979 | 423 049 | 123.0% | 13.2% |
| Acquisition of assets | 11 135 | 3 678 | 11 025 | 7 000 | -14.3% | 0.7% | 9 325 | 107 671 | 310 040 | 253.8% | 8.0% |
| Inventory | 834 | 814 | 430 | 350 | -25.1% | 0.1% | 300 | 250 | 200 | -17.0% | 0.0% |
| Receivables and prepayments | 42 932 | 4 161 | 8 500 | 4 000 | -54.7% | 1.4% | 3 500 | 2 000 | 1 500 | -27.9% | 0.2% |
| Cash and cash equivalents | 956 489 | 1 137 699 | 1 240 474 | 1 352 897 | 12.3% | 96.6% | 1 282 097 | 1 132 097 | 932 097 | -11.7% | 86.6% |
| Total assets | 1 021 848 | 1 157 931 | 1 269 588 | 1 395 412 | 10.9% | 100.0% | 1 327 589 | 1 347 326 | 1 356 846 | -0.9% | 100.0% |
| Accumulated surplus/(deficit) | 930 541 | 1 047 580 | 1 160 003 | 1 285 982 | 11.4% | 91.3% | 1 217 649 | 1 250 570 | 1 268 550 | -0.5% | 92.5% |
| Trade and other payables | 19 570 | 15 656 | 15 439 | 12 000 | -15.0% | 1.3% | 10 000 | 9 000 | 8 000 | -12.6% | 0.7% |
| Provisions | 12 849 | 15 087 | 20 742 | 27 430 | 28.8% | 1.5% | 34 940 | 37 756 | 40 296 | 13.7% | 2.6% |
| Derivatives financial instruments | 58 888 | 79 607 | 73 404 | 70 000 | 5.9% | 5.9% | 65 000 | 50 000 | 40 000 | -17.0% | 4.1% |
| Total equity and liabilities | 1 021 848 | 1 157 930 | 1 269 588 | 1 395 412 | 10.9% | 100.0% | 1 327 589 | 1 347 326 | 1 356 846 | -0.9% | 100.0% |

Personnel information

Table 36.24 Companies and Intellectual Property 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 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 | 623 | 623 | 601 | 159.8 | 0.3 | 532 | 191.7 | 0.4 | 612 | 263.2 | 0.4 | 654 | 283.2 | 0.4 | 660 | 300.2 | 0.5 | 16.1% | 100.0% |
| 7 – 10 | 482 | 482 | 482 | 89.1 | 0.2 | 440 | 94.6 | 0.2 | 393 | 129.1 | 0.3 | 487 | 134.5 | 0.3 | 492 | 139.0 | 0.3 | 13.7% | 74.0% |
| 11 – 12 | 78 | 78 | 68 | 34.6 | 0.5 | 61 | 40.9 | 0.7 | 157 | 58.2 | 0.4 | 103 | 67.8 | 0.7 | 103 | 72.3 | 0.7 | 20.9% | 17.1% |
| 13 – 16 | 63 | 63 | 51 | 36.1 | 0.7 | 31 | 56.2 | 1.8 | 62 | 75.9 | 1.2 | 64 | 80.9 | 1.3 | 65 | 88.9 | 1.4 | 16.5% | 8.9% |

1. Rand million.

Expenditure trends

The Companies and Intellectual Property Commission generates revenue from the registration of companies, trademarks, patents, and copyright. The increase in revenue over the medium term is mainly due to the increase in applications for intellectual property rights, patents, trademarks, and the incorporation of companies. Revenue over the medium term is expected to grow as the commission improves its operations and the compliance rate improves. However, interest revenue, which relates to the investment of the approved retained earnings at the South African Reserve Bank, is set to decline over the medium term as the funds are used in implementing special projects.

The commission's spending focus over the medium term will be on regulating the behaviour of companies and the intellectual property system in terms of the Companies Act (2008), and promoting broader, formal economic participation through enhanced service delivery. This will improve the reputation of the South African business environment by providing accessible and value-adding registration for business entities and ensuring intellectual property rights. Over the medium term, the largest item of expenditure is in the administration programme, followed by the business regulations and reputation programme. Using funds allocated to these programmes the commission will increase the percentage of companies and cooperatives registered manually within 25 and 21 days, to 95 per cent by 2016/17. These programmes contribute to the work of the commission by developing a successful registration, regulation, and monitoring and enforcement system. As part of the commission's efforts to improve the quality of its service and its ability to comply with regulatory requirements, expenditure on goods and services increased significantly in 2013/14 due to the implementation of special projects that will continue over the medium term. These include the implementation of the new service delivery model with its IT based platform that will enable the percentage of companies registered electronically within one day to reach 95 per cent by 2016/17, and a move to new office accommodation to provide for the expected increase in the entity's establishment.

Spending on compensation of employees is set to increase significantly over the medium term to support the increase in personnel numbers from 532 in 2013/14 to 660 in 2016/17. There were 189 vacant posts at the end of November 2013, mostly as a result of the change in the organisational structure. Spending on consultants, currently used to fill gaps resulting from the revised organisational structure, is expected to decrease over the medium term as posts are filled by suitably skilled personnel as capacity grows within the commission.

Export Credit Insurance Corporation of South Africa

Mandate and goals

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

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

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

Selected performance indicators

Table 36.25 Export Credit Insurance 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 |
| Value of export credit/investment insurance policies signed per year | Facilitate export trade and investments outside South Africa | Outcome 4: Decent employment through inclusive economic growth | R2.6bn | R3.7bn | R7bn | R2.2bn | R4.9bn | R6bn | R7bn |
| Value of loans disbursed and/or investment insurance exposures declared per year | Facilitate export trade and investments outside South Africa | | R1.2bn | R3.0bn | R11.5bn | R2bn | R1.5bn | R1.8bn | R2bn |
| Incidence of cooperative benefits initiated with other export creation agencies or development finance institutions under the existing cooperation agreements or arrangements, per year | Strategic alliances | | — ¹ | — ¹ | — ¹ | 5 | 5 | 5 | 5 |
| Number of product presentations or awareness sessions held per year with export promotion agencies and/or with development agencies or through conferences in the various provinces of South Africa | Promote a professional, competitive and customer focused workforce that ensures an effective and efficient service to our customers | | — ¹ | 9 | 12 | 15 | 18 | 21 | 24 |

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

Programmes/activities/objectives

Table 36.26 Export Credit Insurance Corporation of South Africa

| R thousand | Audited outcome | | | Revised estimate | Average growth rate (%) | | Medium-term expenditure estimate | | | Average growth rate (%) | |
|---|-----------------|----------------|------------------|------------------|-------------------------|-------------------|----------------------------------|----------------|----------------|-------------------------|-------------------|
| | 2010/11 | 2011/12 | 2012/13 | | 2010/11 - 2013/14 | 2013/14 - 2016/17 | 2014/15 | 2015/16 | 2016/17 | 2013/14 - 2016/17 | 2016/17 - 2019/20 |
| Administration | 8 854 | 9 172 | 12 960 | 14 110 | 16.8% | 2.0% | 14 013 | 14 824 | 14 996 | 2.1% | 2.5% |
| Facilitate export trade and investments outside South Africa | 11 673 | 12 180 | 12 744 | 30 312 | 37.4% | 3.1% | 29 707 | 31 461 | 32 285 | 2.1% | 5.4% |
| Strategic alliances | 3 279 | 1 163 | 1 685 | 3 389 | 1.1% | 0.5% | 3 262 | 3 454 | 3 557 | 1.6% | 0.6% |
| Promote a professional, competitive and customer focused workforce that ensures an effective and efficient service to our customers | 1 493 | 1 701 | 2 075 | 6 681 | 64.8% | 0.6% | 6 782 | 7 185 | 7 512 | 4.0% | 1.2% |
| Fostering risk orientation: Create an enterprise-wide risk awareness and effective corporate governance and risk management practices | 361 208 | 566 261 | 1 019 954 | 413 358 | 4.6% | 91.5% | 568 259 | 596 822 | 445 254 | 2.5% | 86.0% |
| Effective stewardship: Consistently apply sound business environment and social principles by applying international best practice | 6 104 | 6 770 | 10 223 | 25 395 | 60.8% | 2.2% | 17 983 | 21 625 | 26 511 | 1.4% | 4.0% |
| Promote a professional, competitive and customer focused workforce that ensures an effective and efficient service to our customers | 729 | 979 | 1 377 | 1 425 | 25.0% | 0.2% | 1 431 | 1 515 | 1 543 | 2.7% | 0.3% |
| Total expense | 393 340 | 598 226 | 1 061 018 | 494 670 | 7.9% | 100.0% | 641 437 | 676 886 | 531 658 | 2.4% | 100.0% |

Expenditure estimates

Table 36.27 Export Credit Insurance Corporation of South Africa

| Statement of financial performance | | | | Revised estimate | Average growth rate (%) | Expenditure/total: Average (%) | | | | Average growth rate (%) | Expenditure/total: Average (%) |
|--|-----------|-----------|-----------|------------------|-------------------------|--------------------------------|----------------------|-----------|-----------|-------------------------|--------------------------------|
| Audited outcome | | | | | | | 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 | 805 705 | 786 795 | 1 123 046 | 887 391 | 3.3% | 100.0% | 940 277 | 1 090 531 | 1 125 806 | 8.3% | 100.0% |
| Sale of goods and services other than capital assets | 388 410 | 388 621 | 718 047 | 541 983 | 11.7% | 55.7% | 548 424 | 634 003 | 652 398 | 6.4% | 58.9% |
| of which: | | | | | | | | | | | |
| Sales by market establishment | 388 410 | 388 621 | 718 047 | 541 983 | 11.7% | 55.7% | 548 424 | 634 003 | 652 398 | 6.4% | 58.9% |
| Other non-tax revenue | 417 295 | 398 174 | 404 999 | 345 408 | -6.1% | 44.3% | 391 853 | 456 528 | 473 408 | 11.1% | 41.1% |
| Total revenue | 805 705 | 786 795 | 1 123 046 | 887 391 | 3.3% | 100.0% | 940 277 | 1 090 531 | 1 125 806 | 8.3% | 100.0% |
| Expenses | | | | | | | | | | | |
| Current expenses | 282 523 | 439 457 | 859 361 | 341 946 | 6.6% | 73.9% | 525 222 | 516 025 | 300 601 | -4.2% | 70.9% |
| Compensation of employees | 23 462 | 22 647 | 26 892 | 47 271 | 26.3% | 5.5% | 42 329 | 44 868 | 47 561 | 0.2% | 7.9% |
| Goods and services | 258 812 | 416 589 | 832 251 | 293 512 | 4.3% | 68.3% | 481 763 | 470 367 | 252 567 | -4.9% | 62.9% |
| Depreciation | 246 | 219 | 218 | 1 162 | 67.7% | 0.1% | 1 129 | 790 | 473 | -25.9% | 0.2% |
| Interest, dividends and rent on land | 3 | 2 | - | - | -100.0% | 0.0% | - | - | - | - | - |
| Total expenses | 393 340 | 598 226 | 1 061 018 | 494 670 | 7.9% | 100.0% | 641 437 | 676 886 | 531 658 | 2.4% | 100.0% |
| Surplus/(Deficit) | 412 365 | 188 569 | 62 028 | 392 721 | -1.6% | | 298 840 | 413 645 | 594 148 | 14.8% | |
| Statement of financial position | | | | | | | | | | | |
| Carrying value of assets | 598 | 648 | 699 | 1 714 | 42.0% | 0.0% | 1 585 | 1 095 | 822 | -21.7% | 0.0% |
| of which: | | | | | | | | | | | |
| Acquisition of assets | 92 | 195 | 143 | 8 245 | 347.5% | 0.0% | 600 | 300 | 200 | -71.1% | 0.0% |
| Investments | 1 529 942 | 2 023 888 | 2 180 082 | 3 099 574 | 26.5% | 50.2% | 3 759 121 | 4 310 598 | 4 897 756 | 16.5% | 61.3% |
| Receivables and prepayments | 235 616 | 193 984 | 557 090 | 719 247 | 45.1% | 9.2% | 862 133 | 987 593 | 1 097 580 | 15.1% | 14.0% |
| Cash and cash equivalents | 1 396 374 | 1 651 134 | 2 223 410 | 1 699 003 | 6.8% | 40.6% | 1 581 735 | 1 522 385 | 1 516 101 | -3.7% | 24.7% |
| Taxation | 4 020 | - | - | - | -100.0% | 0.0% | - | - | - | - | - |
| Total assets | 3 166 550 | 3 869 654 | 4 961 281 | 5 519 538 | 20.3% | 100.0% | 6 204 575 | 6 821 671 | 7 512 260 | 10.8% | 100.0% |
| Accumulated surplus/(deficit) | 1 918 111 | 2 015 452 | 1 800 433 | 2 038 446 | 2.0% | 46.5% | 2 418 825 | 2 810 380 | 3 234 932 | 16.6% | 40.0% |
| Capital and reserves | 268 509 | 631 118 | 1 424 438 | 1 424 438 | 74.4% | 19.8% | 1 424 438 | 1 424 438 | 1 424 438 | - | 22.2% |
| Trade and other payables | 5 258 | 135 266 | 13 551 | 14 364 | 39.8% | 1.0% | 15 226 | 16 139 | 17 108 | 6.0% | 0.2% |
| Taxation | 24 072 | 82 087 | 101 844 | 63 926 | 38.5% | 1.5% | 121 374 | 98 038 | 108 697 | 19.4% | 1.5% |
| Provisions | 950 600 | 1 005 731 | 1 621 015 | 1 978 363 | 27.7% | 31.1% | 2 224 711 | 2 472 675 | 2 727 085 | 11.3% | 36.1% |
| Total equity and liabilities | 3 166 550 | 3 869 654 | 4 961 281 | 5 519 537 | 20.3% | 100.0% | 6 204 575 | 6 821 671 | 7 512 260 | 10.8% | 100.0% |

Personnel information

Table 36.28 Export Credit Insurance 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 | | |
|---|---|----|--|------|-----------|------------------|------|-----------|----------------------------------|------|-----------|---------|------|-----------|-------------------------|---------------------------------|---------|--------|-----------|-------------------|
| 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 | 57 | 57 | 44 | 26.9 | 0.6 | 57 | 47.3 | 0.8 | 61 | 42.3 | 0.7 | 61 | 44.9 | 0.7 | 61 | 47.6 | 0.8 | 0.2% | 100.0% | |
| 1 – 6 | 8 | 8 | 6 | 0.5 | 0.1 | 8 | 0.3 | 0.0 | 13 | 1.2 | 0.1 | 13 | 1.3 | 0.1 | 13 | 1.3 | 0.1 | 67.8% | 19.5% | |
| 7 – 10 | 13 | 13 | 13 | 4.5 | 0.3 | 13 | 3.9 | 0.3 | 10 | 3.1 | 0.3 | 5 | 1.5 | 0.3 | 5 | 1.6 | 0.3 | -26.0% | 13.9% | |
| 11 – 12 | 13 | 13 | 6 | 3.6 | 0.6 | 13 | 6.1 | 0.5 | 16 | 7.5 | 0.5 | 19 | 8.4 | 0.4 | 17 | 7.6 | 0.4 | 7.5% | 27.0% | |
| 13 – 16 | 22 | 22 | 15 | 13.9 | 0.9 | 22 | 19.4 | 0.9 | 20 | 18.8 | 0.9 | 22 | 21.1 | 1.0 | 24 | 23.9 | 1.0 | 7.1% | 36.7% | |
| 17 – 22 | 1 | 1 | 4 | 4.4 | 1.1 | 1 | 17.5 | 17.5 | 2 | 11.7 | 5.8 | 2 | 12.5 | 6.3 | 2 | 13.2 | 6.6 | -9.0% | 2.9% | |

1. Rand million.

Expenditure trends

The Export Credit Insurance Corporation of South Africa generates revenue mainly from insurance premiums and investment income. Revenue is expected to increase over the medium term as a result of the anticipated growth in policies underwritten, with the corporation aiming for a target of R7 billion of export credit and investment policies that it will sign in 2016/17.

The main spending focus over the medium term will be on continued support for exports to expand the exporter base and the diversification of South Africa's exports, as reflected in the projected increase in projects underwritten. This is also reflected in the increase in the interest make up disbursement, which is an incentive in the form of an interest subsidy that is administered by the corporation on behalf of the department. This is done in support of export transactions, as the scheme enhances the competitiveness of South African exports by enabling South African banks to offer competitive financing for international capital projects. The risk orientation objective is due to an increase in technical insurance provisions as the corporation increases its pipeline. The main cost driver over the medium term is thus expenditure on goods and services, mainly as a result of the increasing tax bill associated with an increasing surplus.

Other items of expenditure under goods and services will also increase over the medium term due to the continued implementation of IT infrastructure, as well as the increased focus on staff training. The value of loans disbursed and investment insurance exposures declared per year is expected to reach R2 billion in 2016/17.

Between 2010/11 and 2013/14, spending on compensation of employees grew significantly, mainly due to the increase in filled positions, in accordance with the approved structure, and over the medium term the number of staff is expected to increase from 57 in 2013/14 to 61 in 2014/15 to support the business growth. At the end of November 2013, the corporation had 6 vacancies which are in the process of being filled. However, the skills required are specialised and scarce, and spending on consultants is therefore expected to increase over the medium term, specifically to compensate for the lack of in-house actuarial skills. Ongoing attention is being given to building these skills within the corporation.

National Empowerment Fund

Mandate and goals

The National Empowerment Fund was established by the National Empowerment Fund Act (1998) to promote and facilitate black economic equality and transformation. In providing financial and non-financial support to black businesses and structuring accessible retail savings products for black people, the fund is mandated to implement the empowerment codes of good practice for BEE. The fund has 3 core divisions: small and medium enterprises and rural development, venture capital and corporate finance, and asset management.

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

- provide finance to business ventures established and managed by black people
- invest in black empowered businesses that have high employment creating opportunities
- support the participation of black women in the economy
- facilitate investment across all provinces in South Africa
- encourage and promote saving, investment and meaningful economic participation by black people
- advance black economic empowerment through commercially sustainable enterprises
- establish the fund as a sustainable development finance institution.

Selected performance indicators

Table 36.29 National Empowerment Fund

| Indicator | Programme/Activity/Objective | Outcome | Past | | | Current | Projections | | |
|---|------------------------------|----------------|----------------|----------------|----------------|---------|-------------|---------|---------|
| | | | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
| Value of approvals by Umnotho fund per year | Fund management | Entity mandate | R382m | R499m | R561m | R250m | R550m | R863m | R863m |
| Value of approvals by Imbewu fund per year | Fund management | | R99m | R175m | R379m | R180m | R450m | R430m | R430m |
| Value of approvals by rural and community development fund per year | Fund management | | R149m | R108m | R148m | R78m | R184m | R245m | R245m |
| Value of approvals by strategic projects fund per year | Fund management | | R119m | R381m | R245m | R100m | R200m | R200m | R200m |
| Value of approvals by asset management per year | Fund management | | – ¹ | – ¹ | – ¹ | R3m | R6m | R8m | R8m |

Table 36.29 National Empowerment Fund

| Indicator | Programme/Activity/Objective | Outcome | Past | | | Current | Projections | | |
|--|------------------------------|----------------|----------------|---------|---------|---------|-------------|---------|---------|
| | | | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
| Value of mentorship allocation for transactions receiving non-financial support per year | Fund management | Entity mandate | – ¹ | R3m | R3m | R4m | R4m | R4m | R4m |

1. No past data, as this is a new indicator.

Programmes/activities/objectives

Table 36.30 National Empowerment Fund

| | 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 | 281 911 | 345 100 | 533 404 | 343 810 | 6.8% | 97.1% | 394 179 | 406 354 | 399 114 | 5.1% | 97.5% |
| Fund management | 15 240 | 8 226 | 8 230 | 8 814 | -16.7% | 2.9% | 9 380 | 9 980 | 10 609 | 6.4% | 2.5% |
| Total expense | 297 151 | 353 326 | 541 634 | 352 624 | 5.9% | 100.0% | 403 559 | 416 334 | 409 723 | 5.1% | 100.0% |

Expenditure estimates

Table 36.31 National Empowerment Fund

| Statement of financial performance | Audited outcome | | | Revised estimate | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term 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 | 371 979 | 347 343 | 655 211 | 387 864 | 1.4% | 100.0% | 419 100 | 449 231 | 455 821 | 5.5% | 100.0% |
| Other non-tax revenue | 371 979 | 347 343 | 655 211 | 387 864 | 1.4% | 100.0% | 419 100 | 449 231 | 455 821 | 5.5% | 100.0% |
| Total revenue | 371 979 | 347 343 | 655 211 | 387 864 | 1.4% | 100.0% | 419 100 | 449 231 | 455 821 | 5.5% | 100.0% |
| Expenses | | | | | | | | | | | |
| Current expenses | 297 151 | 353 326 | 541 634 | 352 624 | 5.9% | 100.0% | 403 559 | 416 334 | 409 723 | 5.1% | 100.0% |
| Compensation of employees | 86 636 | 108 634 | 131 396 | 145 793 | 18.9% | 31.4% | 159 956 | 181 287 | 181 983 | 7.7% | 42.2% |
| Goods and services | 203 228 | 238 703 | 405 313 | 203 896 | 0.1% | 67.2% | 240 640 | 233 057 | 225 725 | 3.4% | 57.1% |
| Depreciation | 7 287 | 5 989 | 4 925 | 2 935 | -26.1% | 1.5% | 2 963 | 1 990 | 2 015 | -11.8% | 0.6% |
| Total expenses | 297 151 | 353 326 | 541 634 | 352 624 | 5.9% | 100.0% | 403 559 | 416 334 | 409 723 | 5.1% | 100.0% |
| Surplus/(Deficit) | 74 828 | (5 983) | 113 577 | 35 240 | -22.2% | | 15 541 | 32 897 | 46 098 | 9.4% | |
| Statement of financial position | | | | | | | | | | | |
| Carrying value of assets | 12 130 | 8 929 | 7 697 | 8 262 | -12.0% | 0.2% | 8 799 | 9 308 | 9 793 | 5.8% | 0.2% |
| of which: | | | | | | | | | | | |
| Acquisition of assets | 6 133 | 2 874 | 3 706 | 3 500 | -17.1% | 0.1% | 3 500 | 2 500 | 2 500 | -10.6% | 0.1% |
| Investments | 1 810 030 | 1 888 263 | 2 171 963 | 2 198 428 | 6.7% | 37.5% | 2 198 428 | 2 198 428 | 2 198 428 | – | 36.9% |
| Loans | 837 021 | 1 108 568 | 1 418 805 | 2 237 697 | 38.8% | 25.9% | 3 075 750 | 3 866 843 | 4 599 650 | 27.1% | 56.5% |
| Receivables and prepayments | 74 124 | 87 231 | 126 066 | 103 802 | 11.9% | 1.8% | 103 802 | 103 802 | 103 802 | – | 1.7% |
| Cash and cash equivalents | 2 582 555 | 2 201 998 | 1 689 062 | 921 506 | -29.1% | 34.5% | 94 836 | – | – | -100.0% | 4.6% |
| Non-current assets held for sale | – | 8 100 | 8 100 | 8 100 | – | 0.1% | 8 100 | 8 100 | 8 100 | – | 0.1% |
| Total assets | 5 315 860 | 5 303 089 | 5 421 693 | 5 477 795 | 1.0% | 100.0% | 5 489 715 | 6 186 481 | 6 919 773 | 8.1% | 100.0% |
| Accumulated surplus/(deficit) | 1 514 952 | 2 790 459 | 2 904 036 | 2 959 364 | 25.0% | 47.2% | 2 971 284 | 3 001 926 | 3 020 378 | 0.7% | 50.1% |
| Capital and reserves | 3 765 625 | 2 468 431 | 2 468 431 | 2 468 431 | -13.1% | 52.0% | 2 468 431 | 2 468 431 | 2 468 431 | – | 41.4% |
| Borrowings | – | – | – | – | – | – | – | 666 124 | 1 380 964 | – | 7.7% |
| Trade and other payables | 35 283 | 44 198 | 49 226 | 50 000 | 12.3% | 0.8% | 50 000 | 50 000 | 50 000 | – | 0.8% |
| Total equity and liabilities | 5 315 860 | 5 303 088 | 5 421 693 | 5 477 795 | 1.0% | 100.0% | 5 489 715 | 6 186 481 | 6 919 773 | 8.1% | 100.0% |

Personnel information

Table 36.32 National Empowerment Fund

| 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 | | | |
| | | | 168 | 168 | 168 | 131.4 | 0.8 | 168 | 145.8 | 0.9 | 176 | 160.0 | 0.9 | 185 | 181.3 | 1.0 | 195 | 182.0 | 0.9 | 7.7% |
| 1 – 6 | 10 | 10 | 10 | 1.7 | 0.2 | 10 | 1.8 | 0.2 | 10 | 1.9 | 0.2 | 10 | 2.0 | 0.2 | 10 | 2.1 | 0.2 | 5.4% | 5.5% | |
| 7 – 10 | 50 | 50 | 50 | 17.8 | 0.4 | 50 | 19.0 | 0.4 | 57 | 23.5 | 0.4 | 59 | 26.8 | 0.5 | 61 | 28.2 | 0.5 | 14.0% | 31.3% | |
| 11 – 12 | 54 | 54 | 54 | 37.8 | 0.7 | 54 | 40.5 | 0.8 | 59 | 51.2 | 0.9 | 64 | 57.0 | 0.9 | 69 | 61.2 | 0.9 | 14.7% | 33.9% | |
| 13 – 16 | 52 | 52 | 52 | 66.7 | 1.3 | 52 | 69.2 | 1.3 | 48 | 70.0 | 1.5 | 50 | 75.5 | 1.5 | 53 | 81.3 | 1.5 | 5.5% | 28.1% | |
| 17 – 22 | 2 | 2 | 2 | 7.4 | 3.7 | 2 | 15.2 | 7.6 | 2 | 13.3 | 6.6 | 2 | 20.0 | 10.0 | 2 | 9.1 | 4.6 | -15.6% | 1.1% | |

1. Rand million.

Expenditure trends

The National Empowerment Fund generates its revenue mainly from interest on call accounts, interest on investments or loans, and dividend income from MTN shares. Revenue is therefore expected to grow over the medium term in line with prevailing interest rates, the performance of the invested portfolio of companies funded by the fund, and the performance of the MTN shares.

Over the medium term, the fund's spending focus continues to be on promoting and facilitating black economic equality and transformation by providing funding for black owned business ventures. Spending on compensation of employees grew significantly between 2010/11 and 2013/14 due to the growth in personnel numbers. This is directly linked to the number of financing approvals targeted for qualifying black empowered businesses. To date, the four funds have supported 400 black empowered businesses, with 40 000 jobs created, of which 12 000 were new jobs. The organisation's four funds are the Umnotho fund, which provides acquisition, new venture and expansion finance; the Imbewu fund, which supports black empowered small and medium enterprises; the rural and community development fund; and the strategic projects fund, which assists in the acquisition of equity in companies. The expenditure excludes provision for impairments.

42.2 per cent of the fund's expenditure over the medium term is on compensation of employees, with the number of personnel set to increase from 168 in 2013/14 to 195 by 2016/17 as a result of the increased demand for investment professionals in the four funds as they continue to grow. This accounts for the increase in spending on compensation of employees over this period. The value of approvals from the Imbewu fund is set to grow to R430 million by 2016/17 from R180 million in 2013/14. Related expenditure on goods and services is due to the impairment provision, the main cost driver, which is in line with approval and disbursement targets which will also grow to just over 57 per cent over the medium term.

At the end of November 2013, there were 43 vacant posts, mostly as a result of resignations. Consultants are used mainly for marketing, IT and human resource services in non-core activities.

National Lotteries Board

Mandate and goals

The National Lotteries Board was established in terms of the Lotteries Act (1997) and is mandated to regulate the National Lottery as well as other lotteries, including fundraising society lotteries and promotional competitions. The board also advises the Minister of Trade and Industry on policy matters relating to the National Lottery and other lotteries. The board ensures the protection of all participants, maximises revenue for good causes in a responsible manner, administers the National Lottery Distribution Trust Fund, and distributes funds for good causes to the distributing agencies in an equitable and expeditious manner.

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

- improve the impact of the National Lottery Distribution Trust Fund
- review regulatory practice

- sustain organisational capability
- ensure stability and enhance business continuity.

Selected performance indicators

Table 36.33 National Lotteries Board

| Indicator | Programme/Activity/Objective | Outcome | Past | | | Current | Projections | | |
|--|------------------------------|--|---------|---------|---------|---------|-------------|---------|---------|
| | | | 2010/11 | 2011/12 | 2012/13 | | 2014/15 | 2015/16 | 2016/17 |
| Value of operator ticket sales per year | Grant funding | Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world | R4.71bn | R4.59bn | R4.62bn | R4.9bn | R5.13bn | R5.33bn | R5.56bn |
| Value of National Lottery Distribution Trust Fund grant commitments per year | Grant funding | | R3.09bn | R1.80bn | R1.65bn | R1.94bn | R1.80bn | R1.81bn | R1.89bn |
| Value of actual cash disbursed per year | Grant funding | | R3.6bn | R2.41bn | R2.08bn | R1.86bn | R1.80bn | R2.1bn | R2.0bn |
| Value of contribution to the National Lottery Distribution Trust Fund per year | Grant funding | | R1.61bn | R1.56bn | R1.60bn | R1.75bn | R1.9bn | R2.0bn | R2.1bn |

Programmes/activities/objectives

Table 36.34 National Lotteries Board

| | | | | | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Expenditure/total: Average (%) |
|---------------------------|---------|---------|---------|------------------|-------------------------|--------------------------------|----------------------------------|---------|---------|-------------------------|--------------------------------|
| Audited outcome | | | | Revised 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 | |
| Administration | 83 573 | 65 130 | 51 849 | 149 488 | 21.4% | 64.3% | 144 633 | 152 037 | 167 927 | 4.0% | 49.8% |
| Grant funding | – | 30 209 | 63 310 | 120 862 | – | 30.5% | 126 245 | 132 477 | 137 536 | 4.4% | 41.9% |
| Compliance and regulation | – | 5 715 | 10 717 | 19 425 | – | 5.2% | 24 148 | 28 021 | 31 806 | 17.9% | 8.3% |
| Total expense | 83 573 | 101 054 | 125 876 | 289 775 | 51.4% | 100.0% | 295 026 | 312 535 | 337 269 | 5.2% | 100.0% |

Expenditure estimates

Table 36.35 National Lotteries Board

| Statement of financial performance | | | | | | | | | | | | |
|--|-----------------|---------|---------|---------|-------------------|-------------------------|---------------------------------|----------------------|---------|-------------------|-------------------------|---------------------------------|
| | Audited outcome | | | | 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 | 1 617 | 1 586 | 1 595 | 1 692 | 1.5% | 1.3% | 1 698 | 1 728 | 2 220 | 9.5% | 0.6% | |
| Sale of goods and services other than capital assets | 1 308 | 1 308 | 1 308 | 1 308 | – | 1.1% | 1 308 | 1 308 | 1 700 | 9.1% | 0.5% | |
| of which: | | | | | | | | | | | | |
| Administrative fees | 1 308 | 1 308 | 1 308 | 1 308 | – | 1.1% | 1 308 | 1 308 | 1 700 | 9.1% | 0.5% | |
| Other non-tax revenue | 309 | 278 | 287 | 384 | 7.5% | 0.3% | 390 | 420 | 520 | 10.6% | 0.1% | |
| Transfers received | 81 956 | 99 468 | 124 281 | 288 083 | 52.0% | 98.7% | 293 328 | 310 807 | 335 049 | 5.2% | 99.4% | |
| Total revenue | 83 573 | 101 054 | 125 876 | 289 775 | 51.4% | 100.0% | 295 026 | 312 535 | 337 269 | 5.2% | 100.0% | |
| Expenses | | | | | | | | | | | | |
| Current expenses | 83 573 | 101 054 | 125 876 | 289 775 | 51.4% | 100.0% | 295 026 | 312 535 | 337 269 | 5.2% | 100.0% | |
| Compensation of employees | 45 413 | 54 171 | 58 655 | 150 489 | 49.1% | 51.6% | 165 428 | 181 971 | 200 168 | 10.0% | 56.4% | |
| Goods and services | 37 404 | 45 452 | 64 896 | 135 105 | 53.4% | 47.0% | 125 398 | 126 264 | 132 701 | -0.6% | 42.2% | |
| Depreciation | 756 | 1 431 | 2 325 | 4 181 | 76.8% | 1.4% | 4 200 | 4 300 | 4 400 | 1.7% | 1.4% | |
| Total expenses | 83 573 | 101 054 | 125 876 | 289 775 | 51.4% | 100.0% | 295 026 | 312 535 | 337 269 | 5.2% | 100.0% | |
| Surplus/(Deficit) | – | – | – | – | – | | – | – | – | – | | |
| Statement of financial position | | | | | | | | | | | | |
| Carrying value of assets | 8 324 | 7 968 | 11 666 | 11 963 | 12.9% | 45.0% | 12 463 | 13 000 | 16 770 | 11.9% | 57.3% | |
| of which: | | | | | | | | | | | | |
| Acquisition of assets | 1 685 | 1 086 | 6 123 | 2 800 | 18.4% | 12.1% | 3 000 | 3 225 | 3 406 | 6.7% | 13.3% | |
| Receivables and prepayments | 4 780 | 8 467 | 6 537 | 3 200 | -12.5% | 25.3% | 3 200 | 3 200 | 3 700 | 5.0% | 14.3% | |
| Cash and cash equivalents | 4 108 | 7 033 | 12 689 | 4 835 | 5.6% | 29.8% | 3 027 | 9 890 | 11 200 | 32.3% | 28.4% | |
| Total assets | 17 212 | 23 468 | 30 892 | 19 998 | 5.1% | 100.0% | 18 690 | 26 090 | 31 670 | 16.6% | 100.0% | |
| Deferred income | 8 044 | 9 185 | 2 806 | 1 498 | -42.9% | 25.6% | 190 | 8 500 | 13 040 | 105.7% | 20.6% | |
| Trade and other payables | 5 054 | 11 477 | 19 687 | 18 500 | 54.1% | 58.6% | 18 500 | 17 590 | 18 630 | 0.2% | 79.4% | |
| Derivatives financial instruments | 4 114 | 2 806 | 8 399 | – | -100.0% | 15.8% | – | – | – | – | – | |
| Total equity and liabilities | 17 212 | 23 468 | 30 892 | 19 998 | 5.1% | 100.0% | 18 690 | 26 090 | 31 670 | 16.6% | 100.0% | |

Personnel information

Table 36.36 National Lotteries Board

| 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 | | | |
| | | | 253 | 253 | 132 | 58.7 | 0.4 | 253 | 150.5 | 0.6 | 253 | 165.4 | 0.7 | 253 | 182.0 | 0.7 | 253 | 200.2 | 0.8 | 10.0% |
| 1 – 6 | 2 | 2 | 2 | 0.3 | 0.1 | 2 | 0.6 | 0.3 | 2 | 0.7 | 0.4 | 2 | 0.8 | 0.4 | 2 | 0.9 | 0.4 | 10.0% | 0.8% | |
| 7 – 10 | 133 | 133 | 63 | 16.9 | 0.3 | 133 | 61.7 | 0.5 | 133 | 67.8 | 0.5 | 133 | 74.6 | 0.6 | 133 | 82.1 | 0.6 | 10.0% | 52.6% | |
| 11 – 12 | 91 | 91 | 45 | 20.7 | 0.5 | 91 | 55.6 | 0.6 | 91 | 61.0 | 0.7 | 91 | 67.1 | 0.7 | 91 | 73.9 | 0.8 | 9.9% | 36.0% | |
| 13 – 16 | 26 | 26 | 21 | 18.9 | 0.9 | 26 | 30.5 | 1.2 | 26 | 33.5 | 1.3 | 26 | 36.9 | 1.4 | 26 | 40.5 | 1.6 | 10.0% | 10.3% | |
| 17 – 22 | 1 | 1 | 1 | 1.9 | 1.9 | 1 | 2.1 | 2.1 | 1 | 2.3 | 2.3 | 1 | 2.6 | 2.6 | 1 | 2.8 | 2.8 | 10.0% | 0.4% | |

1. Rand million.

Expenditure trends

The National Lotteries Board withdraws the funds it requires to pay for running costs from the National Lottery Distribution Trust Fund, basing these withdrawals on an overall annual budget approved by the Minister of Trade and Industry. A small amount of revenue is also generated from interest earned on funds received from licence holders.

Over the medium term, the spending focus will continue to be on regulating all lotteries as required by the board's mandate in order to improve the impact of the National Lottery Distribution Trust Fund and grow sales, which are expected to reach R5.6 billion in 2016/17 from R4.9 billion in 2013/14. Studies are planned to understand the National Lottery Distribution Trust Funds' funding impact on communities. The administration programme accounted for the largest share of expenditure between 2010/11 and 2013/14, and will do so over the medium term due to the administrative costs associated with effectively managing the work of the board so that it achieves the following objectives: socially uplifting the beneficiaries of the National Lottery Distribution Trust Fund; delivering on its mandate to advise the Minister of Trade and Industry on policy matters; increasing the benefits the public receives from lotteries; reviewing its regulatory practices; and developing the organisation.

Expenditure on compensation of employees will increase over the medium term, with the number of personnel employed standing at 253 in 2016/17. Compensation of employees constitutes 56.4 per cent of total expenditure over the MTEF period. Expenditure on personnel grew significantly between 2012/13 and 2013/14 due to revisions being implemented in accordance with the Lotteries Amendment Act (2013), which provides for full time distributing agency members and associated staff. There were 99 vacancies at the end of November 2013 due to the expanded structure and these will be filled over the medium term. Related to this, expenditure on goods and services over the medium term remains significant, at 42.2 per cent of total expenditure. This includes the costs of key activities such as awareness programmes and road shows which are undertaken in all provinces and targeted to reach 186 events by 2016/17. The board uses consultants mainly for fraud investigations and the grant funding impact study. It has undertaken an exercise to ensure that only work which cannot be undertaken internally is outsourced, with an emphasis on the transfer of skills.

Small Enterprise Development Agency

Mandate and goals

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

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

Selected performance indicators

Table 36.37 Small Enterprise Development Agency

| Indicator | Programme/Activity/Objective | Outcome | Past | | | Current | Projections | | |
|---|---|--|----------------|----------------|---------|---------|-------------|---------|---------|
| | | | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
| Percentage of clients satisfied with quality of Small Enterprise Development Agency services | Enhance competitiveness and capabilities of small enterprises through coordinated services, programmes and products | Outcome 4: Decent employment through inclusive economic growth | 80% | 80% | 98% | 88% | 90% | 90% | 90% |
| Percentage of existing SMME clients whose turnover increased | Enhance competitiveness and capabilities of small enterprises through coordinated services, programmes and products | | 35% | 35% | 63% | 35% | 45% | 45% | 45% |
| Percentage of existing SMME clients whose number of employees increased | Enhance competitiveness and capabilities of small enterprises through coordinated services, programmes and products | | 25% | 25% | 35% | 25% | 30% | 30% | 30% |
| Number of clients working with the agency per year | Ensure equitable access to business support services | | 12 000 | 25 000 | 10 208 | 10 400 | 10 400 | 10 400 | 10 400 |
| Number of adopted enterprises under the community public private partnership programme per year | Ensure equitable access to business support services | | 18 | 20 | 28 | 22 | 24 | 24 | 24 |
| Value of service provision costs covered by partners | Ensure equitable access to business support services | | R6.8m | R7.6m | R9.6m | R6m | R6m | R6m | R6m |
| Number of partnerships operational per year | Ensure equitable access to business support services | | 40 | 30 | 44 | 40 | 40 | 40 | 40 |
| Percentage of direct service costs versus total costs | Strengthen the organisation to deliver on its mandate | | — ¹ | — ¹ | 73% | 62% | 62% | 62% | 62% |
| Percentage of deviations of actual expenditure from the approved budget | Strengthen the organisation to deliver on its mandate | | — ¹ | — ¹ | 2% | 5% | 5% | 5% | 5% |
| Percentage reduction in staff vacancies | Strengthen the organisation to deliver on its mandate | | — ¹ | — ¹ | 68% | 50% | 50% | 50% | 50% |
| Number of jobs created per year | Assist SMMEs with technology through the organisation's technology programme | | — ¹ | — ¹ | 2 301 | 989 | 1 500 | 1 500 | 1 500 |
| Number of clients supported per year | Assist SMMEs with technology through the organisation's technology programme | | — ¹ | — ¹ | 2 282 | 935 | 1 600 | 1 600 | 1 600 |
| Number of clients assisted with technology transfer incentives per year | Assist SMMEs with technology through the organisation's technology programme | | — ¹ | — ¹ | 99 | 38 | 60 | 60 | 60 |
| Number of clients supported with conformity assessment and product testing per year | Assist SMMEs with technology through the organisation's technology programme | | — ¹ | — ¹ | 159 | 127 | 130 | 130 | 130 |
| Number of clients trained on national and international standards per year | Assist SMMEs with technology through the organisation's technology programme | | — ¹ | — ¹ | 571 | 425 | 450 | 450 | 450 |
| Number of clients supported with systems implementation per year | Assist SMMEs with technology through the organisation's technology programme | | — ¹ | — ¹ | 35 | 34 | 30 | 30 | 30 |

1. No past data, as these indicators were not yet in use.

Programme/activities/objectives

Table 36.38 Small Enterprise Development Agency

| | 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 - 2013/14 | | | | | 2013/14 - 2016/17 | |
| Enhance competitiveness and capabilities of small enterprises through coordinated services, programmes and products | 118 636 | 154 121 | 151 331 | 164 156 | 11.4% | 24.0% | 174 244 | 184 967 | 196 368 | 6.2% | 25.4% |
| Ensure equitable access to business support services | 124 832 | 130 635 | 140 443 | 148 720 | 6.0% | 22.3% | 154 176 | 161 849 | 169 875 | 4.5% | 22.4% |
| Strengthen the organisation to deliver on its mandate | 187 826 | 191 881 | 193 740 | 270 880 | 13.0% | 34.3% | 212 863 | 223 654 | 233 109 | -4.9% | 33.1% |
| Assist SMMEs with technology through the organisation's technology programme | 78 247 | 109 693 | 149 828 | 145 760 | 23.0% | 19.4% | 126 368 | 132 181 | 138 261 | -1.7% | 19.1% |
| Total expense | 509 541 | 586 330 | 635 342 | 729 516 | 12.7% | 100.0% | 667 651 | 702 651 | 737 613 | 0.4% | 100.0% |

Expenditure estimates

Table 36.39 Small Enterprise Development Agency

| Statement of financial performance | | | | Revised estimate | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term 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 | |
| Revenue | | | | | | | | | | | |
| Non-tax revenue | 34 887 | 36 275 | 66 028 | 80 850 | 32.3% | 8.8% | 43 001 | 43 000 | 43 000 | -19.0% | 7.4% |
| Other non-tax revenue | 34 887 | 36 275 | 66 028 | 80 850 | 32.3% | 8.8% | 43 001 | 43 000 | 43 000 | -19.0% | 7.4% |
| Transfers received | 461 121 | 508 290 | 566 923 | 648 666 | 12.0% | 91.2% | 624 650 | 659 651 | 694 613 | 2.3% | 92.6% |
| Total revenue | 496 008 | 544 565 | 632 951 | 729 516 | 13.7% | 100.0% | 667 651 | 702 651 | 737 613 | 0.4% | 100.0% |
| Expenses | | | | | | | | | | | |
| Current expenses | 510 | 586 | 635 | 730 | 12.7% | 100.0% | 668 | 703 | 738 | 0.4% | 100.0% |
| Compensation of employees | 190 | 206 | 221 | 240 | 8.2% | 35.1% | 257 | 275 | 294 | 7.0% | 37.6% |
| Goods and services | 304 | 361 | 396 | 471 | 15.7% | 62.0% | 394 | 411 | 427 | -3.2% | 60.0% |
| Depreciation | 14 | 17 | 16 | 16 | 6.4% | 2.6% | 15 | 15 | 15 | -3.4% | 2.2% |
| Interest, dividends and rent on land | 2 | 2 | 2 | 2 | -3.7% | 0.3% | 2 | 2 | 2 | -6.6% | 0.3% |
| Total expenses | 510 | 586 | 635 | 730 | 12.7% | 100.0% | 668 | 703 | 738 | 0.4% | 100.0% |
| Surplus/(Deficit) | 495 498 | 543 979 | 632 316 | 728 786 | 13.7% | | 666 983 | 701 948 | 736 875 | 0.4% | |
| Statement of financial position | | | | | | | | | | | |
| Carrying value of assets | 45 520 | 40 717 | 38 371 | 44 621 | -0.7% | 18.7% | 44 000 | 43 500 | 43 200 | -1.1% | 23.4% |
| of which: | | | | | | | | | | | |
| Acquisition of assets | 15 615 | 12 906 | 13 967 | 13 044 | -5.8% | 6.1% | 8 955 | 9 312 | 9 685 | -9.4% | 5.4% |
| Inventory | 341 | 238 | 250 | 255 | -9.2% | 0.1% | 257 | 260 | 265 | 1.3% | 0.1% |
| Receivables and prepayments | 4 110 | 32 062 | 3 916 | 8 300 | 26.4% | 5.3% | 8 500 | 8 400 | 8 300 | - | 4.5% |
| Cash and cash equivalents | 155 912 | 153 656 | 210 345 | 176 109 | 4.1% | 75.9% | 135 001 | 135 005 | 104 524 | -16.0% | 71.9% |
| Total assets | 205 883 | 226 673 | 252 882 | 229 285 | 3.7% | 100.0% | 187 758 | 187 165 | 156 289 | -12.0% | 100.0% |
| Accumulated surplus/(deficit) | 57 911 | 25 228 | 22 837 | 22 837 | -26.7% | 14.6% | 15 000 | 15 000 | 15 000 | -13.1% | 8.9% |
| Capital reserve fund | 9 082 | - | - | - | -100.0% | 1.1% | - | - | - | - | - |
| Finance lease | 12 173 | 12 208 | 12 085 | 11 919 | -0.7% | 5.3% | 11 338 | 10 445 | 9 169 | -8.4% | 5.7% |
| Trade and other payables | 110 940 | 173 019 | 200 331 | 175 400 | 16.5% | 71.5% | 140 891 | 139 791 | 108 791 | -14.7% | 74.0% |
| Provisions | 15 777 | 16 218 | 17 629 | 19 129 | 6.6% | 7.5% | 20 529 | 21 929 | 23 329 | 6.8% | 11.5% |
| Total equity and liabilities | 205 883 | 226 673 | 252 882 | 229 285 | 3.7% | 100.0% | 187 758 | 187 165 | 156 289 | -12.0% | 100.0% |

Personnel information

Table 36.40 Small Enterprise Development 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 | |
| | | | | | | | | | | | | | | | | | | | | |
| 659 | 659 | 659 | 585 | 221.4 | 0.4 | 659 | 240.4 | 0.4 | 659 | 257.2 | 0.4 | 659 | 275.2 | 0.4 | 659 | 294.5 | 0.4 | 7.0% | 100.0% | |
| 1 – 6 | 135 | 135 | 89 | 13.6 | 0.2 | 135 | 21.0 | 0.2 | 135 | 22.5 | 0.2 | 135 | 24.0 | 0.2 | 135 | 25.7 | 0.2 | 7.0% | 20.5% | |
| 7 – 10 | 260 | 260 | 311 | 82.5 | 0.3 | 260 | 71.0 | 0.3 | 260 | 76.0 | 0.3 | 260 | 81.3 | 0.3 | 260 | 87.0 | 0.3 | 7.0% | 39.5% | |
| 11 – 12 | 214 | 214 | 143 | 86.7 | 0.6 | 214 | 104.5 | 0.5 | 214 | 111.9 | 0.5 | 214 | 119.7 | 0.6 | 214 | 128.1 | 0.6 | 7.0% | 32.5% | |
| 13 – 16 | 50 | 50 | 42 | 38.6 | 0.9 | 50 | 43.8 | 0.9 | 50 | 46.9 | 0.9 | 50 | 50.2 | 1.0 | 50 | 53.7 | 1.1 | 7.0% | 7.6% | |

1. Rand million.

Expenditure trends

The spending focus of the Small Enterprise Development Agency over the medium term will be on developing, supporting and promoting small enterprises to ensure their growth and sustainability by providing them with non-financial services. This is to ensure that the small enterprise sector grows and increases its contribution to sustainable and equitable social and economic development, employment and wealth creation. The agency supports this through business advice, consultancy, training and mentoring, and by assisting SMMEs with technology through the technology programme. It also provides for the incubation of businesses in the SMME sectors through technology demonstration centres, technology incubators, and hybrid centres as part of the

technology programme, and for the development of rural enterprises and cooperatives through the cooperatives and community private partnerships programme.

The activities of the agency will result in improved performance and increase employment within SMMEs, and an increased number of clients assisted with technology transfers over the medium term. Goods and services is thus the largest item of expenditure over the seven-year period. Expenditure on goods and services grew significantly between 2010/11 and 2013/14 due to the implementation of special projects, which included expanding the incubation programme to support small businesses and incubators.

Compensation of employees is the second largest item and thus is set to increase due to the delivery network encompassing South Africa, with agency offices and personnel in all nine provinces. This item is set to grow moderately over the medium term due to inflation related adjustment to salaries, with the number of personnel expected to remain constant. Consultants are used largely to perform market research, to conceptualise programmes, and to perform programme evaluations in line with good practices to ensure independence and objectivity. There were 57 vacant posts as at 30 November 2013 due to resignations, promotions, retirements and dismissals.

South African Bureau of Standards

Mandate and goals

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

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

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

Selected performance indicators

Table 36.41 South Africa Bureau of Standards

| Indicator | Programme/Activity/Objective | Outcome | Past | | | Current | Projections | | |
|---|---|--|----------------|---------|---------|---------|-------------|---------|---------|
| | | | 2010/11 | 2011/12 | 2012/13 | | 2014/15 | 2015/16 | 2016/17 |
| Number of new certification schemes developed per year | Conformity assessment | Outcome 4: Decent employment through inclusive economic growth | – ¹ | 1 | 1 | 2 | 2 | 2 | 2 |
| Percentage of compulsory specifications whose tests can be conducted at South African Bureau of Standards in full | Conformity assessment | | 50% | 50% | 50% | 70% | 80% | 90% | 90% |
| Test and services revenue (R 000) per year | Conformity assessment | | 192 277 | 166 663 | 218 706 | 202 713 | 267 344 | 298 373 | 333 233 |
| Products and systems certification revenue (R 000) per year | Conformity assessment | | 184 128 | 215 671 | 244 267 | 286 172 | 332 224 | 372 091 | 416 742 |
| Number of published home-grown South African national standards per year | Development of South African national standards | | 258 | 259 | 225 | 220 | 225 | 235 | 250 |
| Value of standards sales revenue per year (R 000) | Development of South African national standards | | 16 631 | 19 265 | 21 945 | 22 838 | 31 593 | 35 701 | 40 342 |

1. No past data, as this indicator was not yet in use.

Programmes/activities/objectives

Table 36.42 South Africa Bureau of Standards

| | 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 | |
| Conformity assessment | 336 799 | 360 889 | 417 922 | 593 070 | 20.8% | 65.5% | 667 272 | 741 973 | 821 138 | 11.5% | 77.0% |
| Development of South African national standards | 202 569 | 217 512 | 278 614 | 177 149 | -4.4% | 34.5% | 199 314 | 221 629 | 245 275 | 11.5% | 23.0% |
| Total expense | 539 368 | 578 401 | 696 536 | 770 219 | 12.6% | 100.0% | 866 586 | 963 602 | 1 066 413 | 11.5% | 100.0% |

Expenditure estimates

Table 36.43 South Africa Bureau of Standards

| Statement of financial performance | Audited outcome | | | 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 | 433 821 | 446 822 | 534 786 | 537 641 | 7.4% | 72.8% | 646 239 | 721 982 | 806 932 | 14.5% | 73.5% |
| Sale of goods and services other than capital assets of which: | 394 553 | 401 482 | 484 918 | 511 723 | 9.1% | 66.7% | 631 161 | 706 165 | 790 317 | 15.6% | 71.4% |
| Sales by market establishment | 394 553 | 401 482 | 484 918 | 511 723 | 9.1% | 66.7% | 631 161 | 706 165 | 790 317 | 15.6% | 71.4% |
| Other non-tax revenue | 39 268 | 45 340 | 49 868 | 25 918 | -12.9% | 6.1% | 15 078 | 15 817 | 16 615 | -13.8% | 2.1% |
| Transfers received | 160 065 | 164 895 | 192 775 | 212 975 | 10.0% | 27.2% | 227 023 | 260 213 | 273 636 | 8.7% | 26.5% |
| Total revenue | 593 886 | 613 333 | 727 694 | 750 616 | 8.1% | 100.0% | 873 262 | 982 195 | 1 080 568 | 12.9% | 100.0% |
| Expenses | | | | | | | | | | | |
| Current expenses | 536 579 | 578 401 | 696 536 | 770 219 | 12.8% | 99.9% | 866 586 | 963 602 | 1 066 413 | 11.5% | 100.0% |
| Compensation of employees | 326 572 | 332 957 | 384 254 | 447 450 | 11.1% | 57.8% | 509 229 | 560 152 | 627 370 | 11.9% | 58.5% |
| Goods and services | 169 057 | 210 829 | 280 005 | 284 790 | 19.0% | 36.2% | 311 916 | 342 373 | 373 081 | 9.4% | 35.9% |
| Depreciation | 33 757 | 33 964 | 31 431 | 37 979 | 4.0% | 5.4% | 45 441 | 61 077 | 65 962 | 20.2% | 5.7% |
| Interest, dividends and rent on land | 7 193 | 651 | 846 | - | -100.0% | 0.4% | - | - | - | - | - |
| Total expenses | 539 368 | 578 401 | 696 536 | 770 219 | 12.6% | 100.0% | 866 586 | 963 602 | 1 066 413 | 11.5% | 100.0% |
| Surplus/(Deficit) | 54 518 | 34 932 | 31 158 | (19 603) | -171.1% | | 6 676 | 18 593 | 14 155 | -189.7% | |
| Statement of financial position | | | | | | | | | | | |
| Carrying value of assets of which: | 274 566 | 318 912 | 350 770 | 511 928 | 23.1% | 36.2% | 670 252 | 716 901 | 711 863 | 11.6% | 54.1% |
| Acquisition of assets | 110 385 | 78 392 | 69 722 | 199 137 | 21.7% | 11.4% | 203 765 | 107 725 | 60 925 | -32.6% | 12.2% |
| Investments | 291 900 | 284 308 | 336 072 | 354 779 | 6.7% | 31.9% | 266 857 | 256 307 | 291 622 | -6.3% | 24.5% |
| Inventory | 1 524 | 1 128 | 1 092 | 1 158 | -8.7% | 0.1% | 1 227 | 1 301 | 1 379 | 6.0% | 0.1% |
| Receivables and prepayments | 54 656 | 60 285 | 96 460 | 112 271 | 27.1% | 8.0% | 129 112 | 154 934 | 185 921 | 18.3% | 12.0% |
| Cash and cash equivalents | 190 447 | 262 311 | 274 338 | 115 833 | -15.3% | 21.5% | 76 006 | 80 109 | 87 287 | -9.0% | 7.5% |
| Non-current assets held for sale | 1 653 | 66 | 1 167 | - | -100.0% | 0.1% | - | - | - | - | - |
| Taxation | 21 116 | 22 732 | 22 865 | 22 000 | 1.4% | 2.2% | 22 000 | 22 000 | 22 000 | - | 1.8% |
| Total assets | 835 862 | 949 742 | 1 082 764 | 1 117 969 | 10.2% | 100.0% | 1 165 454 | 1 231 552 | 1 300 072 | 5.2% | 100.0% |
| Accumulated surplus/(deficit) | 376 560 | 410 486 | 441 644 | 452 043 | 6.3% | 42.4% | 458 972 | 477 565 | 491 719 | 2.8% | 39.1% |
| Capital and reserves | 68 686 | 68 992 | 84 713 | 101 380 | 13.9% | 8.1% | 116 347 | 130 712 | 145 939 | 12.9% | 10.2% |
| Capital reserve fund | 165 575 | 247 541 | 306 194 | 299 625 | 21.9% | 25.2% | 291 617 | 284 672 | 277 727 | -2.5% | 24.1% |
| Borrowings | 14 905 | - | - | - | -100.0% | 0.4% | - | - | - | - | - |
| Finance lease | 9 | - | - | - | -100.0% | 0.0% | - | - | - | - | - |
| Trade and other payables | 107 617 | 112 448 | 141 760 | 159 893 | 14.1% | 13.0% | 191 838 | 230 172 | 274 400 | 19.7% | 17.6% |
| Taxation | - | 8 963 | 3 298 | - | - | 0.3% | - | - | - | - | - |
| Provisions | 102 343 | 93 867 | 97 396 | 96 959 | -1.8% | 9.9% | 98 127 | 99 365 | 100 677 | 1.3% | 8.2% |
| Derivatives financial instruments | 167 | 7 445 | 7 759 | 8 069 | 264.2% | 0.6% | 8 553 | 9 066 | 9 610 | 6.0% | 0.7% |
| Total equity and liabilities | 835 862 | 949 742 | 1 082 764 | 1 117 969 | 10.2% | 100.0% | 1 165 454 | 1 231 552 | 1 300 072 | 5.2% | 100.0% |

Personnel information

Table 36.44 South Africa Bureau of Standards

| 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 | | | |
| | | | 1 192 | 1 192 | 1 046 | 384.3 | 0.4 | 1 186 | 447.5 | 0.4 | 1 206 | 509.2 | 0.4 | 1 256 | 560.2 | 0.4 | 1 310 | 627.4 | | 0.5 |
| 1 – 6 | 222 | 222 | 169 | 20.0 | 0.1 | 222 | 24.6 | 0.1 | 222 | 26.8 | 0.1 | 222 | 28.1 | 0.1 | 222 | 30.1 | 0.1 | 6.9% | 17.9% | |
| 7 – 10 | 557 | 557 | 536 | 155.7 | 0.3 | 557 | 164.7 | 0.3 | 557 | 184.0 | 0.3 | 557 | 193.2 | 0.3 | 557 | 207.3 | 0.4 | 8.0% | 45.0% | |
| 11 – 12 | 333 | 333 | 270 | 148.6 | 0.6 | 333 | 186.8 | 0.6 | 347 | 219.1 | 0.6 | 397 | 253.6 | 0.6 | 451 | 296.8 | 0.7 | 16.7% | 30.7% | |
| 13 – 16 | 79 | 79 | 70 | 58.1 | 0.8 | 73 | 69.3 | 0.9 | 79 | 77.1 | 1.0 | 79 | 82.8 | 1.0 | 79 | 90.5 | 1.1 | 9.3% | 6.3% | |
| 17 – 22 | 1 | 1 | 1 | 1.9 | 1.9 | 1 | 2.0 | 2.0 | 1 | 2.2 | 2.2 | 1 | 2.4 | 2.4 | 1 | 2.6 | 2.6 | 9.3% | 0.1% | |

1. Rand million.

Expenditure trends

The South African Bureau of Standards derives revenue mainly from fees for certification and testing services. Revenue is expected to grow significantly over the medium term, mainly due to commercial operations which are projected to grow rapidly over this period due to the additional services being extended to local government to improve management systems and processes, and to boost service delivery capacity. Growth is also expected in new business, which will contribute to spending on compensation of employees and will require the expansion and maintenance of infrastructure.

The spending focus over the medium term will be on providing standardisation and conformity assessment services to protect the integrity of the South African market and consumers, creating a competitive advantage for South African industry, and facilitating access by South Africans to local and international markets. Expenditure on compensation of employees remains the largest item of expenditure over the seven-year period, with personnel numbers set to increase to 1 310 in 2016/17. There will be sustained efforts to attract talent and retain skilled employees to increase efficacy, as there is a need for a pool of test officers and certification auditors to meet the needs of industry. This is in line with the rapid growth in performance targets for test and services, and product and system certification revenue, which are expected to reach R333 million and R416 million by 2016/17. Spending on consultants is expected to decrease over the medium term. Consultants are used mainly for specialised ICT tasks and other specialist skills not required on a permanent basis.

In line with this, spending on goods and services is expected to increase from R284.8 million in 2013/14 to R373.1 million by 2016/17 due to the cost of upgrading IT infrastructure and maintaining the ageing laboratory equipment, and also to cover travelling costs for certification auditors as well as technical experts representing the country in international meetings on the development of standards. The bureau has implemented several cost containment measures, which include requiring certification auditors and other employees to travel on low cost airlines and booking trips at least two weeks in advance to save on airfares. In addition, the number of delegates attending international standards development meetings will be kept to a minimum.

Companies Tribunal

Mandate and goals

The Companies Tribunal was established in May 2011 in terms of the Companies Act (2008) as a juristic person. It is mandated to adjudicate, mediate disputes and make orders. The tribunal is enjoined to deliver this mandate in a manner which is simple, ethical, efficient, equitable, transparent, accountable, and impartial and without fear, favour or prejudice. The tribunal became operational in September 2012.

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

- adjudicate and make orders in relation to applications made in terms of the Companies Act (2008)
- resolve disputes using alternative dispute resolution methods
- ensure its own operational effectiveness and efficiency
- ensure effective stakeholder engagement.

Selected performance indicators

Table 36.45 Companies Tribunal

| Indicator | Programme/Activity/Objective | Outcome | Past | | | Current | Projections | | |
|--|---|--|----------------|----------------|----------------|----------------|-------------|-----------|-----------|
| | | | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
| Number of tribunal research reports produced per year | Administration | Outcome 12: An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship | — ¹ | — ¹ | — ¹ | — ¹ | 3 | 4 | 4 |
| Percentage of staff who attended training per year | Administration | Outcome 5: A skilled and capable workforce to support an inclusive growth path | — ¹ | — ¹ | — ¹ | — ¹ | 80% (13) | 100% (15) | 100% (15) |
| Percentage of decisions and orders issued within 30 working days after the date of hearing or allocation | Adjudicate and resolve disputes in a credible and just manner | Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world | — ¹ | — ¹ | 31.86% (29) | 73% | 90% | 100% | 100% |

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

Programmes/activities/objectives

Table 36.46 Companies Tribunal

| | 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 | 2013/14 | 2010/11 - 2013/14 | | 2014/15 | 2015/16 | 2016/17 | 2013/14 - 2016/17 | |
| R thousand | | | | | | | | | | | |
| Administration | — | — | 688 | 6 940 | — | — | 10 413 | 11 102 | 11 919 | 19.8% | 76.0% |
| Adjudicate and resolve disputes in a credible and just manner | — | — | 2 518 | 3 352 | — | — | 2 830 | 3 060 | 3 100 | -2.6% | 24.0% |
| Total expense | — | — | 3 206 | 10 292 | — | — | 13 243 | 14 162 | 15 019 | 13.4% | 100.0% |

Expenditure estimates

Table 36.47 Companies Tribunal

| Statement of financial performance | Audited outcome | | | Revised estimate | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term 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 | | | | | | | | | | | |
| Revenue | | | | | | | | | | | |
| Non-tax revenue | — | — | 248 | 300 | — | — | 350 | 400 | 450 | 14.5% | 2.8% |
| Other non-tax revenue | — | — | 248 | 300 | — | — | 350 | 400 | 450 | 14.5% | 2.8% |
| Transfers received | — | 10 000 | 10 137 | 10 337 | — | — | 13 313 | 14 221 | 15 069 | 13.4% | 97.2% |
| Total revenue | — | 10 000 | 10 385 | 10 637 | — | — | 13 663 | 14 621 | 15 519 | 13.4% | 100.0% |
| Expenses | | | | | | | | | | | |
| Current expenses | — | — | 3 206 | 10 292 | — | — | 13 243 | 14 162 | 15 019 | 13.4% | 100.0% |
| Compensation of employees | — | — | 656 | 4 173 | — | — | 9 034 | 9 662 | 10 184 | 34.6% | 61.2% |
| Goods and services | — | — | 2 548 | 6 117 | — | — | 4 207 | 4 498 | 4 833 | -7.6% | 38.8% |
| Depreciation | — | — | 2 | 2 | — | — | 2 | 2 | 2 | — | 0.0% |
| Total expenses | — | — | 3 206 | 10 292 | — | — | 13 243 | 14 162 | 15 019 | 13.4% | 100.0% |
| Surplus/(Deficit) | — | 10 000 | 7 179 | 345 | — | — | 420 | 459 | 500 | 13.2% | — |
| Statement of financial position | | | | | | | | | | | |
| Carrying value of assets of which: | — | — | — | 30.0 | — | — | 50.0 | 60.0 | 70.0 | 32.6% | 0.3% |
| Acquisition of assets | — | — | 2 | 45 | — | — | 70 | 59 | 50 | 3.6% | 0.3% |
| Receivables and prepayments | — | — | 12 | — | — | — | — | 15 | 20 | — | 0.0% |
| Cash and cash equivalents | — | 10 000 | 17 949 | 18 249 | — | — | 18 599 | 18 999 | 19 399 | 2.1% | 99.7% |
| Total assets | — | 10 000 | 17 961 | 18 279 | — | — | 18 649 | 19 074 | 19 489 | 2.2% | 100.0% |
| Accumulated surplus/(deficit) | — | 10 000 | 17 179 | 17 374 | — | — | 17 659 | 18 049 | 18 428 | 2.0% | 94.7% |
| Trade and other payables | — | — | 734 | 810 | — | — | 890 | 920 | 950 | 5.5% | 4.7% |
| Provisions | — | — | 48 | 95 | — | — | 100 | 105 | 111 | 5.3% | 0.5% |
| Total equity and liabilities | — | 10 000 | 17 961 | 18 279 | — | — | 18 649 | 19 074 | 19 489 | 2.2% | 100.0% |

Personnel information

Table 36.48 Companies Tribunal

| 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 | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | 13 | 29 | 3 | 0.7 | 0.2 | 7 | 4.2 | 0.6 | 15 | 9.0 | 0.6 | 15 | 9.7 | 0.6 | 15 | 10.2 | 0.7 | 34.6% | 100.0% | |
| 7 – 10 | 3 | 8 | – | – | – | 1 | 0.4 | 0.4 | 3 | 0.8 | 0.3 | 3 | 0.9 | 0.3 | 3 | 0.9 | 0.3 | 33.0% | 18.6% | |
| 11 – 12 | 7 | 13 | 3 | 0.7 | 0.2 | 4 | 2.2 | 0.6 | 7 | 3.8 | 0.5 | 7 | 4.0 | 0.6 | 7 | 4.2 | 0.6 | 23.5% | 49.3% | |
| 13 – 16 | 3 | 8 | – | – | – | 2 | 1.5 | 0.8 | 5 | 4.5 | 0.9 | 5 | 4.8 | 1.0 | 5 | 5.0 | 1.0 | 48.6% | 32.1% | |

1. Rand million.

Expenditure trends

Over the medium term, the spending focus of the Companies Tribunal, which relies on transfers from the department, will mainly be on building its capacity to conduct research and analysis. The research is primarily legal research that assists tribunal members to make better informed decisions, adjudicate on applications, make orders, assist in the resolution of disputes in terms of the Companies Act (2008), and carry out any other functions assigned to the tribunal by law. These responsibilities are knowledge intensive and require specialist corporate skills. Thus, spending on compensation of employees is set to grow significantly over the medium term, and will represent the bulk of expenditure in this period. The number of personnel is expected to increase from 7 in 2013/14 to 15 in 2014/15, and will remain at this level over the medium term.

The increased capacity will have a positive effect on the work of the tribunal, with the percentage of decisions issued within 30 days after hearing or allocation reaching 100 per cent in 2016/17, from 73 per cent 2013/14 and 50 per cent in 2012/13. As the tribunal was established in 2012, expenditure between 2012/13 and 2013/14 was used to build capacity and operationalise the entity. The tribunal makes minimal usage of consultants, only using them for recording services and for producing transcripts for hearings. These are specialised skills which are only used as and when required for hearings.

Stakeholder relations are an important part of service delivery, and spending over the medium term reflects this. To raise awareness and educate members of the public about its work, the tribunal will be carrying out marketing activities including road shows on the new Companies Act (2008), and presenting papers at seminars. It will also be acquiring an electronic case management system. Accordingly, goods and services take up 38.8 per cent of total expenditure over the medium term.

National Consumer Commission

Mandate and goals

The National Consumer Commission is established in terms of section 85 of the Consumer Protection Act (2008), with jurisdiction throughout South Africa. The act seeks to promote a fair, accessible and sustainable marketplace for consumer products and services, and for that purpose to establish national norms and standards relating to consumer protection. It further seeks to provide for improved standards of consumer information, to prohibit certain unfair marketing and business practices, to promote responsible consumer behaviour, and to promote a consistent legislative framework.

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

- promote compliance with the Consumer Protection Act (2008)
- be a well governed and capacitated organisation.

Selected performance indicators

Table 36.49 National Consumer Commission

| Indicator | Programme/Activity/Objective | Outcome | Past | | | Current 2013/14 | Projections | | |
|---|--|---|----------------|----------------|----------------|--------------------|-------------|---|---------|
| | | | 2010/11 | 2011/12 | 2012/13 | | 2014/15 | 2015/16 | 2016/17 |
| Percentage of registered complaints analysed in a pre-defined time of an average of 8 days per year | Promote compliance with the Consumer Protection Act (2008) | Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world | — ¹ | — ¹ | 25% | 95% | 95% | 95% | 95% |
| Percentage of complaints resolved in a pre-defined time period of an average of 80 days per year | Promote compliance with the Consumer Protection Act (2008) | | — ¹ | 90%-95% | 47% | 60% | 70% | 80% | 80% |
| Number of investigations and inspections approved and finalised by the commissioner per year | Promote compliance with the Consumer Protection Act (2008) | | — ¹ | 3 | 90 | 30 | 30 | 30 | 30 |
| Number of consumer awareness initiatives conducted per year | Promote compliance with the Consumer Protection Act (2008) | | — ¹ | 5 | 12 | 21 | 21 | 21 | 21 |
| Number of codes of good practice developed per year | Promote compliance with the Consumer Protection Act (2008) | | — ¹ | — ¹ | — ¹ | 1 | 1 | Review developed codes of good practice | 1 |

1. No past data, as these indicators were not yet in use.

Programmes/activities/objectives

Table 36.50 National Consumer Commission

| | Audited outcome | | | Revised estimate 2013/14 | Average growth rate (%) 2010/11 - 2013/14 | Medium-term expenditure estimate | | | Average growth rate (%) 2013/14 - 2016/17 | Expenditure/total: Average (%) |
|--|-----------------|---------------|---------------|-----------------------------|--|----------------------------------|---------------|---------------|--|--------------------------------|
| | 2010/11 | 2011/12 | 2012/13 | | | 2014/15 | 2015/16 | 2016/17 | | |
| R thousand | | | | | | | | | | |
| Administration | — | 20 875 | 27 746 | 28 935 | — | 34 694 | 35 487 | 37 709 | 9.2% | 65.0% |
| Promote compliance with the Consumer Protection Act (2008) | — | 8 839 | 12 095 | 11 129 | — | 13 344 | 13 649 | 14 503 | 9.2% | 25.0% |
| Be a well governed and capacitated organisation | — | 3 536 | 4 838 | 4 452 | — | 5 338 | 5 460 | 5 801 | 9.2% | 10.0% |
| Total expense | — | 33 249 | 44 678 | 44 516 | — | 53 376 | 54 596 | 58 013 | 9.2% | 100.0% |

Expenditure estimates

Table 36.51 National Consumer Commission

| Statement of financial performance | Audited outcome | | | Revised estimate 2013/14 | Average growth rate (%) 2010/11 - 2013/14 | Medium-term estimate | | | Average growth rate (%) 2013/14 - 2016/17 | Expenditure/total: Average (%) |
|--|-----------------|---------------|---------------|-----------------------------|--|----------------------|---------------|---------------|--|--------------------------------|
| | 2010/11 | 2011/12 | 2012/13 | | | 2014/15 | 2015/16 | 2016/17 | | |
| R thousand | | | | | | | | | | |
| Revenue | | | | | | | | | | |
| Non-tax revenue | — | 192 | 102 | — | — | — | — | — | — | — |
| Other non-tax revenue | — | 192 | 102 | — | — | — | — | — | — | — |
| Transfers received | — | 35 355 | 48 296 | 44 516 | — | 53 376 | 54 596 | 58 013 | 9.2% | 100.0% |
| Total revenue | — | 35 547 | 48 398 | 44 516 | — | 53 376 | 54 596 | 58 013 | 9.2% | 100.0% |
| Expenses | | | | | | | | | | |
| Current expenses | — | 33 249 | 44 678 | 44 516 | — | 53 376 | 54 596 | 58 013 | 9.2% | 100.0% |
| Compensation of employees | — | 19 572 | 22 991 | 25 003 | — | 32 338 | 34 084 | 34 884 | 11.7% | 59.8% |
| Goods and services | — | 12 571 | 20 591 | 19 091 | — | 20 293 | 19 728 | 22 302 | 5.3% | 38.9% |
| Depreciation | — | 1 106 | 1 070 | 422 | — | 745 | 784 | 827 | 25.1% | 1.3% |
| Interest, dividends and rent on land | — | — | 27 | — | — | — | — | — | — | — |
| Total expenses | — | 33 249 | 44 678 | 44 516 | — | 53 376 | 54 596 | 58 013 | 9.2% | 100.0% |
| Surplus/(Deficit) | — | 2 298 | 3 720 | — | — | — | — | — | — | — |
| Statement of financial position | | | | | | | | | | |
| Carrying value of assets of which: | — | 3 344 | 3 100 | 5 740 | — | 5 920 | 5 810 | 5 500 | -1.4% | 59.0% |
| Acquisition of assets | — | 3 906 | 861 | 2 200 | — | 2 400 | 1 690 | 1 360 | -14.8% | 19.5% |
| Receivables and prepayments | — | 2 015 | 1 108 | 860 | — | 680 | 535 | 480 | -17.7% | 6.5% |
| Cash and cash equivalents | — | 71 | 4 263 | 3 900 | — | 3 400 | 3 200 | 3 000 | -8.4% | 34.5% |
| Total assets | — | 5 944 | 8 471 | 10 500 | — | 10 000 | 9 545 | 8 980 | -5.1% | 100.0% |
| Accumulated surplus/(deficit) | — | 2 298 | 6 017 | 7 892 | — | 7 590 | 7 245 | 7 000 | -3.9% | 76.2% |
| Trade and other payables | — | 3 407 | 1 504 | 1 800 | — | 1 600 | 1 400 | 1 200 | -12.6% | 15.3% |
| Provisions | — | 239 | 815 | 680 | — | 700 | 800 | 690 | 0.5% | 7.4% |
| Derivatives financial instruments | — | — | 135 | 128 | — | 110 | 100 | 90 | -11.1% | 1.1% |
| Total equity and liabilities | — | 5 944 | 8 471 | 10 500 | — | 10 000 | 9 545 | 8 980 | -5.1% | 100.0% |

Personnel information

Table 36.52 National Consumer Commission

| 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 | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | 75 | 182 | 74 | 23.0 | 0.3 | 75 | 25.0 | 0.3 | 82 | 32.3 | 0.4 | 84 | 34.1 | 0.4 | 84 | 34.9 | 0.4 | 11.7% | 100.0% | |
| 1 – 6 | 41 | 93 | 41 | 4.8 | 0.1 | 41 | 6.3 | 0.2 | 46 | 6.7 | 0.1 | 46 | 7.1 | 0.2 | 46 | 7.6 | 0.2 | 6.5% | 55.1% | |
| 7 – 10 | 10 | 48 | 7 | 1.1 | 0.2 | 10 | 1.2 | 0.1 | 12 | 1.5 | 0.1 | 12 | 1.6 | 0.1 | 12 | 1.7 | 0.1 | 11.5% | 14.1% | |
| 11 – 12 | 9 | 17 | 11 | 3.7 | 0.3 | 9 | 5.8 | 0.6 | 9 | 7.1 | 0.8 | 9 | 7.6 | 0.8 | 9 | 7.5 | 0.8 | 9.3% | 11.1% | |
| 13 – 16 | 15 | 24 | 15 | 13.4 | 0.9 | 15 | 11.8 | 0.8 | 15 | 17.0 | 1.1 | 17 | 17.8 | 1.0 | 17 | 18.1 | 1.1 | 15.5% | 19.7% | |

1. Rand million.

Expenditure trends

The National Consumer Commission receives its allocation from the department and does not generate its own revenue.

The commission's spending focus over the medium term will be on increasing operational efficacy to ensure a well governed and capacitated organisation, and to promote compliance with the Consumer Protection Act (2008). Since the establishment of the entity in 2012/13, compensation of employees has accounted for the largest single share of expenditure, and will continue to represent the bulk of spending, at 59.8 per cent of the total over the medium term, as the commission is a service based entity. To support the commissions' objectives, personnel numbers will grow to 84 by 2016/17 from 75 in 2013/14. Related to this, expenditure on goods and services is also set to increase over the medium term. This includes travel and subsistence costs related to investigations, education and awareness initiatives, and research and developments in relation to consumers. The increase for venues and facilities provides for the consumer protection conference, which will improve standards of consumer information and combat unfair marketing and business practices. This expenditure will enable the number of consumer awareness initiatives to reach 21 by 2016/17, and will also allow research, analysis, policy formulation and public education, which are key to improving the quality of services for consumers, to be carried out. With consumer activism on the increase, the imperative for better value for money and better redress for consumers remains the commission's primary goal. Consultants are mainly used for providing payroll services, financial consulting and specialised reports.

National Consumer Tribunal

Mandate and goals

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

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

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

Selected performance indicators

Table 36.53 National Consumer Tribunal

| Indicator | Programme/Activity/Objective | Outcome | Past ¹ | | | Current | Projections | | |
|--|------------------------------|--|-------------------|---------|---------|---------|-------------|---------|---------|
| | | | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
| Percentage of positions on approved organisational structure filled at end of year | Administration | Outcome 4: Decent employment through inclusive economic growth | – | – | – | 70% | 70% | 80% | 80% |
| Percentage increase on the baseline score on information capital readiness index | Administration | | – | – | – | 25% | 25% | 25% | 25% |
| Number of instances where records were not provided within prescribed timelines and were not captured accurately on records inventory per year | Administration | | – | – | – | <= 3 | <= 3 | <= 3 | <= 3 |
| Average number of working days for communicating with filing parties per year | Adjudication | | – | – | – | <= 5 | <= 5 | <= 5 | <= 5 |
| Average percentage satisfaction as scored by tribunal members in their quantitative and qualitative evaluation of case preparation per year | Adjudication | | – | – | – | 80% | 85% | 95% | 95% |
| Average number of days for judgments to be issued from the last date of adjudication to issuance to parties per year | Adjudication | | – | – | – | 40 | 40 | 40 | 40 |
| Percentage of decisions overturned on appeal per year | Adjudication | | – | – | – | 20% | 20% | < 20% | < 20% |

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

Programmes/activities/objectives

Table 36.54 National Consumer Tribunal

| | 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 | | | | | | | | | | | |
| Administration | – | – | – | – | – | – | 24 372 | 25 633 | 27 199 | – | 39.2% |
| Adjudication | 20 603 | 30 588 | 31 729 | 40 536 | 25.3% | 100.0% | 18 667 | 23 305 | 29 493 | -10.1% | 60.8% |
| Total expense | 20 603 | 30 588 | 31 729 | 40 536 | 25.3% | 100.0% | 43 039 | 48 938 | 56 692 | 11.8% | 100.0% |

Expenditure estimates

Table 36.55 National Consumer Tribunal

| Statement of financial performance | Audited outcome | | | Revised estimate | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term estimate | | | Average growth rate (%) | Expenditure/total: Average (%) |
|--|-----------------|----------------|---------------|------------------|-------------------------|--------------------------------|----------------------|---------------|---------------|-------------------------|--------------------------------|
| | 2010/11 | 2011/12 | 2012/13 | | | | 2014/15 | 2015/16 | 2016/17 | | |
| R thousand | | | | | | | | | | | |
| Revenue | | | | | | | | | | | |
| Non-tax revenue | 514 | 623 | 1 043 | 795 | 15.6% | 2.4% | 5 725 | 6 446 | 10 955 | 139.7% | 11.7% |
| Sale of goods and services other than capital assets of which: | 138 | 246 | 397 | 255 | 22.7% | 0.8% | 648 | 921 | 1 197 | 67.4% | 1.5% |
| Administrative fees | 138 | 246 | 397 | 255 | 22.7% | 0.8% | 648 | 921 | 1 197 | 67.4% | 1.5% |
| Other non-tax revenue | 376 | 377 | 646 | 540 | 12.8% | 1.6% | 5 077 | 5 525 | 9 758 | 162.4% | 10.2% |
| Transfers received | 22 059 | 28 833 | 33 165 | 36 099 | 17.8% | 97.6% | 40 164 | 43 029 | 46 151 | 8.5% | 88.3% |
| Total revenue | 22 573 | 29 456 | 34 208 | 36 894 | 17.8% | 100.0% | 45 889 | 49 475 | 57 106 | 15.7% | 100.0% |
| Expenses | | | | | | | | | | | |
| Current expenses | 20 603 | 30 588 | 31 729 | 40 536 | 25.3% | 100.0% | 43 039 | 48 938 | 56 692 | 11.8% | 100.0% |
| Compensation of employees | 5 378 | 11 015 | 13 746 | 22 004 | 59.9% | 39.9% | 23 038 | 24 518 | 26 092 | 5.8% | 51.0% |
| Goods and services | 14 604 | 18 880 | 17 367 | 17 866 | 7.0% | 57.9% | 19 292 | 23 674 | 29 811 | 18.6% | 47.5% |
| Depreciation | 527 | 652 | 547 | 577 | 3.1% | 2.0% | 614 | 646 | 695 | 6.4% | 1.3% |
| Interest, dividends and rent on land | 94 | 41 | 69 | 89 | -1.8% | 0.3% | 95 | 100 | 94 | 1.8% | 0.2% |
| Total expenses | 20 603 | 30 588 | 31 729 | 40 536 | 25.3% | 100.0% | 43 039 | 48 938 | 56 692 | 11.8% | 100.0% |
| Surplus/(Deficit) | 1 970 | (1 132) | 2 479 | (3 642) | -222.7% | | 2 850 | 537 | 414 | -148.4% | |

Table 36.55 National Consumer Tribunal

| Statement of financial position | Audited outcome | | | Revised estimate | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term estimate | | | Average growth rate (%) | Expenditure/total: Average (%) |
|-------------------------------------|-----------------|--------------|---------------|------------------|-------------------------|--------------------------------|----------------------|--------------|--------------|-------------------------|--------------------------------|
| | 2010/11 | 2011/12 | 2012/13 | | | | 2014/15 | 2015/16 | 2016/17 | | |
| R thousand | | | | | | | | | | | |
| Carrying value of assets | 1 750 | 1 664 | 1 461 | 2 604 | 14.2% | 22.8% | 2 543 | 2 599 | 4 526 | 20.2% | 34.2% |
| of which: | | | | | | | | | | | |
| Acquisition of assets | 1 027 | 654 | 127 | 650 | -14.1% | 7.8% | 2 850 | 530 | 400 | -14.9% | 12.5% |
| Inventory | 22 | 27 | 75 | 30 | 10.9% | 0.4% | 30 | 30 | 30 | – | 0.3% |
| Receivables and prepayments | – | 29 | 19 | 30 | – | 0.2% | 30 | 30 | 40 | 10.1% | 0.4% |
| Cash and cash equivalents | 6 518 | 4 655 | 8 654 | 6 061 | -2.4% | 76.5% | 6 249 | 6 421 | 4 529 | -9.3% | 65.1% |
| Total assets | 8 290 | 6 375 | 10 209 | 8 725 | 1.7% | 100.0% | 8 852 | 9 080 | 9 125 | 1.5% | 100.0% |
| Accumulated surplus/(deficit) | 4 623 | 3 491 | 5 970 | 3 491 | -8.9% | 52.4% | 3 491 | 3 491 | 3 491 | – | 39.0% |
| Finance lease | 141 | 191 | 256 | 349 | 35.3% | 2.8% | 242 | 127 | 435 | 7.6% | 3.2% |
| Trade and other payables | 3 280 | 1 871 | 2 444 | 1 450 | -23.8% | 27.4% | 1 600 | 1 750 | 1 400 | -1.2% | 17.3% |
| Provisions | 246 | 822 | 1 538 | 3 335 | 138.4% | 17.4% | 3 519 | 3 712 | 3 799 | 4.4% | 40.1% |
| Total equity and liabilities | 8 290 | 6 375 | 10 208 | 8 625 | 1.3% | 100.0% | 8 852 | 9 080 | 9 125 | 1.9% | 99.7% |

Personnel information

Table 36.56 National Consumer 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 | 32 | 32 | 22 | 13.7 | 0.6 | 32 | 22.0 | 0.7 | 38 | 23.0 | 0.6 | 38 | 24.5 | 0.6 | 38 | 26.1 | 0.7 | 5.8% | 100.0% | |
| 1 – 6 | 4 | 4 | 4 | 1.9 | 0.5 | 4 | 1.8 | 0.4 | 4 | 0.7 | 0.2 | 4 | 0.7 | 0.2 | 4 | 0.8 | 0.2 | -24.0% | 11.0% | |
| 7 – 10 | 10 | 10 | 5 | 3.1 | 0.6 | 10 | 4.9 | 0.5 | 14 | 7.0 | 0.5 | 14 | 7.4 | 0.5 | 14 | 7.9 | 0.6 | 17.1% | 35.4% | |
| 11 – 12 | 11 | 11 | 9 | 3.2 | 0.4 | 11 | 6.1 | 0.6 | 13 | 6.1 | 0.5 | 13 | 6.5 | 0.5 | 13 | 7.0 | 0.5 | 4.7% | 34.3% | |
| 13 – 16 | 7 | 7 | 4 | 5.6 | 1.4 | 7 | 9.3 | 1.3 | 7 | 9.3 | 1.3 | 7 | 9.8 | 1.4 | 7 | 10.5 | 1.5 | 4.2% | 19.3% | |

1. Rand million.

Expenditure trends

The National Consumer Tribunal receives approximately 88 per cent of its revenue from transfers from the department over the medium term. It also generates revenue from filing fees and interest income from invested funds. As case numbers are anticipated to continue to increase significantly over the medium term, earnings per case are minimal as there is no filing fee payable for cases relating to the Consumer Protection Act (2008), and the filing fee relating to the National Credit Act (2005) is only a nominal amount of R100 per case. This is insufficient to cover the costs associated with adjudication.

The spending focus over the medium term will be on case preparation to ensure high quality adjudications; effective communication of the role and processes of the tribunal to consumers and stakeholders; and access to the tribunal in all areas and applicable sectors. The tribunal continues to experience growth in the number of cases it adjudicates, as has been the situation since its establishment. These are estimated to reach 20 239 by 2016/17, mainly as a result of debt re-arrangement agreements. In keeping with the need to maintain quality adjudications, compensation of employees will therefore continue to drive expenditure over the medium term, with the appointment of additional staff and full time members resulting in a staff complement of 38 by 2016/17 from 32 in 2013/14, with 6 vacancies which the tribunal is struggling to fill. However, due to the small staff complement and specialised nature of the functions of the tribunal, it will continue to make use of consultants for specialised short term assignments relating to its case work. The value and quality of the services provided by the growing number of personnel will be reflected in the average satisfaction levels scored by tribunal members in case preparation. This is set to reach 95 per cent over the medium term.

Recognising that it will not be able to indefinitely increase its staff complement to meet the growth in case numbers, the tribunal will over the medium term implement efficiency measures to address the costs associated with the adjudication of cases. This will include ICT enhancements to automate case management processes and to remotely adjudicate on cases. This will thus contribute to the growth in expenditure in goods and services

over the medium term. By contrast, between 2010/11 and 2013/14 the growth in goods and services expenditure was mainly due to office accommodation and other operational costs related to establishing the tribunal.

National Credit Regulator

Mandate and goals

The National Credit Regulator was established under the National Credit Act (2005). It is responsible for the regulation of the South African credit industry and is tasked with carrying out education, research, policy development, registration of industry participants, investigation of complaints, and ensuring the enforcement of the act. In terms of the act, the regulator is mandated to promote the development of an accessible credit market, particularly to address the needs of historically disadvantaged persons, low income individuals, and remote, isolated or low density communities.

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

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

Selected performance indicators

Table 36.57 National Credit Regulator

| Indicator | Programme/Activity/Objective | Outcome | Past | | | Current | Projections | | |
|---|---|---|----------------|----------------|----------------|---------|-------------|---------|---------|
| | | | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
| Number of reports on the implementation and review of the consumer rights and impact assessment study reports produced per year | Protect consumers from abuse and unfair practices in the consumer credit market and address over-indebtedness | Outcome 9: A responsive, accountable, effective and efficient local government system | — ¹ | — ¹ | — ¹ | 3 | 3 | 3 | 3 |
| Number of credit bureau investigations conducted in terms of sections 43, 70, 71, and 17 to 20 of the National Credit Act (2005), and enforcement measures taken per year | Continually enhance consumer credit market regulatory framework | | — ¹ | — ¹ | 2 | 2 | 2 | 2 | 2 |
| Number of visits concluded in line with the approved guidelines per year | Continually enhance consumer credit market regulatory framework | | — ¹ | — ¹ | — ¹ | 12 | 18 | 24 | 30 |

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

Programmes/activities/objectives

Table 36.58 National Credit Regulator

| | Audited outcome | | | Revised estimate | Average growth rate (%) | | Medium-term expenditure estimate | | | Average growth rate (%) | Expenditure/total: Average (%) |
|---|-----------------|---------------|----------------|------------------|-------------------------|---------------|----------------------------------|----------------|----------------|-------------------------|--------------------------------|
| | 2010/11 | 2011/12 | 2012/13 | | 2010/11 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | | |
| R thousand | | | | | | | | | | | |
| Administration | 36 317 | 42 312 | 54 481 | 28 635 | -7.6% | 42.9% | 37 625 | 39 202 | 41 905 | 13.5% | 32.6% |
| Promote increased access to credit through responsible credit granting | 13 414 | 13 420 | 12 457 | 12 597 | -2.1% | 14.0% | 19 321 | 20 480 | 21 709 | 19.9% | 16.3% |
| Protect consumers from abuse and unfair practices in the consumer credit market and address over-indebtedness | 17 015 | 20 928 | 25 083 | 33 593 | 25.5% | 25.5% | 14 467 | 15 335 | 16 255 | -21.5% | 18.4% |
| Continually enhance consumer credit market regulatory framework | 11 762 | 14 743 | 17 257 | 23 045 | 25.1% | 17.6% | 39 473 | 41 841 | 44 352 | 24.4% | 32.7% |
| Total expense | 78 508 | 91 403 | 109 278 | 97 870 | 7.6% | 100.0% | 110 886 | 116 858 | 124 221 | 8.3% | 100.0% |

Expenditure estimates

Table 36.59 National Credit Regulator

| Statement of financial Performance | | | | Revised estimate | Average growth rate (%) | Expenditure/ total: Average (%) | | | | Average growth rate (%) | Expenditure/ total: Average (%) |
|--|---------------|---------------|-----------------|------------------|-------------------------|---------------------------------|----------------------|----------------|----------------|-------------------------|---------------------------------|
| Audited outcome | | | | | | | 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 | 31 161 | 38 093 | 38 075 | 37 278 | 6.2% | 38.3% | 47 041 | 51 131 | 54 644 | 13.6% | 40.6% |
| Sale of goods and services other than capital assets | 26 225 | 33 730 | 30 520 | 33 878 | 8.9% | 32.8% | 44 041 | 48 631 | 51 644 | 15.1% | 38.0% |
| of which: | | | | | | | | | | | |
| Administrative fees | 26 225 | 33 730 | 30 520 | 33 878 | 8.9% | 32.8% | 44 041 | 48 631 | 51 644 | 15.1% | 38.0% |
| Other non-tax revenue | 4 936 | 4 363 | 7 555 | 3 400 | -11.7% | 5.5% | 3 000 | 2 500 | 3 000 | -4.1% | 2.5% |
| Transfers received | 49 387 | 53 415 | 55 431 | 78 408 | 16.7% | 61.7% | 63 845 | 65 727 | 69 577 | -3.9% | 59.4% |
| Total revenue | 80 548 | 91 508 | 93 506 | 115 686 | 12.8% | 100.0% | 110 886 | 116 858 | 124 221 | 2.4% | 100.0% |
| Expenses | | | | | | | | | | | |
| Current expenses | 78 508 | 91 403 | 109 278 | 97 870 | 7.6% | 100.0% | 110 886 | 116 858 | 124 221 | 8.3% | 100.0% |
| Compensation of employees | 36 791 | 44 361 | 54 339 | 65 389 | 21.1% | 53.0% | 57 522 | 60 292 | 64 260 | -0.6% | 55.5% |
| Goods and services | 40 041 | 44 640 | 52 127 | 32 481 | -6.7% | 45.2% | 48 031 | 51 816 | 54 926 | 19.1% | 41.3% |
| Depreciation | 1 669 | 2 393 | 2 805 | – | -100.0% | 1.8% | 5 333 | 4 750 | 5 035 | – | 3.2% |
| Interest, dividends and rent on land | 7 | 9 | 7 | – | -100.0% | 0.0% | – | – | – | – | – |
| Total expenses | 78 508 | 91 403 | 109 278 | 97 870 | 7.6% | 100.0% | 110 886 | 116 858 | 124 221 | 8.3% | 100.0% |
| Surplus/(Deficit) | 2 040 | 105 | (15 772) | 17 816 | 105.9% | | – | – | – | -100.0% | |
| Statement of financial position | | | | | | | | | | | |
| Carrying value of assets | 9 037 | 8 970 | 19 761 | 21 924 | 34.4% | 20.8% | 37 982 | 27 985 | 20 900 | -1.6% | 41.5% |
| of which: | | | | | | | | | | | |
| Acquisition of assets | 3 424 | 2 324 | 14 735 | 4 000 | 5.3% | 8.5% | 9 150 | 4 250 | 4 650 | 5.1% | 8.4% |
| Receivables and prepayments | 560 | 6 744 | 8 062 | 440 | -7.7% | 5.2% | 5 014 | 3 710 | 2 860 | 86.6% | 4.6% |
| Cash and cash equivalents | 74 247 | 70 325 | 42 629 | 41 907 | -17.4% | 74.0% | 26 275 | 36 786 | 34 067 | -6.7% | 53.9% |
| Total assets | 83 844 | 86 039 | 70 452 | 64 271 | -8.5% | 100.0% | 69 271 | 68 481 | 57 827 | -3.5% | 100.0% |
| Accumulated surplus/(deficit) | 51 841 | 66 486 | 50 714 | 30 000 | -16.7% | 64.4% | 55 061 | 54 126 | 43 432 | 13.1% | 70.1% |
| Capital reserve fund | 537 | 164 | 190 | – | -100.0% | 0.3% | – | – | – | – | – |
| Finance lease | 26 | 99 | 55 | – | -100.0% | 0.1% | 40 | 35 | 45 | – | 0.0% |
| Deferred income | 20 174 | 5 631 | 5 547 | 19 884 | -0.5% | 17.4% | – | – | – | -100.0% | 7.7% |
| Trade and other payables | 6 152 | 6 866 | 9 510 | 5 999 | -0.8% | 9.5% | 5 800 | 5 500 | 5 000 | -5.9% | 8.6% |
| Provisions | 4 458 | 6 320 | 4 286 | 7 968 | 21.4% | 7.8% | 7 950 | 8 400 | 8 900 | 3.8% | 12.9% |
| Derivatives financial instruments | 656 | 473 | 150 | 420 | -13.8% | 0.5% | 420 | 420 | 450 | 2.3% | 0.7% |
| Total equity and liabilities | 83 844 | 86 039 | 70 452 | 64 271 | -8.5% | 100.0% | 69 271 | 68 481 | 57 827 | -3.5% | 100.0% |

Personnel information

Table 36.60 National Credit Regulator

| 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 | | | |
| | | | 130 | 54.3 | 0.4 | 128 | 65.4 | 0.5 | 156 | 57.5 | 0.4 | 156 | 60.3 | 0.4 | 156 | 64.3 | 0.4 | -0.6% | | 100.0% |
| 1 – 6 | 33 | 33 | 26 | 3.0 | 0.1 | 27 | 13.1 | 0.5 | 33 | 11.1 | 0.3 | 33 | 11.7 | 0.4 | 33 | 12.3 | 0.4 | -2.1% | 21.1% | |
| 7 – 10 | 54 | 54 | 48 | 11.5 | 0.2 | 50 | 21.8 | 0.4 | 54 | 19.4 | 0.4 | 54 | 19.8 | 0.4 | 54 | 21.6 | 0.4 | -0.3% | 35.7% | |
| 11 – 12 | 47 | 47 | 41 | 18.2 | 0.4 | 39 | 16.9 | 0.4 | 47 | 12.5 | 0.3 | 47 | 13.0 | 0.3 | 47 | 13.4 | 0.3 | -7.4% | 30.2% | |
| 13 – 16 | 21 | 21 | 14 | 19.4 | 1.4 | 11 | 11.2 | 1.0 | 21 | 11.4 | 0.5 | 21 | 12.1 | 0.6 | 21 | 13.1 | 0.6 | 5.1% | 12.2% | |
| 17 – 22 | 1 | 1 | 1 | 2.2 | 2.2 | 1 | 2.3 | 2.3 | 1 | 3.1 | 3.1 | 1 | 3.7 | 3.7 | 1 | 3.9 | 3.9 | 18.7% | 0.7% | |

1. Rand million.

Expenditure trends

The National Credit Regulator derives its revenue from transfers from the department, and from fees from registrants including credit providers, credit bureaus, and debt counsellors. Revenue in the form of transfers from the department is projected to increase to address capacity constraints. Increased efficiency in the collection of registrants' fees will also increase revenue.

Over the medium term, the spending focus will be on continued enforcement, improvement of the regulatory framework, consumer education, and building efficiencies in operational processes in order to continually enhance consumer credit market regulation and protect consumers from abuse and unfair practices. Between 2010/11 and 2013/14, expenditure was led by compensation of employees due to an increase in personnel in order to capacitate the regulator in areas such as investigations, complaints, and IT. This led to 93 investigations being completed in 2012/13. Expenditure on goods and services is set to increase between 2013/14 and 2016/17 due to the implementation of a new ICT operating system for automated registration, compliance, reporting and complaints processes, to increase operational efficiency. The system will also protect consumers from abuse and unfair practices in the consumer credit market and address over-indebtedness.

As a regulatory body, the focus will also be on increasing organisational efficiency by building capacity. Thus, compensation of employees will continue to account for a significant percentage of expenditure, representing 55.5 per cent of the total over the medium term. By 2014/15 there will be 156 personnel, compared with 130 in 2012/13, with 35 vacancies at the end of November 2013, due to terminations and promotions. These additional personnel will be assigned to the organisation's key and expanding roles, including promoting increased access to responsible credit offerings, providing better analysis of consumers' financial situations and arrangements, protecting consumers from abuse and unfair practices, and enhancing the consumer credit market regulatory framework.

National Gambling Board

Mandate and goals

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

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

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

Selected performance indicators

Table 36.61 National Gambling Board

| Indicator | Programme/Activity/Objective | Outcome | Past | | | Current | Projections | | |
|--|------------------------------|---|----------------|---------|---------|---------|-------------|---------|---------|
| | | | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
| Number of Financial Intelligence Centre Act (2001) inspections conducted per year | Compliance monitoring | Outcome 6: An efficient, competitive and responsive economic infrastructure network | 97 | 106 | 5 | 5 | 5 | 5 | 5 |
| Number of approved national employee licences issued per year | Compliance monitoring | | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Number of central electronic monitoring system audits completed per year (9 provinces) | Compliance monitoring | | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of oversight inspections conducted per province per year | Compliance monitoring | | 2 | 2 | 1 | 1 | 1 | 1 | 1 |
| Number of illegal gambling activities registered per year | Compliance monitoring | | 18 | 18 | 18 | 10 | 10 | 10 | 10 |
| Number of research projects conducted per year | Compliance monitoring | | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Number of test laboratories inspected per year | Compliance monitoring | | 8 | 2 | 2 | 2 | 2 | 2 | 2 |
| Number of provinces trained on the Financial Intelligence Centres Act (2001) per year | Compliance monitoring | | — ¹ | 9 | 9 | 9 | 9 | 9 | 9 |

Table 36.61 National Gambling Board

| Indicator | Programme/Activity/Objective | Outcome | Past | | | Current | Projections | | |
|--|------------------------------|--|---------|---------|---------|---------|-------------|---------|---------|
| | | | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
| Number of reports on the establishment of the integrated information portal per year | Compliance monitoring | Outcome 5: A skilled and capable workforce to support an inclusive growth path | –1 | –1 | –1 | 1 | 1 | 1 | 1 |
| Number of gap analysis documents produced per year | Compliance monitoring | | –1 | –1 | –1 | 1 | 1 | 1 | 1 |
| Number of education campaign programme and implementation action plans approved per year | Compliance monitoring | | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Number of oversight evaluation and performance reports produced per year | Compliance monitoring | | –1 | –1 | –1 | 1 | 1 | 1 | 1 |
| Number of gambling sector evaluation reports evaluated per year | Compliance monitoring | | –1 | –1 | –1 | 1 | 1 | 1 | 1 |
| Number of interactive compliance monitoring system reports produced per year | Compliance monitoring | Outcome 6: An efficient, competitive and responsive infrastructure network | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of annual reviews of strategy on combating illegal gambling activities produced | Compliance monitoring | | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

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

Programmes/activities/objectives

Table 36.62 National Gambling Board

| 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 | 11 451 | 13 126 | 15 431 | 14 262 | 7.6% | 48.3% | 17 408 | 18 196 | 13 356 | –2.2% | 48.3% |
| Stakeholder and liaison | 5 769 | 6 966 | 10 271 | 8 482 | 13.7% | 27.6% | 7 909 | 7 881 | 7 890 | –2.4% | 24.7% |
| Compliance monitoring | 5 835 | 6 832 | 6 828 | 7 488 | 8.7% | 24.1% | 7 328 | 8 402 | 12 238 | 17.8% | 27.0% |
| Total expense | 23 055 | 26 924 | 32 530 | 30 232 | 9.5% | 100.0% | 32 645 | 34 479 | 33 484 | 3.5% | 100.0% |

Expenditure estimates

Table 36.63 National Gambling Board

| Statement of financial Performance | | | | Revised estimate | Average growth rate (%) | Expenditure/ total: Average (%) | Medium-term 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 | |
| Revenue | | | | | | | | | | | |
| Non-tax revenue | 763 | 1 531 | 1 642 | 2 320 | 44.9% | 5.2% | 2 848 | 2 996 | 3 363 | 13.2% | 8.8% |
| Other non-tax revenue | 763 | 1 531 | 1 642 | 2 320 | 44.9% | 5.2% | 2 848 | 2 996 | 3 363 | 13.2% | 8.8% |
| Transfers received | 22 000 | 38 105 | 26 057 | 27 717 | 8.0% | 94.8% | 29 797 | 31 483 | 30 121 | 2.8% | 91.2% |
| Total revenue | 22 763 | 39 636 | 27 699 | 30 037 | 9.7% | 100.0% | 32 645 | 34 479 | 33 484 | 3.7% | 100.0% |
| Expenses | | | | | | | | | | | |
| Current expenses | 23 055 | 26 924 | 32 530 | 30 232 | 9.5% | 100.0% | 32 645 | 34 479 | 33 484 | 3.5% | 100.0% |
| Compensation of employees | 10 025 | 10 797 | 10 807 | 16 279 | 17.5% | 42.7% | 17 439 | 19 376 | 20 184 | 7.4% | 55.9% |
| Goods and services | 12 633 | 15 778 | 20 954 | 13 168 | 1.4% | 55.3% | 14 356 | 14 253 | 12 450 | -1.9% | 41.5% |
| Depreciation | 397 | 349 | 769 | 785 | 25.5% | 2.0% | 850 | 850 | 850 | 2.7% | 2.6% |
| Total expenses | 23 055 | 26 924 | 32 530 | 30 232 | 9.5% | 100.0% | 32 645 | 34 479 | 33 484 | 3.5% | 100.0% |
| Surplus/(Deficit) | (292) | 12 712 | (4 831) | (195) | -12.6% | | – | – | – | -100.0% | |
| Statement of financial position | | | | | | | | | | | |
| Carrying value of assets | 1 212 | 1 961 | 16 147 | 14 580 | 129.1% | 52.3% | 15 250 | 16 080 | 16 589 | 4.4% | 85.7% |
| of which: | | | | | | | | | | | |
| Acquisition of assets | 230 | 1 149 | 14 958 | – | -100.0% | 23.9% | – | – | – | – | – |
| Inventory | 59 | 17 | 22 | 100 | 19.2% | 0.5% | 120 | 120 | 100 | – | 0.6% |
| Receivables and prepayments | 387 | 14 092 | 584 | 150 | -27.1% | 21.9% | 150 | 150 | 250 | 18.6% | 1.0% |
| Cash and cash equivalents | 4 191 | 2 281 | 740 | 2 200 | -19.3% | 25.3% | 2 100 | 2 500 | 2 500 | 4.4% | 12.7% |
| Non-current assets held for sale | – | – | 6 | – | – | 0.0% | – | – | – | – | – |
| Total assets | 5 849 | 18 351 | 17 499 | 17 030 | 42.8% | 100.0% | 17 620 | 18 850 | 19 439 | 4.5% | 100.0% |
| Accumulated surplus/(deficit) | 1 339 | 14 052 | 9 221 | 8 880 | 87.9% | 51.1% | 8 620 | 9 850 | 9 689 | 2.9% | 50.8% |
| Trade and other payables | 3 143 | 3 806 | 7 218 | 5 650 | 21.6% | 37.2% | 6 500 | 6 500 | 7 250 | 8.7% | 35.5% |
| Provisions | 1 367 | 493 | 1 060 | 2 500 | 22.3% | 11.7% | 2 500 | 2 500 | 2 500 | – | 13.7% |
| Total equity and liabilities | 5 849 | 18 351 | 17 499 | 17 030 | 42.8% | 100.0% | 17 620 | 18 850 | 19 439 | 4.5% | 100.0% |

Personnel information

Table 36.64 National Gambling Board

| 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 | 28 | 28 | 19 | 10.8 | 0.6 | 28 | 16.3 | 0.6 | 28 | 17.4 | 0.6 | 28 | 19.4 | 0.7 | 28 | 20.2 | 0.7 | 7.4% | 100.0% |
| 11 – 12 | 18 | 18 | 7 | 3.5 | 0.5 | 17 | 4.7 | 0.3 | 17 | 4.8 | 0.3 | 17 | 5.0 | 0.3 | 17 | 5.3 | 0.3 | 3.8% | 60.7% |
| 13 – 16 | 10 | 10 | 12 | 7.3 | 0.6 | 11 | 11.6 | 1.1 | 11 | 12.7 | 1.2 | 11 | 14.4 | 1.3 | 11 | 14.9 | 1.4 | 8.8% | 39.3% |

1. Rand million.

Expenditure trends

Over the medium term, the spending focus of the National Gambling Board will be on the activities central to the work of the organisation, including continuing with a legislative review of the National Gambling Act (2004); developing a framework to harmonise legislation; overseeing compliance by provincial gambling boards and the gambling industry; and leading the debate on the evolution of gambling, which will enable the board to advise on compliance within the legislative environment and advocate for changes to the regulatory controls.

At 55.9 per cent over the medium term, compensation of employees is the largest single item of expenditure, followed by goods and services at 41.5 per cent. These spending items increase over the medium term due to the expected activities involving the licensing of interactive gambling and related investigations, and probity activities that relate to new applications. Compliance monitoring expenditure is set to grow significantly over the medium term as the board continues to ensure compliance through audits, inspections, and approvals of licences, with the number of approved national employee licences targeted at 30 over the medium term. Expenditure on compensation of employees grew significantly between 2010/11 and 2013/14 due to the creation of the posts of chief operations officer and chief stakeholder officer, and their related staff components, in order to deliver on the project activities related to infrastructural expenditure on ICT and the relocation of premises. The number of personnel employed by the board will remain at 28 over the medium term. There were 9 vacancies as at 30 November 2013 due to resignations. Consultants are used for research on new forms of gambling, including international studies on gambling.

National Metrology Institute of South Africa

Mandate and goals

The National Metrology Institute of South Africa is mandated by the Measurement Units and Measurement Standards Act (2006) to ensure that South Africa has a scientifically valid, and internationally comparable and accepted measurement system, and that the international system of units is correctly applied. This is paramount for manufacturing, all trade, health and safety, and law enforcement. To fulfil this mandate, the institute develops and maintains national measurement standards for South Africa; ensures that these are traceable to the primary international system of units; benchmarks them against the national measurement standards of other countries; submits the calibration and measurement capabilities to the international database as the entry for South Africa; and disseminates the national capability through calibration and certified reference materials to calibration and testing laboratories in South Africa and the region.

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

- keep, maintain and develop the national measurement standards, and provide for the use of the national measurement units
- ensure that the South African measurement system is internationally comparable by participating in the activities of the International Committee for Weights and Measures in accordance with the mutual recognition arrangement between all national metrology institutes worldwide
- provide measurement knowledge and expertise as a key component of the technical infrastructure for public

policy objectives with regard to measurement compliance issues in terms of health, safety and the environment

- provide an integrated human capital development programme for metrology
- provide essential support to South African enterprises through dissemination of the national measurement standards, units, and expertise.

Selected performance indicators

Table 36.65 National Metrology Institute 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 |
| Total number of gazetted national measurement standards maintained | Keep, maintain and disseminate national measurements | Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world | 42 | 5 ¹ | 5 ¹ | 50 | 50 | 50 | 50 |
| Number of new certified reference materials and methods of calibration and/or improved national measurement standards per year | Keep, maintain and disseminate national measurements | | — ² | 12 | 5 | 10 | 14 | 15 | 16 |
| Number of calibration measurement capabilities maintained in the international key comparison database per year | Keep, maintain and disseminate national measurements | | 356 | 356 | 365 | 382 | 413 | 417 | 419 |
| Income generated through calibration, services, sales, consultation, research grants and donor projects per year | Keep, maintain and disseminate national measurements | | — ² | R11m | R12m | R11m | R0.8m | R0.9m | R1m |
| Number of certified reference materials sold per year | Keep, maintain and disseminate national measurements | Outcome 5: A skilled and capable workforce to support an inclusive growth path | 64 | 74 | 86 | 200 | 220 | 240 | 260 |
| Number of industry, SMME and/or regional metrologists trained in accurate measurements per year | Keep, maintain and disseminate national measurements | | — ² | 10 | 12 | 49 | 64 | 80 | 85 |
| Number of refereed and/or peer-reviewed publications on measurements science per year | Keep, maintain and disseminate national measurements | Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world | 15 | 22 | 21 | 18 | 20 | 27 | 29 |

1. In 2011/12 and 2012/13, these were measured as "Number of new gazetted national measurement standards maintained". The entity reverted to cumulative measurement in 2013/14.

2. No past data for 2010/11, as these indicators were introduced in 2011/12.

Programmes/activities/objectives

Table 36.66 National Metrology Institute of South Africa

| Audited outcome | 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 | 2013/14 | 2010/11 - 2013/14 | | 2014/15 | 2015/16 | 2016/17 | 2013/14 - 2016/17 | |
| R thousand | | | | | | | | | | | |
| Administration | 29 685 | 32 100 | 33 226 | 98 561 | 49.2% | 46.3% | 107 851 | 124 521 | 134 512 | 10.9% | 52.0% |
| Keep, maintain and disseminate national measurements | 39 249 | 47 224 | 51 296 | 59 242 | 14.7% | 53.7% | 106 527 | 139 597 | 144 094 | 34.5% | 48.0% |
| Total expense | 68 934 | 79 324 | 84 522 | 157 803 | 31.8% | 100.0% | 214 378 | 264 118 | 278 606 | 20.9% | 100.0% |

Expenditure estimates

Table 36.67 National Metrology Institute of South Africa

| Statement of financial Performance | Audited outcome | | | Revised estimate | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term estimate | | | Average growth rate (%) | Expenditure/total: Average (%) |
|--|-----------------|---------------|---------------|------------------|-------------------------|--------------------------------|----------------------|----------------|----------------|-------------------------|--------------------------------|
| | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2010/11 - 2013/14 | | 2014/15 | 2015/16 | 2016/17 | 2013/14 - 2016/17 | |
| R thousand | | | | | | | | | | | |
| Revenue | | | | | | | | | | | |
| Non-tax revenue | 9 381 | 8 998 | 10 400 | 11 861 | 8.1% | 10.5% | 11 813 | 13 223 | 14 413 | 6.7% | 5.8% |
| Sale of goods and services other than capital assets of which: | 8 195 | 7 229 | 7 879 | 10 600 | 9.0% | 8.7% | 8 667 | 9 534 | 10 487 | -0.4% | 4.5% |
| Sales by market establishment | 8 195 | 7 229 | 7 879 | 10 600 | 9.0% | 8.7% | 8 667 | 9 534 | 10 487 | -0.4% | 4.5% |
| Other non-tax revenue | 1 186 | 1 769 | 2 521 | 1 261 | 2.1% | 1.8% | 3 146 | 3 689 | 3 926 | 46.0% | 1.3% |
| Transfers received | 57 519 | 87 581 | 82 233 | 145 942 | 36.4% | 89.5% | 202 565 | 250 895 | 264 193 | 21.9% | 94.2% |
| Total revenue | 66 900 | 96 579 | 92 633 | 157 803 | 33.1% | 100.0% | 214 378 | 264 118 | 278 606 | 20.9% | 100.0% |

Table 36.67 National Metrology Institute of South Africa

| Statement of financial performance | | | | | | | | | | | | |
|--------------------------------------|-----------------|---------|---------|---------|------------------|-------------------------|---------------------------------|----------------------|---------|-------------------|-------------------------|---------------------------------|
| | Audited outcome | | | | Revised estimate | Average growth rate (%) | Expenditure/ total: Average (%) | Medium-term estimate | | | Average growth rate (%) | Expenditure/ total: Average (%) |
| 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 | 68 934 | 79 324 | 84 522 | 157 803 | 31.8% | 100.0% | 214 378 | 264 118 | 278 606 | 20.9% | 100.0% | |
| Compensation of employees | 35 603 | 42 871 | 48 187 | 56 006 | 16.3% | 49.5% | 71 510 | 80 552 | 97 281 | 20.2% | 33.6% | |
| Goods and services | 22 444 | 25 213 | 27 592 | 81 268 | 53.6% | 37.1% | 121 871 | 162 343 | 149 203 | 22.4% | 55.8% | |
| Depreciation | 10 884 | 11 240 | 8 743 | 20 529 | 23.6% | 13.3% | 20 997 | 21 223 | 32 122 | 16.1% | 10.6% | |
| Interest, dividends and rent on land | 3 | — | — | — | -100.0% | 0.0% | — | — | — | — | — | |
| Total expenses | 68 934 | 79 324 | 84 522 | 157 803 | 31.8% | 100.0% | 214 378 | 264 118 | 278 606 | 20.9% | 100.0% | |
| Surplus/(Deficit) | (2 034) | 17 255 | 8 111 | — | -100.0% | | — | — | — | — | | |
| Statement of financial position | | | | | | | | | | | | |
| Carrying value of assets | 56 133 | 60 797 | 69 474 | 80 455 | 12.7% | 72.2% | 97 723 | 127 052 | 165 131 | 27.1% | 88.0% | |
| of which: | | | | | | | | | | | | |
| Acquisition of assets | 3 271 | 7 061 | 17 718 | 35 019 | 120.4% | 16.4% | 36 244 | 37 899 | 39 879 | 4.4% | 29.5% | |
| Receivables and prepayments | 2 024 | 2 274 | 2 655 | 574 | -34.3% | 2.0% | 382 | 290 | 310 | -18.6% | 0.3% | |
| Cash and cash equivalents | 13 614 | 37 055 | 39 247 | 11 118 | -6.5% | 25.8% | 15 319 | 16 610 | 17 259 | 15.8% | 11.6% | |
| Total assets | 71 771 | 100 126 | 111 376 | 92 147 | 8.7% | 100.0% | 113 424 | 143 952 | 182 700 | 25.6% | 100.0% | |
| Accumulated surplus/(deficit) | 68 501 | 96 403 | 104 514 | 90 296 | 9.6% | 95.9% | 111 921 | 142 282 | 180 960 | 26.1% | 98.6% | |
| Deferred income | — | 155 | 157 | — | — | 0.1% | — | — | — | — | — | |
| Trade and other payables | 3 270 | 959 | 4 056 | 1 851 | -17.3% | 2.8% | 1 503 | 1 670 | 1 740 | -2.0% | 1.4% | |
| Provisions | — | 2 609 | 2 649 | — | — | 1.2% | — | — | — | — | — | |
| Total equity and liabilities | 71 771 | 100 126 | 111 376 | 92 147 | 8.7% | 100.0% | 113 424 | 143 952 | 182 700 | 25.6% | 100.0% | |

Personnel information

Table 36.68 National Metrology Institute 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 | | | |
|---|---|-----|--|------|-----------|------------------|------|-----------|----------------------------------|------|-----------|---------|------|-----------|-------------------------|---------------------------------|---------|-------|-----------|-------------------|
| 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 | 125 | 160 | 111 | 48.2 | 0.4 | 113 | 56.0 | 0.5 | 149 | 71.5 | 0.5 | 154 | 80.6 | 0.5 | 160 | 97.3 | 0.6 | 20.2% | 100.0% | |
| 7 – 10 | 50 | 58 | 54 | 22.1 | 0.4 | 54 | 23.5 | 0.4 | 55 | 33.4 | 0.6 | 54 | 36.7 | 0.7 | 58 | 47.0 | 0.8 | 26.1% | 39.0% | |
| 11 – 12 | 65 | 92 | 49 | 17.9 | 0.4 | 51 | 24.4 | 0.5 | 83 | 28.1 | 0.3 | 90 | 31.6 | 0.4 | 92 | 36.7 | 0.4 | 14.6% | 54.2% | |
| 13 – 16 | 10 | 10 | 8 | 8.2 | 1.0 | 8 | 8.2 | 1.0 | 11 | 9.9 | 0.9 | 10 | 12.2 | 1.2 | 10 | 13.6 | 1.4 | 18.4% | 6.8% | |

1. Rand million.

Expenditure trends

Revenue for the National Metrology Institute of South Africa is mainly in the form of transfers from the department. Other non-tax revenue is from fees for dissemination services. Over the medium term, increased revenue for the recapitalisation project is projected.

The spending focus over the medium term will be on building capacity in the institution to better fulfil its mandate; and on providing metrological and advanced measurement assistance to specific industry sectors as identified in the industrial policy action plan. This includes green manufacturing and cleaner production.

Because of ageing infrastructure, there will be significant expenditure on goods and services over the medium term on the assets maintenance and recapitalisation project in the context of the globally fast developing international measurement system. The institute aims to increase the number of calibration measurement capabilities maintained in the international key comparison database to 419 over the medium term. Spending on compensation of employees is expected to grow significantly as the number of personnel is expected to increase from 113 in 2013/14 to 160 by 2016/17 as the institute further expands capacity to fulfil and enforce compliance. Expenditure on training is also expected to increase over this period in support of the institute's target of increasing the number of SMME and regional metrologists trained in accurate measurements to 85, by 2016/17.

Expenditure on compensation of employees grew significantly between 2010/11 and 2013/14 in order to capacitate the institute. The restructuring of the organisation has also led to the appointment of key personnel, which include scientists who specialise in metrology; the establishment of the supply chain management unit; and the appointment of the chief executive officer and chief financial officer from 2010/11. There were 7 vacant at the end of November 2013 as a result of resignations and the lack of metrological skills in the market. Consultants are mainly used for support services on the financial system and other non-core areas where the organisation does not have its own capacity.

National Regulator for Compulsory Specifications

Mandate and goals

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

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

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

Selected performance indicators

Table 36.69 National Regulator for Compulsory Specifications

| Indicator | Programme/Activity/Objective | Outcome | Past | | | Current | Projections | | |
|--|--|--|----------------|----------------|----------------|---------|-------------|---------|---------|
| | | | 2010/11 | 2011/12 | 2012/13 | | 2014/15 | 2015/16 | 2016/17 |
| Number of inspections conducted in accordance with the compulsory specification and procedures per year | Strategic goal 1: To utilise a risk based approach to maximise the potential compliance with all specifications and technical regulations falling under the mandate of the regulator | Outcome 10: Environmental assets and natural resources that are valued, protected and continually enhanced | 26 467 | 24 553 | 17 161 | 20 954 | 21 225 | 22 745 | 25 709 |
| Number of new, amended and withdrawn compulsory specification / technical regulations submitted for approval by the board per year | Strategic goal 2: To optimise the scope of the regulator's regulatory activity to protect people in South Africa and the environment | | — ¹ | 11 | 12 | 12 | 12 | 12 | 12 |
| Percentage awareness of the National Regulator for Compulsory Specifications brand | Strategic goal 3: To inform and educate industry and consumers regarding their rights and obligations with respect to specifications and technical regulations | | — ¹ | — ¹ | — ¹ | 5% | 5% | 5% | 5% |

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

Programmes/activities/objectives

Table 36.70 National Regulator for Compulsory Specifications

| | 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 | | | | | | | | | | | |
| Administration | 43 809 | 51 757 | 58 705 | 42 665 | -0.9% | 24.4% | 63 201 | 66 614 | 70 144 | 18.0% | 19.1% |
| Strategic goal 1: To utilise a risk based approach to maximise the potential compliance with all specifications and technical regulations falling under the mandate of the National Regulator for Compulsory Specifications | 82 448 | 97 036 | 119 747 | 165 905 | 26.2% | 54.9% | 175 688 | 185 175 | 194 989 | 5.5% | 57.4% |
| Strategic goal 2: To optimise the scope of National Regulator for Compulsory Specifications regulatory activity to protect people in South Africa and the environment | 5 909 | 6 930 | 8 437 | 12 345 | 27.8% | 4.0% | 15 538 | 16 377 | 17 245 | 11.8% | 4.9% |
| Strategic goal 3: To inform and educate industry and consumers regarding their rights and obligations with respect to specifications and technical regulations | 4 464 | 5 293 | 6 721 | 7 593 | 19.4% | 2.9% | 8 472 | 8 929 | 9 403 | 7.4% | 2.7% |
| Strategic goal 4: To ensure that highly engaged, competent people are in the right place at the right time' to enable effective execution of the National Regulator for Compulsory Specifications strategy | 5 760 | 6 820 | 30 495 | 41 613 | 93.3% | 9.1% | 50 515 | 53 243 | 56 065 | 10.4% | 15.9% |
| Strategic goal 5: To ensure that the National Regulator for Compulsory Specifications is a capacitated organisation with 'fit for purpose' resources available to support decision making and action | 14 836 | 17 516 | – | – | -100.0% | 4.7% | – | – | – | – | – |
| Total expense | 157 225 | 185 352 | 224 105 | 270 121 | 19.8% | 100.0% | 313 414 | 330 338 | 347 846 | 8.8% | 100.0% |

Expenditure estimates

Table 36.71 National Regulator for Compulsory Specifications

| Statement of financial performance | Audited outcome | | | Revised estimate | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term estimate | | | Average growth rate (%) | Expenditure/total: Average (%) |
|--|-----------------|----------------|----------------|------------------|-------------------------|--------------------------------|----------------------|----------------|----------------|-------------------------|--------------------------------|
| | 2010/11 | 2011/12 | 2012/13 | | | | 2014/15 | 2015/16 | 2016/17 | | |
| R thousand | | | | | | | | | | | |
| Revenue | | | | | | | | | | | |
| Non-tax revenue | 149 820 | 164 397 | 182 054 | 167 148 | 3.7% | 73.7% | 204 024 | 214 820 | 225 659 | 10.5% | 64.2% |
| Sale of goods and services other than capital assets | 130 564 | 159 115 | 171 570 | 162 913 | 7.7% | 69.0% | 192 792 | 205 323 | 218 670 | 10.3% | 61.7% |
| of which: | | | | | | | | | | | |
| Sales by market establishment | 130 564 | 159 115 | 171 570 | 162 913 | 7.7% | 69.0% | 192 792 | 205 323 | 218 670 | 10.3% | 61.7% |
| Other non-tax revenue | 19 256 | 5 282 | 10 484 | 4 235 | -39.6% | 4.7% | 11 232 | 9 496 | 6 989 | 18.2% | 2.5% |
| Transfers received | 33 042 | 37 173 | 79 684 | 103 000 | 46.1% | 26.3% | 109 734 | 116 112 | 122 256 | 5.9% | 35.8% |
| Total revenue | 182 862 | 201 570 | 261 738 | 270 148 | 13.9% | 100.0% | 313 758 | 330 932 | 347 915 | 8.8% | 100.0% |
| Expenses | | | | | | | | | | | |
| Current expenses | 157 225 | 185 352 | 224 105 | 270 121 | 19.8% | 100.0% | 313 414 | 330 338 | 347 846 | 8.8% | 100.0% |
| Compensation of employees | 106 173 | 127 354 | 147 775 | 184 686 | 20.3% | 67.6% | 218 252 | 230 038 | 242 230 | 9.5% | 69.3% |
| Goods and services | 46 786 | 55 691 | 74 032 | 81 494 | 20.3% | 30.8% | 91 137 | 96 058 | 101 149 | 7.5% | 29.4% |
| Depreciation | 3 906 | 2 153 | 2 269 | 3 941 | 0.3% | 1.5% | 4 025 | 4 242 | 4 467 | 4.3% | 1.3% |
| Interest, dividends and rent on land | 360 | 154 | 29 | – | -100.0% | 0.1% | – | – | – | – | – |
| Total expenses | 157 225 | 185 352 | 224 105 | 270 121 | 19.8% | 100.0% | 313 414 | 330 338 | 347 846 | 8.8% | 100.0% |
| Surplus/(Deficit) | 25 637 | 16 218 | 37 633 | 27 | -89.8% | | 344 | 594 | 68 | 36.1% | |
| Statement of financial Position | | | | | | | | | | | |
| Carrying value of assets | 17 826 | 20 132 | 19 553 | 37 770 | 28.4% | 21.2% | 60 766 | 82 350 | 129 958 | 51.0% | 50.1% |
| of which: | | | | | | | | | | | |
| Acquisition of assets | 11 069 | 4 220 | 2 438 | 22 158 | 26.0% | 9.0% | 27 021 | 25 826 | 52 076 | 33.0% | 20.6% |
| Investments | 325 | 325 | 325 | 325 | – | 0.3% | 325 | 325 | 325 | – | 0.2% |
| Receivables and prepayments | 15 215 | 10 059 | 10 973 | 8 309 | -18.3% | 11.1% | 10 405 | 10 956 | 11 447 | 11.3% | 6.7% |
| Cash and cash equivalents | 42 314 | 58 134 | 119 412 | 101 173 | 33.7% | 67.4% | 82 183 | 62 325 | 15 613 | -46.4% | 43.0% |
| Total assets | 75 680 | 88 650 | 150 263 | 147 577 | 24.9% | 100.0% | 153 680 | 155 955 | 157 344 | 2.2% | 100.0% |
| Accumulated surplus/(deficit) | 33 234 | 49 452 | 87 085 | 87 112 | 37.9% | 54.2% | 87 456 | 88 050 | 88 322 | 0.5% | 57.1% |
| Finance lease | 1 701 | 257 | 116 | 42 | -70.9% | 0.7% | – | – | – | -100.0% | 0.0% |
| Trade and other payables | 21 260 | 8 411 | 26 511 | 28 523 | 10.3% | 18.6% | 31 898 | 33 620 | 35 402 | 7.5% | 21.0% |
| Provisions | 19 485 | 30 530 | 36 551 | 31 900 | 17.9% | 26.5% | 34 326 | 34 285 | 33 620 | 1.8% | 21.8% |
| Total equity and liabilities | 75 680 | 88 650 | 150 263 | 147 577 | 24.9% | 100.0% | 153 680 | 155 955 | 157 344 | 2.2% | 100.0% |

Personnel information

Table 36.72 National Regulator for Compulsory Specifications

| 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 | 384 | 384 | 71 | 147.8 | 2.1 | 303 | 184.7 | 0.6 | 320 | 218.3 | 0.7 | 320 | 230.0 | 0.7 | 320 | 242.2 | 0.8 | 9.5% | 100.0% | |
| 1 – 6 | 21 | 21 | – | – | – | 18 | 4.7 | 0.3 | 22 | 7.6 | 0.3 | 22 | 8.1 | 0.4 | 22 | 8.7 | 0.4 | 23.1% | 6.6% | |
| 7 – 10 | 98 | 98 | – | – | – | 71 | 27.1 | 0.4 | 69 | 27.3 | 0.4 | 69 | 29.2 | 0.4 | 69 | 31.2 | 0.5 | 4.9% | 22.0% | |
| 11 – 12 | 233 | 233 | 15 | 97.8 | 6.5 | 197 | 125.6 | 0.6 | 160 | 118.0 | 0.7 | 160 | 123.3 | 0.8 | 160 | 128.0 | 0.8 | 0.6% | 53.8% | |
| 13 – 16 | 31 | 31 | 55 | 47.9 | 0.9 | 16 | 25.8 | 1.6 | 68 | 63.2 | 0.9 | 68 | 67.3 | 1.0 | 68 | 72.0 | 1.1 | 40.9% | 17.3% | |
| 17 – 22 | 1 | 1 | 1 | 2.1 | 2.1 | 1 | 1.6 | 1.6 | 1 | 2.2 | 2.2 | 1 | 2.2 | 2.2 | 1 | 2.3 | 2.3 | 13.1% | 0.3% | |

1. Rand million.

Expenditure trends

The National Regulator for Compulsory Specifications receives revenue in the form of transfers from the department, and generates other revenue from levies for compulsory specifications as well as from services rendered for letters of authority, tests and services, and export certification. Non-tax revenue is expected to increase over the medium term due to the optimisation of the scope of regulatory activity, which includes the implementation of the risk based approach, border enforcement mechanisms, and increases in levies from industry as production expands.

The regulator's spending focus over the medium term will be on developing and ensuring compliance with compulsory specifications and technical regulations; continuing to align the work of the entity with the industrial policy action plan; and playing a strategic role in contributing to an enabling environment with regulatory activities supporting access to export markets through the development of specifications, market surveillance, and enforcement activities undertaken in the programme activities relating to strategic goals 1 and 2.

Thus expenditure on goods and services over the medium term will be used for developing an appropriate IT platform and strengthening research and development and intelligence capability. Expenditure on compensation of employees retains a significant share of the entity's total expenditure over the seven year period as the regulator increases operational efficacy, with personnel having grown significantly by 2013/14 and set to grow marginally over the medium term, reaching 320 by 2016/17. The increase in capacity will result in the number of inspections conducted reaching 25 709 by 2016/17 from 20 954 in 2013/14. There were 86 vacancies as at 30 November 2013 as the regulator has undertaken to only fill critical positions over the medium term as part of cost reductions, which include minimising non-essential costs such as travel and subsistence. Consultants are used largely for the ICT infrastructure and other specialised services for which the organisation does not have its own capacity.

South African National Accreditation System

Mandate and goals

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

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

- contribute to government's strategic objectives
- improve external relations and processes by expanding international influence and playing a leadership role

in Southern African Development Community and Africa accreditation

- increase quality and productivity by developing human resources and diversified assessors' polls, and improving processes through the use of ICTs and automation.

Selected performance indicators

Table 36.73 South African National Accreditation System

| Indicator | Programme/Activity/Objective | Outcome | Past | | | Current | Projections | | |
|---|---|--|----------------|------------------|----------------|----------------|-------------|---------|---------|
| | | | 2010/11 | 2011/12 | 2012/13 | | 2014/15 | 2015/16 | 2016/17 |
| Total number of registrations of previously disadvantaged assessors | Provision of accreditation services | Outcome 12: An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship | 35 | 35% ¹ | 72 | 76 | 82 | 90 | 95 |
| Total number of reassessments of accredited organisations | Provision of accreditation services | | — ² | — ² | — ² | — ² | 1 350 | 1 400 | 1 430 |
| Percentage of inputs provided into the international accreditation requirements of the International Laboratory Accreditation Cooperation and International Accreditation Forum | International, regional and national responsibilities | Outcome 11: Create a better South Africa and contribute to a better and safer Africa and World | — ² | 85% | 92% | 95% | 95% | 95% | 95% |
| Number of continent-wide African accreditation cooperation secretariat function (meetings) provided annually | International, regional and national responsibilities | | — ² | 80% ¹ | 3 | 3 | 3 | 3 | 3 |
| Number of Southern African Development Community cooperation in accreditation secretariat and regional coordination function (meetings) provided annually | International, regional and national responsibilities | | — ² | 80% ¹ | 3 | 3 | 3 | 3 | 3 |
| Number of new accreditation programmes developed and the South African National Accreditation System ready to offer accreditation | New programme development projects and related activities | Outcome 4: Decent employment through inclusive economic growth | — ² | — ² | 1 | 3 | 2 | 3 | 1 |

1. Percentage measurement was used for this indicator in 2011/12. Indicator was revised from percentage to back to absolute numerical measure in 2012/13.

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

Programmes/activities/objectives

Table 36.74 South African National Accreditation System

| | | | | | Average growth rate (%) | Expenditure/ total: Average (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Expenditure/ total: Average (%) |
|---|---------------|---------------|---------------|------------------|-------------------------|---------------------------------|----------------------------------|---------------|---------------|-------------------------|---------------------------------|
| Audited outcome | | | | Revised 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 | |
| Administration | 23 019 | 14 542 | 16 128 | 21 113 | -2.8% | 33.2% | 19 364 | 20 274 | 22 257 | 1.8% | 24.7% |
| Provision of accreditation services | 14 023 | 23 983 | 26 397 | 29 292 | 27.8% | 40.1% | 34 398 | 36 083 | 37 980 | 9.0% | 40.8% |
| International, regional and national responsibilities | 1 327 | 855 | 1 851 | 2 979 | 30.9% | 2.9% | 3 025 | 2 954 | 3 011 | 0.4% | 3.6% |
| New programme development projects and related activities | 1 376 | 3 111 | 3 259 | 4 411 | 47.4% | 5.1% | 3 448 | 3 861 | 3 544 | -7.0% | 4.6% |
| Restructuring/capacity building | 4 325 | 6 275 | 7 417 | 13 755 | 47.1% | 13.0% | 17 927 | 18 895 | 19 896 | 13.1% | 20.8% |
| Knowledge transfer | 651 | 817 | 844 | 2 674 | 60.1% | 2.0% | 1 558 | 1 397 | 1 452 | -18.4% | 2.1% |
| Marketing | 1 870 | 1 610 | 2 306 | 2 823 | 14.7% | 3.7% | 2 711 | 2 858 | 2 986 | 1.9% | 3.4% |
| Total expense | 46 591 | 51 193 | 58 202 | 77 047 | 18.3% | 100.0% | 82 431 | 86 322 | 91 125 | 5.8% | 100.0% |

Expenditure estimates

Table 36.75 South African National Accreditation System

| Statement of financial performance | | | | Revised estimate | Average growth rate (%) | Expenditure/ total: Average (%) | | | | Average growth rate (%) | Expenditure/ total: Average (%) |
|--|---------|---------|---------|------------------|-------------------------|---------------------------------|----------------------|--------|--------|-------------------------|---------------------------------|
| Audited outcome | | | | | | | | | | | |
| R thousand | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2010/11 - 2013/14 | | Medium-term estimate | | | 2013/14 - 2016/17 | |
| Revenue | | | | | | | | | | | |
| Non-tax revenue | 33 578 | 36 616 | 39 611 | 43 574 | 9.1% | 60.4% | 46 719 | 48 670 | 51 478 | 5.7% | 56.5% |
| Sale of goods and services other than capital assets | 28 131 | 31 422 | 33 041 | 35 169 | 7.7% | 50.5% | 38 425 | 41 047 | 43 811 | 7.6% | 47.0% |
| of which: | | | | | | | | | | | |
| Administrative fees | 28 131 | 31 422 | 33 041 | 35 169 | 7.7% | 50.5% | 38 425 | 41 047 | 43 811 | 7.6% | 47.0% |
| Other non-tax revenue | 5 447 | 5 194 | 6 570 | 8 405 | 15.6% | 10.0% | 8 294 | 7 623 | 7 667 | -3.0% | 9.6% |
| Transfers received | 18 239 | 20 623 | 30 676 | 33 473 | 22.4% | 39.6% | 35 712 | 37 652 | 39 648 | 5.8% | 43.5% |
| Total revenue | 51 817 | 57 239 | 70 287 | 77 047 | 14.1% | 100.0% | 82 431 | 86 322 | 91 125 | 5.8% | 100.0% |

Table 36.75 South African National Accreditation System

| Statement of financial performance | | | | Revised estimate | Average growth rate (%) | Expenditure/ total: Average (%) | Medium-term 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 | |
| Expenses | | | | | | | | | | | |
| Current expenses | 46 185 | 50 763 | 57 749 | 76 570 | 18.4% | 99.2% | 81 928 | 85 791 | 90 567 | 5.8% | 99.4% |
| Compensation of employees | 23 632 | 25 532 | 27 127 | 35 069 | 14.1% | 48.2% | 40 979 | 43 191 | 44 965 | 8.6% | 48.7% |
| Goods and services | 21 979 | 24 706 | 29 914 | 40 849 | 22.9% | 50.0% | 40 125 | 41 810 | 44 902 | 3.2% | 49.9% |
| Depreciation | 425 | 346 | 392 | 403 | -1.8% | 0.7% | 528 | 511 | 446 | 3.4% | 0.6% |
| Interest, dividends and rent on land | 149 | 179 | 316 | 249 | 18.7% | 0.4% | 296 | 279 | 254 | 0.7% | 0.3% |
| Transfers and subsidies | 406 | 430 | 453 | 477 | 5.5% | 0.8% | 503 | 530 | 558 | 5.4% | 0.6% |
| Total expenses | 46 591 | 51 193 | 58 202 | 77 047 | 18.3% | 100.0% | 82 431 | 86 322 | 91 125 | 5.8% | 100.0% |
| Surplus/(Deficit) | 5 226 | 6 046 | 12 085 | – | -100.0% | | – | – | – | – | |
| Statement of financial position | | | | | | | | | | | |
| Carrying value of assets | 1 955 | 2 000 | 2 466 | 3 655 | 23.2% | 4.7% | 63 355 | 62 936 | 62 627 | 157.8% | 74.0% |
| of which: | | | | | | | | | | | |
| Acquisition of assets | 247 | 418 | 867 | 1 092 | 64.1% | 1.1% | 60 228 | 92 | 136 | -50.1% | 23.6% |
| Receivables and prepayments | 1 557 | 11 750 | 1 351 | 1 750 | 4.0% | 8.0% | 1 750 | 1 650 | 1 500 | -5.0% | 2.6% |
| Cash and cash equivalents | 33 896 | 37 480 | 60 134 | 58 939 | 20.2% | 87.4% | 112 | 471 | 737 | -76.8% | 23.4% |
| Total assets | 37 408 | 51 230 | 63 951 | 64 344 | 19.8% | 100.0% | 65 217 | 65 058 | 64 864 | 0.3% | 100.0% |
| Accumulated surplus/(deficit) | 23 263 | 28 240 | 40 326 | 41 986 | 21.8% | 61.4% | 41 986 | 41 986 | 41 986 | – | 64.7% |
| Capital reserve fund | – | 10 000 | 10 000 | 8 098 | – | 11.9% | 8 098 | 8 098 | 8 098 | – | 12.5% |
| Finance lease | 1 136 | 2 194 | 2 157 | 2 090 | 22.5% | 3.5% | 1 986 | 1 840 | 1 641 | -7.7% | 2.9% |
| Deferred income | 3 009 | 1 041 | 2 361 | 2 500 | -6.0% | 4.4% | 3 000 | 3 500 | 4 000 | 17.0% | 5.0% |
| Trade and other payables | 8 580 | 8 600 | 7 805 | 8 270 | -1.2% | 16.2% | 8 647 | 7 834 | 7 339 | -3.9% | 12.4% |
| Provisions | 1 420 | 1 155 | 1 302 | 1 400 | -0.5% | 2.6% | 1 500 | 1 800 | 1 800 | 8.7% | 2.5% |
| Total equity and liabilities | 37 408 | 51 230 | 63 951 | 64 344 | 19.8% | 100.0% | 65 217 | 65 058 | 64 864 | 0.3% | 100.0% |

Personnel information**Table 36.76 South African National Accreditation System**

| 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 | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | 72 | 72 | 58 | 27.1 | 0.5 | 58 | 35.1 | 0.6 | 84 | 41.0 | 0.5 | 84 | 43.2 | 0.5 | 84 | 45.0 | 0.5 | 8.6% | 100.0% | |
| 1 – 6 | 1 | 1 | 1 | 0.1 | 0.1 | 1 | 0.1 | 0.1 | 1 | 0.1 | 0.1 | 1 | 0.1 | 0.1 | 1 | 0.1 | 0.1 | 2.8% | 1.3% | |
| 7 – 10 | 33 | 33 | 22 | 4.7 | 0.2 | 22 | 8.2 | 0.4 | 39 | 10.4 | 0.3 | 39 | 11.0 | 0.3 | 39 | 11.4 | 0.3 | 11.8% | 44.3% | |
| 11 – 12 | 18 | 18 | 17 | 7.5 | 0.4 | 17 | 8.6 | 0.5 | 24 | 12.9 | 0.5 | 24 | 13.6 | 0.6 | 24 | 14.2 | 0.6 | 18.3% | 28.8% | |
| 13 – 16 | 20 | 20 | 18 | 14.8 | 0.8 | 18 | 18.2 | 1.0 | 20 | 17.5 | 0.9 | 20 | 18.5 | 0.9 | 20 | 19.2 | 1.0 | 1.8% | 25.6% | |

1. Rand million.

Expenditure trends

The South African National Accreditation System derives part of its revenue from transfers from the department, but also generates its own revenue from annual fees charged to accredited facilities, and from new applications received from facilities interested in receiving accreditation. In 2011/12 there was an increase in demand compared to 2010/11, as well as an increase in fees charged to facilities. Due to the increase in the number of accredited facilities stemming from the industrial policy action plan in 2013/14, revenue was lower than anticipated but is expected to increase by 2014/15 and to stabilise over the medium term once the new programmes are established.

The spending focus over the medium term will be on completing the rollout of the restructuring and capacity building project, for which expenditure is set to grow by 13.1 per cent over the medium term. This will result in increased capacity and will provide the entity with a well functioning accreditation infrastructure able to meet the increasing expectations of industry, government, and other stakeholders. The number of accredited organisations is projected to reach 1 500 by 2016/17 from 1 438 in 2013/14.

Spending on compensation of employees grew rapidly between 2010/11 and 2013/14 due to the restructuring project related to the rightsizing of the entity in order to respond to the needs of industry and the economy in accordance with the industrial policy action plan, and the need for additional staff to support efficient and effective operations. This included appointing the remainder of the entity's board and completing the IT infrastructure project to support the organisation's core operations. This also accounts for the significant increase in spending on goods and services between 2010/11 and 2013/14.

Personnel numbers are expected to stabilise over the medium term as the remainder of the vacant positions are filled. The number of personnel is expected to grow to 84 over the medium term due to the increased demand for the organisation's services, and the need to support government's industrial development and health and safety projects. There were 14 vacancies at the end of November 2013 due to the restructuring and capacity building project. Consultants are used mainly for performing accreditation assessments, which require a particular type of expertise and knowledge. They are contracted from laboratories and from inspection and certification bodies, and are specialists in their fields.

Additional tables

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

| Programme | Appropriation | | Audited outcome | Appropriation | | Revised estimate |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| | Main | Adjusted | | Main | Adjusted | |
| R thousand | 2012/13 | | 2012/13 | 2013/14 | | 2013/14 |
| Administration | 608 742 | 697 179 | 705 426 | 690 079 | 35 850 | 725 929 |
| International Trade and Economic Development | 133 462 | 134 663 | 132 705 | 138 638 | 3 000 | 141 638 |
| Broadening Participation | 879 891 | 939 980 | 929 693 | 968 307 | 42 000 | 1 010 307 |
| Industrial Development | 1 482 856 | 1 492 745 | 1 505 090 | 1 617 074 | (850) | 1 593 424 |
| Consumer and Corporate Regulation | 244 713 | 248 143 | 223 568 | 256 157 | – | 256 157 |
| Incentive Development and Administration | 5 437 565 | 4 560 870 | 4 514 551 | 5 543 134 | (100 000) | 5 393 134 |
| Trade and Investment South Africa | 304 826 | 277 506 | 275 395 | 359 191 | (37 000) | 322 191 |
| Total | 9 092 055 | 8 351 086 | 8 286 428 | 9 572 580 | (57 000) | 9 442 780 |
| Economic classification | | | | | | |
| Current payments | 1 303 366 | 1 422 232 | 1 264 875 | 1 493 299 | 34 378 | 1 527 677 |
| Compensation of employees | 713 995 | 735 953 | 671 550 | 854 246 | (35 974) | 818 272 |
| Goods and services | 589 371 | 686 279 | 592 838 | 639 053 | 70 352 | 709 405 |
| Interest and rent on land | – | – | 487 | – | – | – |
| Transfers and subsidies | 7 774 579 | 6 862 863 | 6 898 927 | 8 059 259 | (109 248) | 7 877 211 |
| Departmental agencies and accounts | 1 060 178 | 1 126 195 | 1 127 995 | 1 234 727 | 50 995 | 1 285 722 |
| Higher education institutions | 10 004 | 10 004 | 32 600 | 12 834 | – | 12 834 |
| Foreign governments and international organisations | 37 038 | 36 438 | 37 344 | 39 738 | (5 200) | 34 538 |
| Public corporations and private enterprises | 6 648 182 | 5 668 674 | 5 607 586 | 6 676 941 | (166 730) | 6 453 211 |
| Non-profit institutions | 17 900 | 17 900 | 88 068 | 93 119 | 11 000 | 104 119 |
| Households | 1 277 | 3 652 | 5 334 | 1 900 | 687 | 2 587 |
| Payments for capital assets | 14 110 | 65 991 | 40 495 | 20 022 | 17 869 | 37 891 |
| Machinery and equipment | 11 422 | 38 824 | 36 632 | 10 867 | 2 679 | 13 546 |
| Software and other intangible assets | 2 688 | 27 167 | 3 863 | 9 155 | 15 190 | 24 345 |
| Payments for financial assets | – | – | 82 131 | – | 1 | 1 |
| Total | 9 092 055 | 8 351 086 | 8 286 428 | 9 572 580 | (57 000) | 9 442 780 |

Table 36.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) | 514 524 | 566 988 | 671 550 | 818 272 | 916 869 | 980 867 | 1 033 938 |
| Training expenditure (R thousand) | 9 370 | 16 296 | 16 436 | 14 204 | 14 962 | 13 899 | 14 519 |
| Training spend as percentage of compensation | 1.8% | 2.9% | 2.4% | 1.7% | 1.6% | 1.4% | 1.4% |
| Households receiving bursaries (R thousand) | 1 514 | – | – | 1 900 | 1 590 | 1 663 | 1 751 |

Table 36.C Summary of departmental public private partnership projects

| | | | | | | |
|--|--|--|----------------------|----------------------------------|----------------|----------------|
| Project description: Department of Trade and Industry Campus project | | Project annual unitary fee at time of contract | Budgeted expenditure | Medium-term expenditure estimate | | |
| R thousand | | | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
| Projects signed in terms of Treasury Regulation 16 | | – | 180 961 | 190 155 | 237 944 | 238 075 |
| Public private partnership unitary charge ¹ | | – | 180 548 | 189 655 | 232 444 | 232 572 |
| Project monitoring cost | | – | 413 | 500 | 5 500 | 5 503 |
| Total | | – | 180 961 | 190 155 | 237 944 | 238 075 |

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

Disclosure notes for projects signed in terms of Treasury Regulation 16

| | |
|--|---|
| Project name | Department of Trade and Industry public private partnership campus |
| Brief description | Department of Trade and Industry public private partnership campus Meintjies Street, Pretoria. Design, Construct and Facility Management Services over period of 25 years |
| Date public private partnership agreement was signed | 01 August 2003 |
| Duration of public private partnership agreement | 25 years |
| Escalation index for unitary fee | CPIX linked - July every year on anniversary |
| Variations and amendments to public private partnership agreement | Variation orders as per allowed schedules - but no formal amendment to date was signed on the public private partnership Agreement |
| Cost implications of variations and amendments | Costed per each variation order. Strategic Space strategy will inform over the medium term the quantum of variation orders to be executed. |
| Significant contingent fiscal obligations including termination payments, guarantees, warranties and indemnities and maximum estimated value of such liabilities | The outstanding debt amount as per financial model |

Table 36.D Summary of departmental public private partnership projects

| Project description: National Fleet project | | Project annual unitary fee at time of contract | Budgeted expenditure 2013/14 | Medium-term expenditure estimate | | |
|---|--|--|------------------------------|----------------------------------|---------|---------|
| R thousand | | | | 2014/15 | 2015/16 | 2016/17 |
| Projects signed in terms of Treasury Regulation 16 | | – | 4 225 | 5 000 | 5 500 | 5 503 |
| Public private partnership unitary charge ¹ | | – | 4 225 | 5 000 | 5 500 | 5 503 |
| Total | | – | 4 225 | 5 000 | 5 500 | 5 503 |

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

Disclosure notes for projects signed in terms of Treasury Regulation 16

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

Table 36.E Summary of departmental public private partnership projects

| Project description: New Head Office for National Metrology Institute of South Africa | | Project annual unitary fee at time of contract | Budgeted expenditure 2013/14 | Medium-term expenditure estimate | | |
|---|--|--|------------------------------|----------------------------------|---------|---------|
| R thousand | | | | 2014/15 | 2015/16 | 2016/17 |
| Projects in preparation, registered in terms of Treasury Regulation 16¹ | | – | 50 000 | 100 000 | – | – |
| Advisory fees | | – | 50 000 | – | – | – |
| Other project costs | | – | – | 100 000 | – | – |
| Total | | – | 50 000 | 100 000 | – | – |

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

Table 36.F Summary of donor funding

| Donor | Project | Departmental programme | Period of commitment | Amount committed | Main economic classification | Spending focus | Audited outcome | | | Estimate | Medium-term expenditure estimate | | |
|--|--|--------------------------|----------------------|------------------|---|---|-----------------|---------|---------|----------|----------------------------------|---------|---------|
| | | | | | | | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
| R thousand | | | | | | | | | | | | | |
| Foreign | | | | | | | | | | | | | |
| In cash | | | | | | | | | | | | | |
| European Union | Sector wide enterprise employment and equity programme | Industrial Development | 2004 - 2009 | 477 286 | Public corporations and private enterprises | Increase employment and facilitate greater social and economic equity and integration | 33 307 | 31 306 | 15 264 | 15 000 | – | – | – |
| European Union | Risk capital facility programme | Broadening Participation | 2005 - 2013 | 497 951 | Public corporations and private enterprises | Facilitate black economic empowerment in small medium enterprise sector | 32 249 | 98 318 | – | – | – | – | – |
| European Union | Employment creation, sector policy support to the economic cluster's programme of action (4 departmental projects implemented) | Broadening Participation | 2009 - 2013 | 551 214 | Public corporations and private enterprises | Create long term sustainable employment and contribute to the national target of halving unemployment and poverty by 2014 | 40 398 | 66 220 | 22 950 | 4 000 | – | – | – |
| United Kingdom Department of International Development | Employment creation, sector policy support to the economic cluster's programme of action (3 departmental projects implemented) | Broadening Participation | 2009 - 2013 | 56 772 | Public corporations and private enterprises | Create long term sustainable employment and contribute to the national target of halving unemployment and poverty by 2014 | – | 8 078 | 42 051 | 300 | – | – | – |
| Finland | Small medium micro enterprise development programme | Industrial Development | 2009 - 2011 | 44 722 | Departmental agencies and accounts | Support development of small medium micro enterprises through technical support by Small Enterprise Development Agency | 2 699 | – | – | – | – | – | – |
| In kind | | | | | | | | | | | | | |
| United States Agency for International Development | Economic growth support | Industrial Development | 2008 - 2012 | 191 982 | Departmental agencies and accounts | Provide technical support to financial sector and private sector, and for competitiveness. Support department's regulatory policy, its research and legislative review process, and its participation in a technical evaluation | – | 42 000 | 22 000 | – | – | – | – |
| Total | | | | 1 819 927 | | | 108 653 | 245 922 | 102 265 | 19 300 | – | – | |

Table 36.G Summary of expenditure on infrastructure¹

| Project name R thousand | Service delivery outputs | Current project stage | Total project cost | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|---|--|--------------------------|-----------------------|-----------------|---------|---------|---------------------------|-------------------------------------|-----------|-----------|
| | | | | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
| Infrastructure transfers to other spheres, agencies and departments | | | | | | | | | | |
| Coega Development Corporation | Infrastructure developments to enable investment in the zone | Various | 5 689 043 | 714 000 | 383 718 | 417 858 | 308 195 | – | – | – |
| East London industrial development zone | Infrastructure developments to enable investment in the zone | Various | 1 817 535 | 198 000 | 171 282 | 150 000 | 100 000 | – | – | – |
| Critical infrastructure programme | Infrastructure projects supporting investment in mining, tourism, manufacturing and services | Various | 1 473 171 | 80 642 | 118 473 | 131 597 | 190 000 | 190 000 | 190 000 | 190 000 |
| Special economic zones: Investment incentives | Infrastructure development zone | Feasibility | 3 719 450 | – | – | 5 000 | 500 000 | 450 000 | 1 130 000 | 1 684 450 |
| Industrial Development Zone: Other | Infrastructure development zone | Feasibility | – | – | – | – | – | 200 000 | 70 000 | 50 000 |
| Richards Bay industrial development zone | Infrastructure developments to enable investment in the zone | Various | 672 018 | 20 000 | 60 682 | 182 018 | 30 000 | – | – | – |
| Centurion Aerospace Village | Aerospace industry infrastructure | Construction | 407 279 | 37 454 | 10 000 | 15 000 | 15 800 | – | – | – |
| South African Bureau of Standards | Technical industrial infrastructure in the form of testing facilities | Construction | 315 420 | 174 240 | 93 180 | 48 000 | – | – | – | – |
| Total | | | 14 093 916 | 1 224 336 | 837 335 | 949 473 | 1 143 995 | 840 000 | 1 390 000 | 1 924 450 |

1. The special economic zones investment incentives will be used for conducting pre-feasibility and feasibility studies for the special economic zones, infrastructure projects in the industrial development zones and newly designated special economic zones.



BUDGET 2014

ESTIMATES OF NATIONAL EXPENDITURE

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