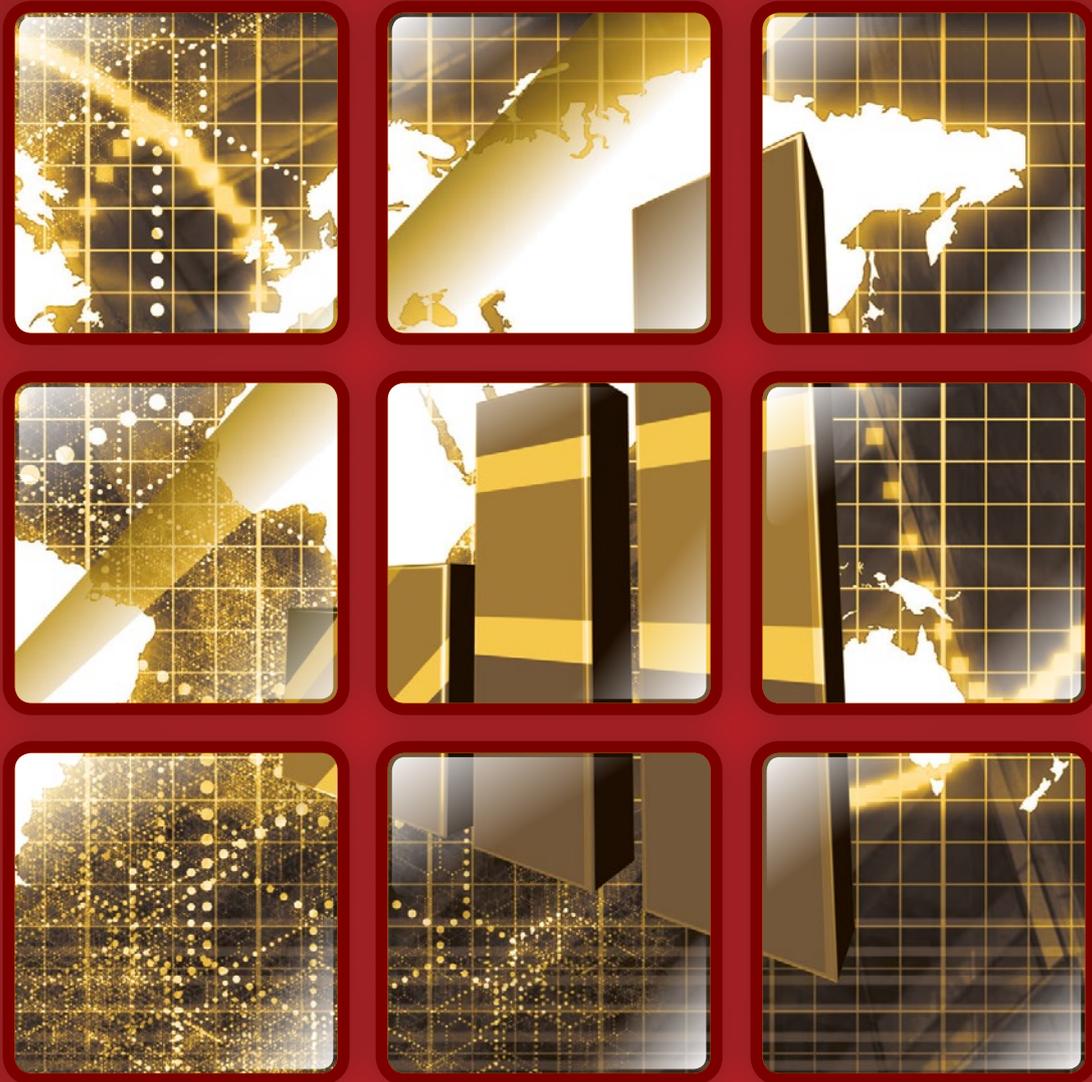


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BUDGET 2015

ESTIMATES OF NATIONAL EXPENDITURE

VOTE 25

ECONOMIC DEVELOPMENT



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Estimates of National Expenditure

2015

National Treasury

Republic of South Africa

25 February 2015



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The 2015 Estimates of National Expenditure 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 2015 ENE, the 2015 ENE e-publications provide more detailed information, including on goods and services, transfers and subsidies, as well as on programme specific personnel expenditure. The abridged version of the ENE contains one additional table at the end of a chapter that shows expenditure on infrastructure, whereas the vote ENE e-publications' additional tables also contain summaries of expenditure on conditional allocations to provinces and municipalities; departmental public private partnerships; and donor funding. Budget information is also provided for the public entities that are not shown in detail in the abridged publication. In some e-publications more detailed information at the level of site service delivery is included.

Foreword

Some of the tough economic conditions occasioned by the 2008 to 2009 global financial crisis continue to plague most parts of the world: Economic growth remains sluggish, unemployment and inequality levels are elevated, while financial markets tend to reposition themselves substantially at the slightest sign of unsettling news. As an open economy, South Africa is highly susceptible to global economic developments, often disproportionately so. In the face of all of this, the 2015 Medium Term Expenditure Framework (MTEF) response provides for positive real growth in expenditure averaging 2.1 per cent per year. The annual budget reaches R1.6 trillion by 2017/18.

True to the commitment government made in the Medium Term Budget Policy Statement (MTBPS) in October 2014, the budget framework sets out departmental programmes and plans that fit within the broad expenditure envelope published last year. To keep our fiscal accounts firmly on a sustainable path, the MTBPS proposed a fiscal policy package that has trimmed overall spending by R25 billion, which is the combined amount for 2015/16 and 2016/17. Government spending does continue to surpass inflation after these adjustments in both years, but growth is marginally slower. In addition, for 2017/18, R45 billion is placed in an unallocated reserve to cushion our plans against unforeseeable eventualities. Further, to achieve our fiscal objectives, government has had to institute carefully selected tax measures too. These are implemented within the framework of a progressive tax system and have been informed by the work of the Davies Tax Committee. The tax proposals are set out in detail in chapter 4 of the Budget Review.

The process of realigning expenditure in response to the closing of the fiscal space is being actively managed, in the context of government's 2014-2019 medium term strategic framework. Some of our aspirations might take longer to realise. Within government's institutions, more urgent and essential existing programmes are being prioritised above other programmes that are reduced. The implementation of some newly proposed programmes will either be phased in over a longer period or, in some cases, possibly even delayed. Social sector spending and key infrastructure spending, as well as other key areas of spending, continue to grow in real terms.

In addition to the reprioritisation of government programmes, the policy frameworks and implementation methodology of programmes are being re-evaluated, with a focus on service delivery of programmes. In line with the 2013/14 National Treasury instruction on cost containment measures, financing programmes must entail a greater share of goods and services budgets being devoted towards core areas of service delivery. The focus of government programmes is being sharpened, both in terms of spatial distribution, and in terms of their nature and emphasis. Effectiveness and efficiency of expenditure is our guiding mantra.

The spending plans contained in the 2015 Budget do respond to our short term needs for economic growth. However, to achieve our ambition of faster growth, which we unquestionably need for pushing back the frontiers of unemployment, poverty and inequality, we must continue to strive towards shifting the composition of expenditure more towards investment, away from consumption. Institutional spending, as always, is being closely monitored, and the ongoing process of realignment continues. The details of the spending of national government departments and its entities are encompassed in the chapters of this publication.

All the expenditure and service delivery information contained in the chapters of this publication result from a wide ranging intergovernmental consultative process, leading to executive approval of reprioritised and realigned spending allocations. Many people have contributed to making this publication possible, particularly my colleagues in national departments and agencies. Their collaboration and understanding during the budget allocation and document drafting processes has been invaluable. Appreciation is also due to the dedicated team at National Treasury for the publication of this highly valuable resource.



Lungisa Fuzile
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of national Expenditure (ENE) publications provide comprehensive information on how budget resources are generated, how institutions have spent their budgets in previous years, and how institutions plan to spend the resources allocated to them over the MTEF period. Key performance indicators are included for each national government vote and entity showing what the institutions aim to achieve by spending their budget allocations in a particular manner. This information provides Parliament and the public with the necessary tools to hold government accountable against the 14 outcomes set out in the 2014-2019 medium term strategic framework.

The 2015 ENE publications largely retain the scope of information presented in previous years' publications. For ease of comprehension, however, in the 2015 publications information is presented in a more succinct and concise manner in data tables and their accompanying explanatory narratives. The reader can thus more readily understand what each institution is planning to spend its budget on and what it aims to achieve. Each chapter in the abridged 2015 ENE publication relates to a specific budget vote. A separate, more detailed, e-publication is also available for each vote.

Compared to the abridged version of the 2015 ENE, the 2015 ENE e-publications provide more detailed information, including on goods and services, transfers and subsidies, as well as on programme specific personnel expenditure. The abridged version of the ENE contains one additional table at the end of a chapter that shows expenditure on infrastructure, whereas the vote ENE e-publications' additional tables also contain summaries of expenditure on conditional allocations to provinces and municipalities; departmental public private partnerships; and donor funding. Budget information is also provided for the public entities that are not shown in detail in the abridged publication. In some e-publications more detailed information at the level of site service delivery is included.

A separate 2015 ENE Overview e-publication is also available, which contains a description at the main budget non-interest spending level, summarising the ENE publication information across votes. The 2015 ENE Overview contains this narrative explanation and summary tables; a description of the budgeting approach; and also has a write-up on how to interpret the information that is contained in each section of the publications.

Economic Development

**National Treasury
Republic of South Africa**



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Vote 25

Economic Development

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	83.2	81.0	–	2.2	87.6	89.9
Growth Path and Social Dialogue	27.9	27.9	–	–	30.0	32.6
Investment, Competition and Trade	774.7	41.4	733.2	–	568.0	605.3
Total expenditure estimates	885.8	150.3	733.2	2.2	685.7	727.9

Executive authority Minister of Economic Development
 Accounting officer Director General of Economic Development
 Website address www.economic.gov.za

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

Vote purpose

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

Mandate

The Economic Development Department was established in 2009 and has assumed responsibilities relating to the creation of decent employment through inclusive growth, including the implementation of the national development plan, the new growth path and the national infrastructure plan as captured in outcomes 4, 6 and 7 of government's 2014-2019 medium term strategic framework.

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

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

- the Industrial Development Corporation Act (1940)
- the Competition Act (1998)
- the International Trade Administration Act (2002)
- the Infrastructure Development Act (2014).

Selected performance indicators

Table 25.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of initiatives/projects to strengthen the implementation of the new growth path per year ¹	Growth Path and Social Dialogue	Outcome 4: Decent employment through inclusive economic growth	–1	–1	–1	4	4	4	4
Number of spatial, local and provincial initiatives completed per year ¹	Growth Path and Social Dialogue		–1	–1	–1	6	8	10	10
Number of quarterly Cabinet level progress reports on strategic integrated projects per year ²	Investment, Competition and Trade	Outcome 6: An efficient, competitive and responsive economic infrastructure network	–2	–2	71	60	60	60	60
Number of infrastructure projects unblocked, fast-tracked or facilitated per year ²	Investment, Competition and Trade	Outcome 4: Decent employment through inclusive economic growth	–2	–2	8	8	8	8	10
Number of Cabinet and Presidential Infrastructure Coordinating Committee strategic decisions on infrastructure implemented per year ¹	Investment, Competition and Trade		–1	–1	–1	–1	4	4	4

Table 25.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of investment initiatives facilitated, fast tracked and/or unblocked per year ¹	Investment, Competition and Trade	Outcome 4: Decent employment through inclusive economic growth	- ¹	- ¹	- ¹	18	10	12	14
Number of strategic engagements with development finance institutions to improve efficiency per year ²	Investment, Competition and Trade		19	8	6	6	5	4	4
Number of reports to monitor and facilitate the improvement of the impact of industrial funding on job creation per year ¹	Investment, Competition and Trade		- ¹	- ¹	- ¹	4	4	4	4
Number of strategic engagements with trade and competition authorities to increase administrative efficiency per year ¹	Investment, Competition and Trade		- ¹	- ¹	- ¹	- ¹	3	4	5

1. As the annual performance plan was revised in the new administration and includes new key performance indicators, historical information is not available.

2. New indicator, hence no data available for these years.

3. Quarterly engagements have been reduced to 4 per year and 1 per quarter

Expenditure analysis

Outcome 4 of government's 2014-2019 medium term strategic framework (decent employment through inclusive economic growth) is a pillar of the national development plan's vision to eradicate poverty and reduce inequality. Decent employment through inclusive economic growth depends on a coordinated government strategy of cross-cutting policies, and over the medium term the Economic Development Department will work with other departments and government entities, particularly to support efforts to meet South Africa's long term infrastructure needs, in line with outcome 6 (an efficient, competitive and responsive infrastructure network). The department will also work with the development finance institutions and economic regulators to improve their efficiency and facilitate investment.

The department's personnel will grow from 117 at 30 September 2014 to 149 by 2017/18. The additional capacity will allow the department to strengthen its secretariat support to the Presidential Infrastructure Coordinating Commission and its oversight of the development finance institutions and economic regulators, among other coordinating functions. Cabinet approved reductions of R41.5 million over the medium term on compensation of employees are due to vacancies between 2011/12 and 2013/14. However, compensation of employees remains the department's main cost driver over the medium term, accounting for 12.5 per cent of the department's total expenditure, excluding transfers to the entities over which the department has oversight. The department has addressed underspending on compensation of employees by reviewing its organisational structure and improving recruitment and selection processes to enable it to fill vacancies over the medium term.

The department provides secretariat support to the Presidential Infrastructure Coordinating Commission. The commission was established to forge partnerships between departments across all spheres of government to ensure that infrastructure investment is rolled out without unnecessary delays. The department is responsible for producing Cabinet level progress reports on strategic integrated infrastructure projects and monitoring the implementation of Cabinet and Presidential Infrastructure Coordinating Committee decisions on infrastructure.

Over the medium term, the department will engage with the development finance institutions to improve their efficiency. The engagements are expected to put measures in place to improve turnaround times for project decisions and disbursements as well as measures for evaluating the spread of spending in terms of how it meets government's developmental objectives. The department is also set to facilitate 36 investment initiatives by 2017/18. This facilitation includes assisting potential investors to approach government departments and agencies to access funding options, and unblocking regulatory bottlenecks. The department expects to improve administrative efficiency in the economic regulatory bodies to foster a regulatory environment that is conducive to competition and trade.

To expand the availability of financing for small enterprises and to support the regulation work of the Competition Commission, the department makes transfers through the *Investment, Competition and Trade* programme to the Small Enterprise Finance Agency and the Competition Commission. Over the medium term, these transfers account for 80 per cent of the department's budget.

Additional funding of R25 million is provided to the Competition Commission in 2015/16 to support the inquiry into competition in the private health care sector.

Expenditure trends

Table 25.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Growth Path and Social Dialogue														
3. Investment, Competition and Trade														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Programme 1	55.0	56.3	50.8	60.1	52.3	55.4	63.6	95.8	91.3	79.5	94.9	94.9	113.3%	97.7%
Programme 2	39.6	40.0	25.8	47.2	31.2	20.6	44.1	36.3	35.6	38.3	20.9	20.9	60.7%	80.1%
Programme 3	499.9	502.1	501.0	565.5	613.0	597.5	663.8	639.4	644.5	579.1	581.1	581.1	100.7%	99.5%
Total	594.5	598.4	577.6	672.7	696.5	673.5	771.5	771.5	771.4	696.9	696.9	696.9	99.4%	98.4%
Economic classification														
Current payments	123.2	125.0	88.3	141.8	161.3	120.6	151.0	157.0	137.2	160.8	132.0	131.1	82.7%	82.9%
Compensation of employees	79.2	79.7	48.3	91.6	63.9	62.1	98.0	72.4	70.9	107.8	76.9	76.9	68.6%	88.2%
Goods and services	44.0	45.3	40.0	50.2	97.5	58.5	53.0	84.5	66.2	53.0	55.0	54.2	109.4%	77.5%
<i>of which:</i>														
Administrative fees	0.5	0.5	0.1	0.6	0.5	0.2	0.6	0.6	0.7	0.6	0.5	0.5	64.7%	70.7%
Advertising	1.6	1.6	0.3	1.6	1.5	16.1	1.7	32.3	17.7	11.8	16.5	15.6	299.8%	96.0%
Assets less than the capitalisation threshold	0.4	0.4	0.2	0.5	0.5	0.1	0.5	0.5	0.2	0.6	1.1	1.1	81.2%	62.9%
Audit costs: External	0.2	0.2	1.6	0.2	0.2	2.6	1.6	1.6	3.2	1.7	2.6	2.6	271.6%	216.5%
Bursaries: Employees	0.1	0.1	0.0	0.1	0.1	0.1	0.2	0.2	0.1	0.2	0.1	0.1	65.2%	68.9%
Catering: Departmental activities	0.5	0.5	0.7	0.6	0.6	2.1	0.6	0.6	1.4	0.7	0.6	0.6	192.6%	199.7%
Communication	0.5	0.5	1.8	0.6	0.6	2.1	0.6	0.6	2.3	0.7	0.6	0.6	297.1%	303.9%
Computer services	0.1	0.1	0.5	0.1	0.1	0.5	0.1	0.1	1.1	0.1	0.6	0.6	706.2%	314.9%
Consultants and professional services: Business and advisory services	6.0	6.0	6.4	6.6	5.3	1.5	-	6.0	4.2	0.6	0.5	0.5	95.9%	70.9%
Consultants and professional services: Legal costs	0.3	1.6	4.5	0.3	0.3	1.0	3.3	3.3	6.8	3.5	4.0	4.0	221.7%	177.2%
Contractors	0.5	0.5	0.2	0.5	0.5	6.1	0.5	0.5	0.7	0.5	0.5	0.5	382.8%	390.4%
Agency and support / outsourced services	0.1	0.1	0.4	0.1	0.1	0.3	0.2	0.2	0.1	0.2	0.3	0.3	176.8%	148.7%
Entertainment	0.1	0.1	0.0	0.1	0.1	0.0	0.1	0.1	0.0	0.1	0.1	0.1	29.9%	32.9%
Fleet services (including government motor transport)	-	-	0.5	-	-	0.5	-	-	0.8	-	0.6	0.6	-	376.3%
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	0.0	-	0.2	0.2	-	103.2%
Consumable supplies	0.0	0.0	-	-	-	0.0	-	-	0.3	-	0.8	0.8	8 669.2%	144.5%
Consumables: Stationery, printing and office supplies	0.9	0.9	1.8	1.1	1.1	2.1	1.1	1.1	1.7	1.3	2.7	2.7	185.7%	143.1%
Operating leases	6.6	6.6	2.8	7.5	4.4	3.7	4.9	9.1	9.2	7.4	9.9	9.9	97.0%	85.4%
Property payments	-	-	1.4	-	-	0.0	-	-	0.1	-	0.0	0.0	-	14 880.0%
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-
Travel and subsistence	14.1	14.1	12.0	16.4	15.7	13.0	17.3	15.9	11.8	13.6	10.4	10.4	76.8%	84.3%
Training and development	-	-	1.4	-	-	0.5	-	-	0.3	-	0.5	0.5	-	512.0%
Operating payments	3.5	3.5	1.4	4.1	59.1	1.6	13.9	5.6	1.5	4.4	1.2	1.2	21.8%	8.2%
Venues and facilities	7.9	7.9	2.1	9.2	6.8	4.4	5.7	6.2	1.4	5.0	0.7	0.7	30.7%	39.6%
Rental and hiring	-	-	-	-	-	0.0	-	-	0.3	-	0.0	0.0	-	2 205.9%

Table 25.2 Vote expenditure trends by programme and economic classification

Economic classification	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
	2011/12	2011/12	2011/12	2012/13	2012/13	2012/13	2013/14	2013/14	2013/14	2014/15	2014/15	2014/15	2011/12 - 2014/15	2011/12 - 2014/15
R million														
Transfers and subsidies	464.8	466.8	488.0	523.5	529.7	551.0	612.6	612.6	628.1	533.9	560.5	560.5	104.3%	102.7%
Departmental agencies and accounts	301.9	301.9	211.4	339.5	247.4	249.2	381.6	381.6	273.6	291.3	291.6	291.6	78.0%	83.9%
Higher education institutions	-	2.0	5.5	-	2.3	12.3	-	-	-	-	-	-	-	415.7%
Public corporations and private enterprises	162.9	162.9	271.0	183.9	280.0	289.3	231.0	231.0	354.0	242.6	268.8	268.8	144.2%	125.5%
Households	-	-	0.1	-	-	0.2	-	-	0.5	-	-	-	-	-
Payments for capital assets	6.5	6.5	1.3	7.5	5.5	1.8	7.9	1.9	6.1	2.2	4.4	5.3	60.3%	79.1%
Machinery and equipment	5.2	5.2	1.2	6.0	4.0	1.7	6.3	1.9	5.0	1.7	4.0	4.0	61.6%	78.7%
Software and other intangible assets	1.3	1.3	0.1	1.5	1.5	0.1	1.6	0.0	1.1	0.5	0.5	1.3	55.0%	80.8%
Total	594.5	598.4	577.6	672.7	696.5	673.5	771.5	771.5	771.4	696.9	696.9	696.9	99.4%	98.4%

Expenditure estimates

Table 25.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Growth Path and Social Dialogue									
3. Investment, Competition and Trade									
Programme	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
				2014/15	2011/12 - 2014/15	2015/16			2016/17
R million									
Programme 1	94.9	19.0%	10.8%	83.2	87.6	89.9	-1.8%	11.9%	
Programme 2	20.9	-19.5%	3.8%	27.9	30.0	32.6	16.0%	3.7%	
Programme 3	581.1	5.0%	85.5%	774.7	568.0	605.3	1.4%	84.4%	
Total	696.9	5.2%	100.0%	885.8	685.7	727.9	1.5%	100.0%	
Change to 2014 Budget estimate				0.4	(31.6)	(26.7)			
Economic classification									
Current payments	131.1	1.6%	17.5%	150.3	153.0	162.8	7.5%	19.9%	
Compensation of employees	76.9	-1.2%	9.5%	96.1	97.8	103.5	10.4%	12.5%	
Goods and services	54.2	6.1%	8.1%	54.2	55.2	59.3	3.0%	7.4%	
of which:									
Administrative fees	0.5	1.9%	0.1%	0.6	0.6	0.8	14.8%	0.1%	
Advertising	15.6	112.9%	1.8%	0.8	5.0	5.2	-30.7%	0.9%	
Assets less than the capitalisation threshold	1.1	37.6%	0.1%	0.3	1.1	1.1	0.2%	0.1%	
Audit costs: External	2.6	137.6%	0.4%	1.8	1.9	1.9	-9.4%	0.3%	
Bursaries: Employees	0.1	0.8%	0.0%	0.2	0.2	0.2	12.8%	0.0%	
Catering: Departmental activities	0.6	6.1%	0.2%	0.7	0.7	1.6	38.4%	0.1%	
Communication	0.6	10.4%	0.3%	0.7	0.8	1.6	35.6%	0.1%	
Computer services	0.6	91.4%	0.1%	0.1	0.1	0.1	-40.5%	0.0%	
Consultants and professional services: Business and advisory services	0.5	-56.9%	0.5%	0.6	0.5	3.4	92.7%	0.2%	
Consultants and professional services: Legal costs	4.0	37.2%	0.6%	3.6	3.8	4.0	0.0%	0.5%	
Contractors	0.5	0.1%	0.3%	0.5	0.6	0.6	7.5%	0.1%	
Agency and support / outsourced services	0.3	28.8%	0.0%	0.2	0.2	0.2	-11.8%	0.0%	
Entertainment	0.1	-5.4%	0.0%	0.1	0.1	0.1	16.0%	0.0%	
Fleet services (including government motor transport)	0.6	-	0.1%	-	-	-	-100.0%	0.0%	
Inventory: Clothing material and accessories	0.2	-	0.0%	-	-	-	-100.0%	0.0%	
Consumable supplies	0.8	289.3%	0.0%	-	-	-	-100.0%	0.0%	
Consumables: Stationery, printing and office supplies	2.7	42.1%	0.3%	1.3	1.3	2.1	-7.1%	0.2%	
Operating leases	9.9	14.2%	0.9%	18.2	17.2	18.9	24.1%	2.1%	

Table 25.3 Vote expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
				2015/16	2016/17	2017/18		
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Travel and subsistence	10.4	-9.7%	1.7%	14.0	13.4	12.2	5.6%	1.7%
Training and development	0.5	–	0.1%	1.1	1.1	1.2	31.7%	0.1%
Operating payments	1.2	-31.0%	0.2%	4.2	4.2	2.0	19.0%	0.4%
Venues and facilities	0.7	-56.2%	0.3%	5.0	2.4	1.9	40.8%	0.3%
Rental and hiring	0.0	–	0.0%	–	–	–	-100.0%	0.0%
Transfers and subsidies	560.5	6.3%	81.9%	733.2	528.8	562.9	0.1%	79.6%
Departmental agencies and accounts	291.6	-1.2%	37.7%	326.8	315.7	339.2	5.2%	42.5%
Higher education institutions	–	-100.0%	0.7%	–	–	–	–	–
Public corporations and private enterprises	268.8	18.2%	43.5%	406.4	213.1	223.8	-5.9%	37.1%
Payments for capital assets	5.3	-6.6%	0.5%	2.2	3.9	2.2	-25.9%	0.5%
Machinery and equipment	4.0	-8.3%	0.4%	1.8	3.8	1.8	-23.0%	0.4%
Software and other intangible assets	1.3	-0.1%	0.1%	0.5	0.1	0.3	-36.9%	0.1%
Total	696.9	5.2%	100.0%	885.8	685.7	727.9	1.5%	100.0%

Personnel information

Table 25.4 Vote personnel numbers and cost by salary level and programme¹

Programmes		Number and cost ² of personnel posts filled / planned for on funded establishment															Number			
Number of posts estimated for 31 March 2015																	Average growth rate (%)	Salary level/total: Average (%)		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						2014/15 - 2017/18						
		2013/14		Unit Cost	2014/15		Unit Cost	2015/16		Unit Cost	2016/17		Unit Cost	2017/18		Unit Cost				
Economic Development		166	–	129	70.9	0.5	149	76.9	0.5	149	96.1	0.6	149	97.8	0.7	149	103.5	0.7	–	100.0%
Salary level																				
1 – 6	23	–	21	4.0	0.2	23	4.3	0.2	23	5.3	0.2	23	5.0	0.2	23	5.2	0.2	–	15.4%	
7 – 10	36	–	36	12.2	0.3	36	10.8	0.3	36	13.1	0.4	36	13.1	0.4	36	13.8	0.4	–	24.2%	
11 – 12	39	–	35	18.7	0.5	33	15.3	0.5	33	17.5	0.5	33	17.2	0.5	33	19.5	0.6	–	22.1%	
13 – 16	66	–	35	32.3	0.9	55	42.5	0.8	55	57.3	1.0	55	59.6	1.1	55	61.8	1.1	–	36.9%	
Other	2	–	2	3.7	1.8	2	4.0	2.0	2	2.9	1.5	2	3.0	1.5	2	3.2	1.6	–	1.3%	
Programme	166	–	129	70.9	0.5	149	76.9	0.5	149	96.1	0.6	149	97.8	0.7	149	103.5	0.7	–	100.0%	
Programme 1	82	–	73	38.1	0.5	81	41.2	0.5	81	44.6	0.6	81	40.7	0.5	81	43.3	0.5	–	54.4%	
Programme 2	41	–	32	17.7	0.6	35	18.5	0.5	35	18.1	0.5	35	22.7	0.6	35	23.6	0.7	–	23.5%	
Programme 3	43	–	24	15.1	0.6	33	17.3	0.5	33	33.4	1.0	33	34.4	1.0	33	36.6	1.1	–	22.1%	

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

Departmental receipts

Table 25.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/total: Average (%)
	2011/12	2012/13	2013/14					2014/15	2015/16	2016/17		
Departmental receipts	592 904	668 662	1 097 542	900 221	900 221	14.9%	100.0%	867 313	908 179	951 088	1.8%	100.0%
Sales of goods and services produced by department	16	21	23	18	18	4.0%	–	19	20	21	5.3%	–
Sales by market establishments	16	21	23	18	18	4.0%	–	19	20	21	5.3%	–
of which:												
Rental: Parking	16	21	23	18	18	4.0%	–	19	20	21	5.3%	–

Table 25.5 Departmental receipts by economic classification

Departmental receipts	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ total: Average (%)
	2011/12	2012/13	2013/14					2014/15	2015/16	2016/17		
R thousand												
Fines, penalties and forfeits	538 285	617 344	1 037 454	849 873	849 873	16.4%	93.4%	817 294	858 159	901 067	2.0%	94.5%
Interest, dividends and rent on land	50 263	50 106	50 229	50 250	50 250	-	6.2%	50 000	50 000	50 000	-0.2%	5.5%
Interest	263	-	229	250	250	-1.7%	-	-	-	-	-100.0%	-
Dividends	50 000	50 106	50 000	50 000	50 000	-	6.1%	50 000	50 000	50 000	-	5.5%
of which:												
Industrial Development Corporation dividends	50 000	50 106	50 000	50 000	50 000	-	6.1%	50 000	50 000	50 000	-	5.5%
Transactions in financial assets and liabilities	4 340	1 191	9 836	80	80	-73.6%	0.5%	-	-	-	-100.0%	-
Total	592 904	668 662	1 097 542	900 221	900 221	14.9%	100.0%	867 313	908 179	951 088	1.8%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates

Table 25.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)	
	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17			2017/18
R thousand												
Ministry	18 354	16 322	21 031	21 674	5.7%	26.5%	20 197	26 206	27 291	8.0%	26.8%	
Office of the Director-General	9 559	10 975	10 791	15 701	18.0%	16.1%	13 888	7 174	7 411	-22.1%	12.4%	
Corporate Management Services	9 172	12 606	37 072	34 995	56.3%	32.1%	37 623	38 198	40 609	5.1%	42.6%	
Financial Management	13 737	15 492	22 407	22 482	17.8%	25.4%	11 515	16 057	14 622	-13.4%	18.2%	
Total	50 822	55 395	91 301	94 852	23.1%	100.0%	83 223	87 635	89 933	-1.8%	100.0%	
Change to 2014				15 392			(834)	928	(1 640)			
Budget estimate												
Economic classification												
Current payments	49 391	53 477	88 681	89 504	21.9%	96.1%	80 979	83 778	87 782	-0.6%	96.2%	
Compensation of employees	27 895	30 885	38 087	41 173	13.9%	47.2%	44 599	40 727	43 293	1.7%	47.7%	
Goods and services	21 496	22 592	50 594	48 331	31.0%	48.9%	36 380	43 051	44 489	-2.7%	48.4%	
of which:												
Administrative fees	93	60	411	114	7.0%	0.2%	280	294	309	39.4%	0.3%	
Advertising	345	980	19 984	16 375	262.1%	12.9%	805	4 969	5 202	-31.8%	7.7%	
Assets less than the capitalisation threshold	154	70	225	1 239	100.4%	0.6%	296	1 084	1 114	-3.5%	1.0%	
Audit costs: External	1 572	2 633	3 210	2 617	18.5%	3.4%	1 762	1 855	1 948	-9.4%	2.3%	
Bursaries: Employees	47	87	123	133	41.4%	0.1%	173	182	191	12.8%	0.2%	
Catering: Departmental activities	589	669	315	418	-10.8%	0.7%	247	357	370	-4.0%	0.4%	
Communication	1 448	1 573	1 707	385	-35.7%	1.7%	270	460	327	-5.3%	0.4%	
Computer services	505	380	578	273	-18.5%	0.6%	112	118	124	-23.1%	0.2%	
Consultants and professional services: Business and advisory services	1 182	438	1 059	300	-36.7%	1.0%	104	110	116	-27.1%	0.2%	
Consultants and professional services: Infrastructure and planning	(7)	-	-	-	-100.0%	-	-	-	-	-	-	
Consultants and professional services: Legal costs	(368)	1 011	2 464	4 025	-322.0%	2.4%	3 637	3 829	4 020	-	4.4%	
Contractors	89	312	358	433	69.4%	0.4%	547	577	598	11.4%	0.6%	
Agency and support / outsourced services	357	293	129	278	-8.0%	0.4%	173	182	191	-11.8%	0.2%	
Entertainment	2	23	5	93	259.6%	-	139	139	145	16.0%	0.1%	
Fleet services (including government motor transport)	499	483	968	631	8.1%	0.9%	-	-	-	-100.0%	0.2%	
Inventory: Clothing material and accessories	-	-	6	1	-	-	-	-	-	-100.0%	-	
Inventory: Learner and teacher support material	1	-	-	-	-100.0%	-	-	-	-	-	-	

Table 25.6 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)		
	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17			2017/18	2014/15 - 2017/18
	R thousand												
<i>Inventory: Materials and supplies</i>	10	15	9	1	-53.6%	-	-	-	-	-100.0%	-		
<i>Inventory: Medical supplies</i>	1	-	-	-	-100.0%	-	-	-	-	-	-		
<i>Inventory: Medicine</i>	1	-	-	-	-100.0%	-	-	-	-	-	-		
<i>Inventory: Other supplies</i>	32	1	-	17	-19.0%	-	17	17	18	1.9%	-		
<i>Consumable supplies</i>	-	9	242	761	-	0.3%	-	-	-	-100.0%	0.2%		
<i>Consumables: Stationery, printing and office supplies</i>	1 568	1 491	1 291	2 187	11.7%	2.2%	672	608	744	-30.2%	1.2%		
<i>Operating leases</i>	2 817	3 710	9 238	9 901	52.0%	8.8%	18 190	17 231	18 918	24.1%	18.1%		
<i>Property payments</i>	1 388	34	34	10	-80.7%	0.5%	-	-	-	-100.0%	-		
<i>Transport provided: Departmental activity</i>	-	-	57	-	-	-	-	-	-	-	-		
<i>Travel and subsistence</i>	6 793	6 979	7 345	7 361	2.7%	9.7%	6 053	7 409	7 279	-0.4%	7.9%		
<i>Training and development</i>	360	443	323	144	-26.3%	0.4%	1 133	1 110	1 180	101.6%	1.0%		
<i>Operating payments</i>	1 299	657	431	511	-26.7%	1.0%	1 214	1 935	1 080	28.3%	1.3%		
<i>Venues and facilities</i>	719	232	57	123	-44.5%	0.4%	556	585	615	71.0%	0.5%		
<i>Rental and hiring</i>	-	9	25	-	-	-	-	-	-	-	-		
Transfers and subsidies	132	112	202	323	34.8%	0.3%	-	-	-	-100.0%	0.1%		
Departmental agencies and accounts	-	-	-	323	-	0.1%	-	-	-	-100.0%	0.1%		
Households	132	112	202	-	-100.0%	0.2%	-	-	-	-	-		
Payments for capital assets	1 299	1 806	2 391	5 025	57.0%	3.6%	2 244	3 857	2 151	-24.6%	3.7%		
Machinery and equipment	1 151	1 705	2 363	3 730	48.0%	3.1%	1 754	3 757	1 825	-21.2%	3.1%		
Software and other intangible assets	148	101	28	1 295	106.1%	0.5%	490	100	326	-36.9%	0.6%		
Payments for financial assets	-	-	27	-	-	-	-	-	-	-	-		
Total	50 822	55 395	91 301	94 852	23.1%	100.0%	83 223	87 635	89 933	-1.8%	100.0%		
Proportion of total programme expenditure to vote expenditure	8.8%	8.2%	11.8%	13.6%	-	-	9.4%	12.8%	12.4%	-	-		
Details of transfers and subsidies													
Households													
Other transfers to households													
Current	132	112	202	-	-100.0%	0.2%	-	-	-	-	-		
Households	132	112	202	-	-100.0%	0.2%	-	-	-	-	-		
Departmental agencies and accounts													
Departmental agencies (non-business entities)													
Current	-	-	-	323	-	0.1%	-	-	-	-100.0%	0.1%		
Public Service Education and Training Authority	-	-	-	323	-	0.1%	-	-	-	-100.0%	0.1%		

Personnel information

Table 25.7 Administration personnel numbers and cost by salary level¹

Administration	Number of posts estimated for 31 March 2015		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 (%)			
			2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
Salary level	82	-	73	38.1	0.5	81	41.2	0.5	81	44.6	0.6	81	40.7	0.5	81	43.3	0.5	-	100.0%
1-6	23	-	21	4.0	0.2	23	4.3	0.2	23	5.3	0.2	23	5.0	0.2	23	5.2	0.2	-	28.4%
7-10	21	-	22	7.9	0.4	21	6.7	0.3	21	8.1	0.4	21	7.2	0.3	21	7.8	0.4	-	25.9%
11-12	22	-	17	11.4	0.7	19	9.4	0.5	19	9.9	0.5	19	9.5	0.5	19	10.4	0.5	-	23.5%
13-16	14	-	11	11.1	1.0	16	16.7	1.0	16	18.4	1.1	16	16.1	1.0	16	16.7	1.0	-	19.8%
Other	2	-	2	3.7	1.8	2	4.0	2.0	2	2.9	1.5	2	3.0	1.5	2	3.2	1.6	-	2.5%

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

2. Rand million.

Programme 2: Growth Path and Social Dialogue

Programme purpose

Strengthen the economic development capacity of government. Review and develop the alignment of economic development policies aimed at broadening participation in the economy to create decent work opportunities.

Objectives

- Coordinate job drivers, sector/spatial projects and the implementation of the new growth path for job creation, inclusive growth, industrialisation and social inclusion by ensuring regular reviews of systemic obstacles, over the medium term.
- Facilitate social dialogue, the implementation of social accords, and support productivity, innovation and entrepreneurship that will lead to increased employment at sectoral and workplace levels, over the medium term.

Subprogrammes

- *Growth Path and Job Drivers* monitors and supports the unblocking of job drivers in the new growth path as central to the implementation of the national development plan, and engages with the relevant structures.
- *Social Dialogue, Productivity and Innovation* supports social dialogue to address workplace, sectoral and national economic requirements.

Expenditure trends and estimates

Table 25.8 Growth Path and Social Dialogue expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand											
Growth Path and Jobs Drivers	12 498	11 575	23 886	11 892	-1.6%	58.2%	15 996	18 284	19 474	17.9%	58.9%
Social Dialogue, Productivity and Innovation	13 269	8 981	11 697	8 990	-12.2%	41.8%	11 893	11 706	13 126	13.4%	41.1%
Total	25 767	20 556	35 583	20 882	-6.8%	100.0%	27 889	29 990	32 600	16.0%	100.0%
Change to 2014 Budget estimate				(17 454)			(12 508)	(16 959)	(17 097)		
Economic classification											
Current payments	17 768	20 533	25 295	20 739	5.3%	82.0%	27 889	29 990	32 600	16.3%	99.9%
Compensation of employees	11 104	13 747	17 739	18 452	18.4%	59.4%	18 117	22 674	23 616	8.6%	74.4%
Goods and services	6 664	6 786	7 556	2 287	-30.0%	22.7%	9 772	7 316	8 984	57.8%	25.5%
of which:											
Administrative fees	-	64	176	287	-	0.5%	92	89	92	-31.6%	0.5%
Advertising	-	14	42	-	-	0.1%	-	-	-	-	-
Assets less than the capitalisation threshold	37	4	-	-	-100.0%	-	9	9	-	-	-
Catering: Departmental activities	80	476	967	153	24.1%	1.6%	151	140	455	43.8%	0.8%
Communication	157	230	389	57	-28.7%	0.8%	159	79	643	124.3%	0.8%
Computer services	-	164	524	316	-	1.0%	-	-	-	-100.0%	0.3%
Consultants and professional services: Business and advisory services	129	1 006	362	-	-100.0%	1.5%	-	-	2 916	-	2.6%
Contractors	58	130	306	49	-5.5%	0.5%	-	-	-	-100.0%	-
Entertainment	1	-	15	-	-100.0%	-	-	-	-	-	-
Fleet services (including government motor transport)	-	-	7	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	52	-	0.1%	-	-	-	-100.0%	-
Inventory: Materials and supplies	-	-	1	-	-	-	-	-	-	-	-
Consumable supplies	-	20	67	6	-	0.1%	-	-	-	-100.0%	-
Consumables: Stationery, printing and office supplies	197	392	324	164	-5.9%	1.0%	276	373	740	65.2%	1.4%
Operating leases	2	-	-	-	-100.0%	-	-	-	-	-	-
Property payments	-	-	12	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	12	-	-	-	-	-	-	-	-
Travel and subsistence	2 941	2 459	2 195	938	-31.7%	8.3%	4 743	4 280	3 015	47.6%	11.7%
Training and development	993	-	-	-	-100.0%	1.0%	-	-	-	-	-
Operating payments	161	200	724	59	-28.4%	1.1%	1 080	1 132	494	103.1%	2.5%
Venues and facilities	1 908	1 608	1 148	189	-53.7%	4.7%	3 262	1 214	629	49.3%	4.8%
Rental and hiring	-	19	285	17	-	0.3%	-	-	-	-100.0%	-
Transfers and subsidies	7 999	23	9 084	-	-100.0%	16.6%	-	-	-	-	-
Public corporations and private enterprises	8 000	-	9 000	-	-100.0%	16.5%	-	-	-	-	-
Households	(1)	23	84	-	-100.0%	0.1%	-	-	-	-	-
Payments for capital assets	-	-	1 204	143	-	1.3%	-	-	-	-100.0%	0.1%
Machinery and equipment	-	-	100	143	-	0.2%	-	-	-	-100.0%	0.1%
Software and other intangible assets	-	-	1 104	-	-	1.1%	-	-	-	-	-
Total	25 767	20 556	35 583	20 882	-6.8%	100.0%	27 889	29 990	32 600	16.0%	100.0%
Proportion of total programme expenditure to vote expenditure	4.5%	3.1%	4.6%	3.0%	-	-	3.1%	4.4%	4.5%	-	-

Table 25.8 Growth Path and Social Dialogue expenditure trends and estimates by subprogramme and economic classification

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 (%)
	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand											
Households											
Other transfers to households											
Current	(1)	23	84	-	-100.0%	0.1%	-	-	-	-	-
Households	(1)	23	84	-	-100.0%	0.1%	-	-	-	-	-
Public corporations and private enterprises											
Private enterprises											
Private enterprises - subsidies on products and production											
Current	8 000	-	-	-	-100.0%	7.8%	-	-	-	-	-
Proudly South African	8 000	-	-	-	-100.0%	7.8%	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Public corporations - subsidies on products and production											
Current	-	-	9 000	-	-	8.8%	-	-	-	-	-
Small Enterprise Finance Agency	-	-	9 000	-	-	8.8%	-	-	-	-	-

Personnel information

Table 25.9 Growth Path and Social Dialogue personnel numbers and cost by salary level¹

Growth Path and Social Dialogue	Number of posts estimated for 31 March 2015		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 (%)			
			2013/14		2014/15		2015/16		2016/17		2017/18		2014/15 - 2017/18						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	41	-	32	17.7	0.6	35	18.5	0.5	35	18.1	0.5	35	22.7	0.6	35	23.6	0.7	-	100.0%
7 - 10	9	-	11	3.5	0.3	9	2.3	0.3	9	2.6	0.3	9	3.4	0.4	9	3.2	0.4	-	25.7%
11 - 12	9	-	11	4.5	0.4	7	2.8	0.4	7	2.9	0.4	7	2.9	0.4	7	3.2	0.5	-	20.0%
13 - 16	23	-	10	9.7	1.0	19	13.4	0.7	19	12.6	0.7	19	16.4	0.9	19	17.3	0.9	-	54.3%

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

2. Rand million.

Programme 3: Investment, Competition and Trade

Programme purpose

Provide support for the coordination of infrastructure development. Provide oversight and coordinate policy of identified development finance institutions and economic regulatory bodies.

Objectives

- Promote investments, expand industrial funding and entrepreneurship, and improve performance of development finance institutions by ensuring development finance institutions' support for industrial and small, medium and micro enterprise (SMME) development, over the medium term.
- Promote competition, trade and other economic regulation by ensuring the effective management of competition authorities and trade administrations, over the medium term.
- Coordinate infrastructure development by providing regular progress reports required on each strategic infrastructure project; unblocking specific projects; and providing secretariat support to the Presidential Infrastructure Coordinating Commission, over the medium term.

Subprogrammes

- *Development Investment, Industrial Funding and Entrepreneurship* will focus on unblocking productive investments and overseeing the development finance institutions that fall under the department.

- *Competition, Trade and other Economic Regulation* will focus on strengthening the economic regulators and overseeing the regulatory bodies that fall under the department.
- *Infrastructure Development Coordination* will provide support to the Presidential Infrastructure Coordinating Commission in line with the Infrastructure Development Act (2014).

Expenditure trends and estimates

Table 25.10 Investment, Competition and Trade expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2014/15	Average growth rate (%) 2011/12 - 2014/15	Expenditure/ Total: Average (%) 2011/12 - 2014/15	Medium-term expenditure estimate			Average growth rate (%) 2014/15 - 2017/18	Expenditure/ Total: Average (%) 2014/15 - 2017/18
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R thousand											
Development Investment, Industrial Funding and Entrepreneurship	277 906	306 938	347 708	273 567	-0.5%	51.9%	418 233	225 280	236 697	-4.7%	45.6%
Competition, Trade and other Economic Regulation	212 226	250 396	277 453	297 741	11.9%	44.7%	336 922	323 950	348 488	5.4%	51.7%
Infrastructure Development Coordination	10 881	40 188	19 350	9 818	-3.4%	3.5%	19 511	18 806	20 134	27.0%	2.7%
Total	501 013	597 522	644 511	581 126	5.1%	100.0%	774 666	568 036	605 319	1.4%	100.0%
Change to 2014 Budget estimate				2 062			13 718	(15 583)	(7 993)		
Economic classification	21 148	46 608	25 722	20 865	-0.4%	4.9%	41 421	39 255	42 385	26.6%	5.7%
Current payments											
Compensation of employees	9 348	17 442	15 077	17 286	22.7%	2.5%	33 422	34 394	36 582	28.4%	4.8%
Goods and services	11 800	29 166	10 645	3 579	-32.8%	2.4%	7 999	4 861	5 803	17.5%	0.9%
of which:											
Administrative fees	–	65	75	100	–	–	247	236	356	52.7%	–
Advertising	–	15 078	61	–	–	0.7%	–	–	–	–	–
Assets less than the capitalisation threshold	2	–	–	–	-100.0%	–	26	27	28	–	–
Audit costs: External	–	–	–	(24)	–	–	–	–	–	-100.0%	–
Catering: Departmental activities	14	915	114	62	64.2%	–	306	185	809	135.4%	0.1%
Communication	151	290	244	95	-14.3%	–	286	213	610	85.9%	–
Consultants and professional services: Business and advisory services	5 099	46	2 745	179	-67.3%	0.3%	446	390	396	30.3%	0.1%
Consultants and professional services: Legal costs	4 850	–	4 300	–	-100.0%	0.4%	–	–	–	–	–
Contractors	30	5 628	41	–	-100.0%	0.2%	–	–	–	–	–
Entertainment	–	8	4	–	–	–	–	–	–	–	–
Fleet services (including government motor transport)	–	2	1	6	–	–	–	–	–	-100.0%	–
Inventory: Clothing material and accessories	–	–	1	166	–	–	–	–	–	-100.0%	–
Inventory: Materials and supplies	1	–	–	–	-100.0%	–	–	–	–	–	–
Consumable supplies	–	2	20	–	–	–	–	–	–	–	–
Consumables: Stationery, printing and office supplies	44	241	115	213	69.2%	–	387	354	661	45.9%	0.1%
Operating leases	25	–	–	–	-100.0%	–	–	–	–	–	–
Property payments	–	–	10	–	–	–	–	–	–	–	–
Travel and subsistence	2 237	3 579	2 300	1 464	-13.2%	0.4%	3 188	1 749	1 944	9.9%	0.3%
Training and development	–	7	–	372	–	–	–	–	–	-100.0%	–
Operating payments	(89)	726	391	592	-288.1%	0.1%	1 887	1 140	384	-13.4%	0.2%
Venues and facilities	(564)	2 559	223	354	-185.6%	0.1%	1 226	567	615	20.2%	0.1%
Rental and hiring	–	20	–	–	–	–	–	–	–	–	–
Transfers and subsidies	479 865	550 914	618 789	560 133	5.3%	95.1%	733 245	528 781	562 934	0.2%	94.3%
Departmental agencies and accounts	211 374	249 220	273 603	291 288	11.3%	44.1%	326 848	315 657	339 154	5.2%	50.3%
Higher education institutions	5 510	10 087	177	–	-100.0%	0.7%	–	–	–	–	–
Public corporations and private enterprises	262 981	289 327	344 979	268 845	0.7%	50.2%	406 397	213 124	223 780	-5.9%	44.0%
Households	–	2 280	30	–	–	0.1%	–	–	–	–	–
Payments for capital assets	–	–	–	128	–	–	–	–	–	-100.0%	–
Machinery and equipment	–	–	–	128	–	–	–	–	–	-100.0%	–
Total	501 013	597 522	644 511	581 126	5.1%	100.0%	774 666	568 036	605 319	1.4%	100.0%
Proportion of total programme expenditure to vote expenditure	86.7%	88.7%	83.6%	83.4%	–	–	87.5%	82.8%	83.2%	–	–

Table 25.10 Investment, Competition and Trade expenditure trends and estimates by subprogramme and economic classification

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 (%)
	2011/12	2012/13	2013/14		2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18		
	R thousand												
Households													
Other transfers to households													
Current	-	2 280	30	-	-	0.1%	-	-	-	-	-	-	-
Households	-	-	30	-	-	-	-	-	-	-	-	-	-
University of the Witwatersrand: Economic development capacity building course: Municipalities	-	2 280	-	-	-	0.1%	-	-	-	-	-	-	-
Departmental agencies and accounts													
Departmental agencies (non-business entities)													
Current	211 374	249 220	273 603	291 288	11.3%	44.1%	326 848	315 657	339 154	5.2%	50.3%		
Competition Commission	126 595	157 211	176 888	188 127	14.1%	27.9%	223 045	208 541	218 968	5.2%	33.2%		
Competition Tribunal	15 175	15 798	16 945	18 100	6.1%	2.8%	19 102	20 115	21 121	5.3%	3.1%		
International Trade Administration Commission	69 604	74 403	79 770	85 061	6.9%	13.3%	84 701	87 001	99 065	5.2%	14.1%		
Council for Scientific and Industrial Research	-	1 808	-	-	-	0.1%	-	-	-	-	-	-	-
Public corporations and private enterprises													
Public corporations													
Other transfers to public corporations													
Current	262 981	289 327	344 979	268 845	0.7%	50.2%	406 397	213 124	223 780	-5.9%	44.0%		
Small Enterprise Finance Agency	222 958	171 330	236 979	268 845	6.4%	38.7%	406 397	213 124	223 780	-5.9%	44.0%		
Industrial Development Corporation of South Africa	34 000	109 000	108 000	-	-100.0%	10.8%	-	-	-	-	-	-	-
South African Institute of Chartered Accountants	6 023	8 997	-	-	-100.0%	0.6%	-	-	-	-	-	-	-
Higher education institutions													
Current	5 510	10 087	177	-	-100.0%	0.7%	-	-	-	-	-	-	-
Households	-	87	177	-	-	-	-	-	-	-	-	-	-
University of the Witwatersrand: Economic development capacity building course: Provincial	5 510	-	-	-	-100.0%	0.2%	-	-	-	-	-	-	-
University of Johannesburg: Academy for social economy	-	10 000	-	-	-	0.4%	-	-	-	-	-	-	-

Personnel information

Table 25.11 Investment, Competition and Trade personnel numbers and cost by salary level¹

Investment, Competition and Trade	Number of posts estimated for 31 March 2015		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 (%)			
			2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Salary level	43	-	24	15.1	0.6	33	17.3	0.5	33	33.4	1.0	33	34.4	1.0	33	36.6	1.1	-	100.0%
7 - 10	6	-	3	0.9	0.3	6	1.7	0.3	6	2.4	0.4	6	2.5	0.4	6	2.8	0.5	-	18.2%
11 - 12	8	-	7	2.7	0.4	7	3.1	0.4	7	4.7	0.7	7	4.8	0.7	7	5.9	0.8	-	21.2%
13 - 16	29	-	14	11.5	0.8	20	12.4	0.6	20	26.3	1.3	20	27.1	1.4	20	27.9	1.4	-	60.6%

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

2. Rand million.

Public entities and other agencies

Industrial Development Corporation

Mandate

The Industrial Development Corporation is a national development finance institution established in terms of the Industrial Development Act (1940) with the objective of leading industrial capacity development. This

entails aligning its priorities with those identified in terms of government policies and programmes related to industrial development, including relevant elements of the national development plan, the new growth path and the industrial policy action plan.

Selected performance indicators

Table 25.12 Industrial Development Corporation performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Value of funding approvals with agreements signed per year	Administration	Outcome 4: Decent employment through inclusive economic growth	R16.4bn	R13.7bn	R13bn	R10bn	R16bn	R20bn	R22bn
Value of funding disbursements per year	Administration		R8.5bn	R16bn	R11.2bn	R13.1bn	R8bn	R8bn	R8bn
Number of jobs expected to be created or saved, counted at the time of agreements being signed per year	Administration		44 142	24 223	19 689	17 300	34 000	34 000	34 000
Number of jobs expected to be created or saved in rural areas, counted at the time of agreements being signed per year	Administration		21 188	6 248	3 967	3 500	7 000	7 000	7 000
Actual number of jobs created or saved in South Africa per year ¹	Administration		- ¹	26 610	20 366	20 000	20 000	20 000	20 000

1. This indicator was introduced in 2012/13.

Expenditure analysis

The national development plan identifies a critical role for developmental finance institutions in promoting industrial policy, which it suggests can be achieved through the provision of appropriate support mechanisms for identified industries in partnership with the private sector. The focus of the Industrial Development Corporation is significantly informed by outcome 4 of government's 2014-2019 medium term strategic framework (decent employment through inclusive economic growth), as well as the national development plan, the new growth path and the industrial policy action plan, which has resulted in the corporation undergoing a significant policy review process.

This review will see the corporation refocusing its activities to prioritise the development of those industrial sectors that have the largest potential to make a significant impact by unlocking job creation potential in the economy over the longer term, with a greater focus on larger projects that will have a more prominent impact on indirect jobs than direct employment. By doing this, the corporation expects to create or save 34 000 jobs annually over the medium term. In addition, it will focus more extensively on developing new industries that will drive industrialisation and job creation in the future, and will increase its support for the development of industrial infrastructure.

These changes will see the corporation proactively driving the development of the metals and mining, chemicals, and agro-processing value chains in alignment with priority sectors identified in government policy documents, including the industrial policy action plan. This will be achieved through additional capital allocation for the targeted sectors.

These investments are funded through new borrowings, repayments of existing loans, and disposals of mature investments, as well as retained income through goods and services and financing activities, which remains the driver of spending, accounting for 82.5 per cent of the corporation's total expenditure over the medium term. The corporation aims to reduce the level of growth in personnel to manage costs, which will enable it to keep the increase in expenditure on compensation of employees at an average annual rate of 5 per cent over the medium term.

The corporation generates revenue mainly from sales, interest and dividends, and this is expected to increase to R25.5 billion over the medium term mainly as a result of higher interest income as the corporation increases the levels of funding it provides to drive sector development.

Programmes/objectives/activities

Table 25.13 Industrial Development Corporation of South Africa expenditure trends and estimates by programme/ objective/ activity

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
Administration	9 676 000	12 611 000	18 378 000	19 988 000	27.4%	100.0%	19 963 604	21 780 130	22 869 137	4.6%	100.0%
Total	9 676 000	12 611 000	18 378 000	19 988 000	27.4%	100.0%	19 963 604	21 780 130	22 869 137	4.6%	100.0%

Statements of historical financial performance and position

Table 25.14 Industrial Development Corporation statements of historical financial performance and position

Statement of financial performance									
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget Average (%)
	2011/12	2012/13	2013/14	2014/15	2011/12	2014/15	2011/12	2014/15	2011/12 - 2014/15
Revenue									
Non-tax revenue	10 222 400	12 945 000	11 815 295	14 420 020	18 546 000	19 790 021	20 697 735	22 197 396	113.2%
Sale of goods and services other than capital assets	4 410 000	6 150 000	7 500 000	8 603 020	6 500 000	13 908 021	13 629 735	16 291 396	140.3%
<i>of which:</i>									
Administrative fees	–	349 000	–	632 000	–	545 000	710 115	433 000	275.9%
Other sales	4 410 000	5 801 000	7 500 000	7 971 020	6 500 000	13 363 021	12 919 620	15 858 396	137.2%
Other non-tax revenue	5 812 400	6 795 000	4 315 295	5 817 000	12 046 000	5 882 000	7 068 000	5 906 000	83.4%
Transfers received	34 000	34 000	108 000	168 980	338 979	230 979	242 604	242 604	93.5%
Total revenue	10 256 400	12 979 000	11 923 295	14 589 000	18 884 979	20 021 000	21 011 126	22 440 000	112.8%
Expenses									
Current expenses	8 364 100	9 531 000	7 912 460	12 545 000	11 018 813	17 740 000	19 269 908	19 678 000	127.8%
Compensation of employees	926 100	758 211	1 753 509	723 203	1 919 860	843 000	887 757	885 150	58.5%
Goods and services	6 361 000	8 017 789	5 208 951	10 691 797	7 800 425	15 337 000	17 112 483	16 580 150	138.8%
Depreciation	327 000	309 000	350 000	441 000	383 528	534 000	495 508	560 700	118.6%
Interest, dividends and rent on land	750 000	446 000	600 000	689 000	915 000	1 026 000	774 160	1 652 000	125.5%
Transfers and subsidies	–	–	–	–	55 464	–	–	–	–
Total expenses	8 462 800	9 676 000	8 191 720	12 611 000	11 227 776	18 378 000	19 755 220	19 988 000	127.3%
Surplus/(Deficit)	1 793 600	3 303 000	3 731 575	1 978 000	7 657 203	1 643 000	1 255 906	2 452 000	–
Statement of financial position									
Carrying value of assets	3 890 000	4 904 000	4 730 000	8 295 000	5 241 000	9 401 000	5 646 000	10 206 000	168.2%
<i>of which:</i>									
Acquisition of assets	405 000	837 000	3 179 000	1 538 000	11 594 000	1 549 000	5 285 614	1 596 800	27.0%
Investments	74 398 000	80 231 000	79 411 000	84 116 000	95 231 000	92 363 000	92 652 000	83 801 696	99.7%
Inventory	976 000	1 860 000	1 300 000	3 390 000	2 100 000	3 854 000	2 310 000	4 409 000	202.1%
Loans	–	15 978 000	26 297 000	18 666 000	23 500 000	20 818 000	33 608 000	19 278 304	89.6%
Receivables and prepayments	1 920 000	1 267 000	1 200 000	2 961 000	1 450 000	3 813 000	1 595 000	3 503 000	187.3%
Cash and cash equivalents	3 731 000	7 825 000	878 315	9 009 000	3 636 000	7 877 000	5 655 399	8 903 000	241.8%
Non-current assets held for sale	–	15 000	–	–	–	–	–	–	–
Taxation	–	143 000	–	399 000	120 000	396 000	132 000	634 000	623.8%
Derivatives financial instruments	–	7 000	255 000	49 000	–	71 000	–	–	49.8%
Total assets	84 915 000	112 230 000	114 071 315	126 885 000	131 278 000	138 593 000	141 598 399	130 735 000	107.8%
Accumulated surplus/(deficit)	–	34 290 000	23 116 175	35 744 000	37 719 000	37 415 000	39 763 440	39 496 000	146.1%
Capital and reserves	84 049 000	57 903 000	79 000 000	61 196 000	55 320 000	69 569 000	55 485 359	57 930 000	90.0%
Borrowings	15 435 000	9 926 000	6 500 000	19 033 000	25 876 000	21 456 000	33 938 000	24 865 000	92.1%
Trade and other payables	5 526 000	2 286 000	2 200 000	3 190 000	2 286 000	3 560 000	2 514 600	4 026 000	104.3%
Taxation	–	7 290 000	–	6 526 000	9 500 000	5 528 000	9 310 000	4 045 000	124.3%
Provisions	470 000	473 000	230 000	1 134 000	300 000	1 015 000	530 000	373 000	195.8%
Managed funds (e.g. poverty alleviation fund)	–	57 000	2 942 140	56 000	57 000	24 000	57 000	–	4.5%
Derivatives financial instruments	–	5 000	–	6 000	–	26 000	–	–	–
Total equity and liabilities	105 480 000	112 230 000	113 988 315	126 885 000	131 058 000	138 593 000	141 598 399	130 735 000	103.3%

Statements of estimates of financial performance and position

Table 25.15 Industrial Development Corporation statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2014/15				2011/12 - 2014/15	2015/16	2016/17		
R thousand									
Revenue									
Non-tax revenue	22 197 396	19.7%	99.1%	22 424 731	23 834 367	25 546 836	4.8%	99.0%	
Sale of goods and services other than capital assets	16 291 396	38.4%	62.1%	15 017 731	15 774 367	16 555 836	0.5%	67.1%	
<i>of which:</i>									
Administrative fees	433 000	7.5%	2.9%	285 000	305 000	313 000	-10.3%	1.4%	
Other sales	15 858 396	39.8%	59.2%	14 732 731	15 469 367	16 242 836	0.8%	65.7%	
Other non-tax revenue	5 906 000	-4.6%	37.0%	7 407 000	8 060 000	8 991 000	15.0%	31.8%	
Transfers received	242 604	92.5%	0.9%	292 604	213 124	223 780	-2.7%	1.0%	
Total revenue	22 440 000	20.0%	100.0%	22 717 335	24 047 491	25 770 616	4.7%	100.0%	
Expenses									
Current expenses	19 678 000	27.3%	98.2%	19 807 604	21 447 835	22 572 327	4.7%	100.0%	
Compensation of employees	885 150	5.3%	5.6%	996 000	975 878	1 024 672	5.0%	4.6%	
Goods and services	16 580 150	27.4%	83.5%	16 971 869	17 663 786	18 236 575	3.2%	82.2%	
Depreciation	560 700	22.0%	3.1%	588 735	618 172	649 080	5.0%	2.9%	
Interest, dividends and rent on land	1 652 000	54.7%	6.0%	1 251 000	2 190 000	2 662 000	17.2%	9.1%	
Total expenses	19 988 000	27.4%	100.0%	19 963 604	21 780 130	22 869 137	4.6%	100.0%	
Surplus/(Deficit)	2 452 000	-9.5%	-	2 753 731	2 267 361	2 901 479	5.8%	-	
Statement of financial position									
Carrying value of assets	10 206 000	27.7%	6.4%	10 540 633	11 168 924	11 834 704	5.1%	7.5%	
<i>of which:</i>									
Acquisition of assets	1 596 800	24.0%	1.1%	1 675 340	1 757 807	1 844 397	4.9%	1.2%	
Investments	83 801 696	1.5%	67.1%	97 751 343	103 052 260	106 088 473	8.2%	67.2%	
Inventory	4 409 000	33.3%	2.6%	4 249 035	4 461 487	4 684 561	2.0%	3.1%	
Loans	19 278 304	6.5%	14.7%	17 984 992	16 408 655	17 592 850	-3.0%	12.4%	
Receivables and prepayments	3 503 000	40.4%	2.2%	4 203 833	4 414 024	4 634 725	9.8%	2.9%	
Cash and cash equivalents	8 903 000	4.4%	6.6%	10 152 000	9 810 000	9 688 000	2.9%	6.6%	
Taxation	634 000	64.3%	0.3%	433 500	461 190	490 680	-8.2%	0.4%	
Total assets	130 735 000	5.2%	100.0%	145 315 335	149 776 539	155 013 994	5.8%	100.0%	
Accumulated surplus/(deficit)	39 496 000	4.8%	29.0%	40 269 910	42 537 271	45 438 750	4.8%	28.9%	
Capital and reserves	57 930 000	0.0%	48.6%	69 856 543	66 249 792	65 265 943	4.1%	44.7%	
Borrowings	24 865 000	35.8%	14.6%	23 991 660	29 233 893	31 967 438	8.7%	18.9%	
Trade and other payables	4 026 000	20.8%	2.5%	3 924 900	4 121 145	4 327 202	2.4%	2.8%	
Taxation	4 045 000	-17.8%	4.7%	6 094 620	6 399 351	6 719 319	18.4%	4.0%	
Provisions	373 000	-7.6%	0.6%	1 119 038	1 174 989	1 233 739	49.0%	0.7%	
Managed funds (e.g. poverty alleviation fund)	-	-100.0%	0.0%	30 000	30 000	30 000	-	0.0%	
Derivatives financial instruments	-	-100.0%	0.0%	28 665	30 098	31 603	-	0.0%	
Total equity and liabilities	130 735 000	5.2%	100.0%	145 315 335	149 776 539	155 013 994	87.4%	100.0%	

Personnel information

Table 25.16 Industrial Development Corporation personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015		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 (%)					
		2013/14	Unit Cost		2014/15	Unit Cost		2015/16		2016/17		2017/18				2014/15 - 2017/18				
Industrial Development Corporation		886	886	886	843.0	1.0	886	885.2	1.0	886	996.0	1.1	886	975.9	1.1	886	1 024.7	1.2	5.0%	100.0%
Salary level	886	886	886	843.0	1.0	886	885.2	1.0	886	996.0	1.1	886	975.9	1.1	886	1 024.7	1.2	5.0%	100.0%	
1 - 6	65	65	65	47.5	0.7	65	49.9	0.8	65	52.4	0.8	65	55.0	0.8	65	57.8	0.9	5.0%	7.3%	
7 - 10	188	188	188	58.3	0.3	188	61.2	0.3	188	64.3	0.3	188	67.5	0.4	188	70.9	0.4	5.0%	21.2%	
11 - 12	217	217	217	145.0	0.7	217	152.2	0.7	217	165.8	0.8	217	167.8	0.8	217	176.2	0.8	5.0%	24.5%	
13 - 16	406	406	406	554.1	1.4	406	581.8	1.4	406	670.9	1.7	406	641.4	1.6	406	673.5	1.7	5.0%	45.8%	
17 - 22	10	10	10	38.1	3.8	10	40.0	4.0	10	42.6	4.3	10	44.1	4.4	10	46.3	4.6	5.0%	1.1%	

1. Rand million.

Competition Commission

Mandate

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

Selected performance indicators

Table 25.17 Competition Commission performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past ¹			Current ¹	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Average turnaround time for phase 1 merger investigations ¹	Mergers and acquisitions	Outcome 12: An efficient, effective and development-oriented public service	- ¹	- ¹	- ¹	- ¹	20 days	20 days	20 days
Average turnaround time for phase 2 merger investigations ¹	Mergers and acquisitions		- ¹	- ¹	- ¹	- ¹	45 days	45 days	45 days
Average turnaround time for phase 3 intermediate merger investigations ¹	Mergers and acquisitions		- ¹	- ¹	- ¹	- ¹	60 days	60 days	60 days
Average turnaround time for phase 3 large merger investigations ¹	Mergers and acquisitions		- ¹	- ¹	- ¹	- ¹	120 days	120 days	120 days
Percentage of imposed remedies and conditions monitored ¹	Mergers and acquisitions		- ¹	- ¹	- ¹	- ¹	100%	100%	100%
Number of abuse of dominance conduct cases initiated ¹	Enforcements and exemptions		- ¹	- ¹	- ¹	- ¹	2	3	3
Number of cartel investigations initiated in priority sectors ¹	Cartel		- ¹	- ¹	- ¹	- ¹	10	12	14
Number of market inquiries initiated ¹	Policy and research		- ¹	- ¹	- ¹	- ¹	2	3	4
Percentage of merger decisions up held by the Competition Tribunal and/or courts ¹	Legal services		- ¹	- ¹	- ¹	- ¹	75%	75%	75%
Percentage of cartel cases won at the Competition Tribunal and the courts ¹	Legal services		- ¹	- ¹	- ¹	- ¹	70%	75%	80%
Percentage of abuse of dominance cases won at the Competition Tribunal and the courts ¹	Legal services		- ¹	- ¹	- ¹	- ¹	50%	55%	60%
Percentage of advisory opinions issued within 3 months ¹	Legal services		- ¹	- ¹	- ¹	- ¹	60%	65%	70%

1. New indicators, hence no historical data.

Expenditure analysis

The national development plan's vision for the South African economy includes higher levels of inclusive and dynamic economic growth, as well as more diverse ownership of production. This is also in line with outcome 6 of government's 2014-2019 medium term strategic framework (an efficient, competitive and responsive economic infrastructure network). The Competition Commission envisages competition regulation that will support a growing and inclusive economy characterised by greater employment, the participation of SMMEs, and the diversification of ownership, among other things. Thus, the focus of the commission will be on ensuring that competition regulation has a long term impact on the South African economy. It will achieve this over the medium term by contributing towards a fair and efficient economy through effective competition enforcement and merger regulation, strategic collaboration, advocacy, and its ongoing efforts to build a high performance organisation.

Expenditure on compensation of employees provides for highly specialised skills in the fields of competition policy and research, merger regulation, and investigation of restrictive practices and cartels supported by legal services, in alignment with the core programmes of the commission. Expenditure on compensation of employees is expected to account for 58.7 per cent of expenditure and is set to grow marginally, at an average rate of 4.9 per cent over the medium term. In support of increasing the meaningful impact of competition regulation, the commission aims to increase the number of market inquiries initiated from 2 in 2015/16 to 9 in 2017/18. The commission will further undertake to initiate 36 cartel investigations in priority sectors over the medium term.

Revenue is expected to grow at an average annual rate of 5.2 per cent over the medium term, and will be used to support competition regulation for a growing and inclusive economy. The commission will derive 77.6 per cent of its revenue over the medium term from transfers from the Economic Development Department. Other revenue is generated through filing fees paid by external parties, mainly for mergers and acquisitions transactions.

The commission receives additional funding of R25 million in 2015/16 to support the completion of a two-year inquiry into private health care, which will evaluate ways of promoting competition in the private health care sector. The aim of the inquiry is to expand access to private health care by encouraging greater innovation and more effective price competition.

Programmes/objectives/activities

Table 25.18 Competition Commission expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
Administration	63 005	63 844	59 984	96 505	15.3%	33.2%	77 099	103 362	109 741	4.4%	34.4%
Mergers and acquisitions	12 529	12 110	15 480	19 989	16.8%	7.0%	19 004	20 289	21 303	2.1%	7.2%
Enforcements and exemptions	19 420	19 767	20 325	22 680	5.3%	9.9%	31 297	31 722	33 902	14.3%	10.6%
Cartel	18 745	16 253	17 918	24 283	9.0%	9.1%	23 994	25 682	26 965	3.6%	9.0%
Policy and research	24 248	30 128	37 260	34 483	12.5%	15.1%	36 420	37 554	39 431	4.6%	13.1%
Legal services	33 764	34 797	37 310	46 229	11.0%	18.0%	48 746	50 067	52 570	4.4%	17.6%
Advocacy and stakeholder relations	7 179	9 056	10 648	–	-100.0%	3.6%	–	–	–	–	–
Inquiry into Private healthcare	–	–	–	47 690	–	4.1%	46 580	–	–	-100.0%	8.2%
Total	178 891	185 955	198 925	291 859	17.7%	100.0%	283 139	268 675	283 912	-0.9%	100.0%

Statements of historical financial performance and position

Table 25.19 Competition Commission statements of historical financial performance and position

Statement of financial performance									
R thousand	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Outcome/ Budget Average (%)
	Budget	2011/12	Budget	2012/13	Budget	2013/14			
Revenue									
Non-tax revenue	42 540	54 356	53 762	48 151	51 851	49 943	56 042	56 042	102.1%
Sale of goods and services other than capital assets	40 140	50 770	50 445	40 857	49 260	43 903	52 517	52 517	97.8%
<i>of which:</i>									
Administrative fees	40 140	50 770	50 445	40 857	49 260	43 903	52 517	52 517	97.8%
Other non-tax revenue	2 400	3 586	3 317	7 294	2 591	6 040	3 525	3 525	172.8%
Transfers received	131 595	126 725	157 211	157 211	176 888	176 888	188 127	188 127	99.3%
Total revenue	174 135	181 081	210 973	205 362	228 739	226 831	244 169	244 169	99.9%
Expenses									
Current expenses	167 235	178 891	201 909	185 955	228 740	198 925	243 267	291 859	101.7%
Compensation of employees	105 116	101 523	122 872	104 931	140 376	119 325	149 057	151 576	92.3%
Goods and services	58 139	72 993	74 900	78 537	83 952	77 271	89 561	135 634	118.9%
Depreciation	3 891	4 295	4 058	2 384	4 332	2 329	4 569	4 569	80.6%
Interest, dividends and rent on land	90	80	80	103	80	–	80	80	79.7%
Transfers and subsidies	6 900	–	9 064	–	–	–	–	–	–
Total expenses	174 135	178 891	210 973	185 955	228 740	198 925	243 267	291 859	99.8%
Surplus/(Deficit)	–	2 190	–	19 407	–	27 906	902	(47 690)	–
Statement of financial position									
Carrying value of assets	2 746	5 112	14 692	5 602	11 539	4 325	8 011	8 011	62.3%
<i>of which:</i>									
Acquisition of assets	1 036	1 937	(15 409)	2 927	(1 142)	1 045	961	961	-47.2%
Inventory	165	331	200	149	200	149	200	200	108.4%
Receivables and prepayments	650	61	1 009	381	1 181	1 452	1 335	1 335	77.3%
Cash and cash equivalents	22 968	78 724	43 671	91 653	37 362	110 567	45 298	22 551	203.3%
Total assets	26 529	84 228	59 573	97 785	50 283	116 493	54 844	32 097	172.9%
Accumulated surplus/(deficit)	7 934	29 410	27 217	57 281	20 908	85 187	29 408	6 360	208.5%
Capital and reserves	5	–	–	–	–	–	–	–	–
Capital reserve fund	–	–	–	2 092	–	1 925	–	–	–
Finance lease	–	165	2 000	1 684	1 427	1 122	185	486	95.7%
Trade and other payables	18 436	54 526	30 206	36 601	23 489	28 143	20 555	20 555	150.9%
Provisions	154	127	150	127	4 459	116	4 696	4 696	53.6%
Total equity and liabilities	26 529	84 228	59 573	97 785	50 283	116 493	54 844	32 097	172.9%

Statements of estimates of financial performance and position

Table 25.20 Competition Commission statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
					2014/15	2011/12 - 2014/15	2015/16		
R thousand									
Revenue									
Non-tax revenue		56 042	1.0%	24.6%	60 094	60 134	64 944	5.0%	22.4%
Sale of goods and services other than capital assets		52 517	1.1%	22.2%	56 228	56 228	60 726	5.0%	20.9%
<i>of which:</i>									
Administrative fees		52 517	1.1%	22.2%	56 228	56 228	60 726	5.0%	20.9%
Other non-tax revenue		3 525	-0.6%	2.4%	3 866	3 906	4 218	6.2%	1.4%
Transfers received		188 127	14.1%	75.4%	223 045	208 541	218 968	5.2%	77.6%
Total revenue		244 169	10.5%	100.0%	283 139	268 675	283 912	5.2%	100.0%
Expenses									
Current expenses		291 859	17.7%	100.0%	283 139	268 675	283 912	-0.9%	100.0%
Compensation of employees		151 576	14.3%	56.3%	168 318	166 207	175 115	4.9%	58.7%
Goods and services		135 634	22.9%	42.1%	109 978	97 624	103 716	-8.6%	39.5%
Depreciation		4 569	2.1%	1.6%	4 763	4 763	5 001	3.1%	1.7%
Interest, dividends and rent on land		80	-	0.0%	80	80	80	-	-
Total expenses		291 859	17.7%	100.0%	283 139	268 675	283 912	-0.9%	100.0%
Surplus/(Deficit)		(47 690)	-379.3%	-	-	-	-	-100.0%	-
Statement of financial position									
Carrying value of assets		8 011	16.2%	10.1%	4 540	3 970	4 169	-19.6%	16.5%
<i>of which:</i>									
Acquisition of assets		961	-20.8%	2.3%	961	1 015	1 068	3.6%	3.2%
Inventory		200	-15.5%	0.3%	200	200	200	-	0.6%
Receivables and prepayments		1 335	179.7%	1.5%	1 442	1 181	1 240	-2.4%	4.2%
Cash and cash equivalents		22 551	-34.1%	88.1%	25 629	24 553	25 543	4.2%	78.7%
Total assets		32 097	-27.5%	100.0%	31 811	29 904	31 152	-1.0%	100.0%
Accumulated surplus/(deficit)		6 360	-40.0%	46.6%	-	-	-	-100.0%	5.0%
Finance lease		486	43.3%	1.1%	-	-	-	-100.0%	0.4%
Trade and other payables		20 555	-27.8%	47.6%	26 866	24 959	26 207	8.4%	79.0%
Provisions		4 696	233.1%	3.8%	4 945	4 945	4 945	1.7%	15.6%
Total equity and liabilities		32 097	-27.5%	100.0%	31 811	29 904	31 152	-189.8%	100.0%

Personnel information

Table 25.21 Competition Commission personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015			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 (%)						
			2013/14		2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18					
			Number	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost								
Competition Commission			185	185	185	119.3	0.6	185	151.6	0.8	185	168.3	0.9	185	166.2	0.9	185	175.1	0.9	4.9%	100.0%
Salary level	185	185	185	119.3	0.6	185	151.6	0.8	185	168.3	0.9	185	166.2	0.9	185	175.1	0.9	4.9%	100.0%		
1 - 6	6	6	6	1.3	0.2	6	1.4	0.2	6	1.5	0.2	6	1.5	0.3	6	1.6	0.3	5.5%	3.2%		
7 - 10	43	43	43	15.0	0.3	43	15.8	0.4	43	16.6	0.4	43	17.5	0.4	43	18.4	0.4	5.2%	23.2%		
11 - 12	88	88	88	57.5	0.7	88	73.0	0.8	88	84.5	1.0	88	68.8	0.8	88	72.8	0.8	-0.1%	47.6%		
13 - 16	48	48	48	45.4	0.9	48	61.4	1.3	48	65.7	1.4	48	78.4	1.6	48	82.3	1.7	10.2%	25.9%		

1. Rand million.

Competition Tribunal

Mandate

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

Selected performance indicators

Table 25.22 Competition Tribunal performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Percentage of pre-hearing invitations for prohibited practices sent within 20 business days ¹	Promote and maintain competition within South Africa	Entity mandate	100%	86%	100%	90%	- ¹	- ¹	- ¹
Percentage of consent orders issued within 10 business days	Promote and maintain competition within South Africa		89%	100%	98%	75%	90%	90%	90%
Percentage of orders in procedural matters issued within 20 business days	Promote and maintain competition within South Africa		74%	89%	83%	85%	85%	85%	85%
Percentage of reasons in interim relief cases issued within 20 business days	Promote and maintain competition within South Africa		- ²	- ²	0%	85%	100%	100%	100%
Percentage of large mergers set down within 10 business days	Promote and maintain competition within South Africa		73%	81%	74%	75%	75%	75%	75%
Percentage of large merger orders issued within 10 business days	Promote and maintain competition within South Africa		100%	100%	100%	98%	95%	95%	95%
Percentage of large merger reasons for decisions issued within 20 business days	Promote and maintain competition within South Africa		74%	51%	82%	56%	70%	70%	70%
Percentage of reconsidered mergers set down within 10 business days	Promote and maintain competition within South Africa		50%	57%	100%	75%	75%	75%	75%
Percentage of reconsidered merger orders issued within 10 business days	Promote and maintain competition within South Africa		100%	100%	- ³	98%	95%	95%	95%
Percentage of reasons for reconsidered merger decisions issued within 20 business days ⁴	Promote and maintain competition within South Africa		- ⁴	13%	- ²	56%	60%	60%	60%

1. This indicator will no longer be measured from 2015/16.

2. No reasons issued.

3. No orders issued.

4. This indicator was introduced in 2012/13.

Expenditure analysis

As an adjudicative agency, the Competition Tribunal's quasi-judicial nature precludes it from embarking on focused interventions that target any particular sector or emphasise any specific criteria in its decision making. The tribunal continues to focus on ensuring a high performance organisation that leads to the promotion and maintenance of competition within South Africa over the medium term. This will be achieved by holding hearings and adjudicating matters, educating and creating awareness among stakeholders on competition matters, and strengthening organisational capability and performance to deliver on its legislative mandate.

In line with this, the focus over the medium term will continue to be on adjudicating cases, and expenditure will largely be driven by compensation of employees. Expenditure on compensation of employees is expected to grow marginally, at an average rate of 3.7 per cent over the medium term, mainly to cater for the addition of 2 tribunal members to the establishment. As a result, the number of filled posts will grow from 25 to 27 over the medium term. The growth in the tribunal's expenditure over the medium term is driven by the anticipated growth in the volume or length of cases referred to the tribunal by the Competition Commission, and the need for increased secretarial support to cope with this growth. The number of cartel cases in particular has increased, many of which have been brought to the tribunal by the Competition Commission in the form of consent agreements, which the tribunal approves as consent orders. Consent orders usually involve the imposition of an administrative penalty for some form of anti-competitive conduct, where litigation is avoided. In this regard, the tribunal intends to maintain a rate of 90 per cent of consent orders issued within 10 business days over the medium term.

The tribunal's operations are funded mainly through transfers from the Economic Development Department, which amounts to R60.3 million over the medium term, and the tribunal's own income, which is generated from filing fees charged for merger applications.

Programmes/objectives/activities

Table 25.23 Competition Tribunal expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
Administration	8 188	10 295	14 168	15 648	24.1%	40.8%	14 871	15 567	16 332	1.4%	45.1%
Promote and maintain competition within South Africa	13 511	14 405	16 179	15 632	5.0%	51.9%	16 146	16 906	17 662	4.2%	47.9%
Educate and create awareness of competition matters to tribunal stakeholders	559	622	729	782	11.9%	2.3%	828	873	917	5.5%	2.5%
Enhance the expertise of tribunal staff	628	991	980	1 424	31.4%	3.4%	1 072	855	898	-14.3%	3.1%
Competition Appeal Court	402	476	429	543	10.5%	1.6%	499	526	553	0.6%	1.5%
Total	23 287	26 789	32 485	34 029	13.5%	100.0%	33 416	34 727	36 362	2.2%	100.0%

Statements of historical financial performance and position

Table 25.24 Competition Tribunal statements of historical financial performance and position

Statement of financial performance									
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget Average (%)
	2011/12	2012/13	2012/13	2013/14	2013/14	2014/15	2014/15	2014/15	2011/12 - 2014/15
Revenue									
Non-tax revenue	10 362	11 218	14 688	9 540	15 638	11 861	18 527	17 225	84.2%
Sale of goods and services other than capital assets	7 250	10 015	9 075	8 417	9 775	10 856	9 880	9 880	108.9%
<i>of which:</i>									
Administrative fees	7 250	10 015	9 075	8 417	9 775	10 856	9 880	9 880	108.9%
Other non-tax revenue	3 112	1 203	5 613	1 123	5 863	1 005	8 647	7 345	45.9%
Transfers received	15 175	15 175	15 600	15 798	16 945	16 945	18 100	18 100	100.3%
Total revenue	25 537	26 393	30 288	25 338	32 583	28 806	36 627	35 325	92.7%
Expenses									
Current expenses	25 537	23 287	30 288	26 789	32 583	32 485	35 325	34 029	94.2%
Compensation of employees	14 781	12 646	18 323	13 710	20 412	16 170	19 768	18 656	83.5%
Goods and services	10 267	10 197	11 123	12 524	11 163	15 238	14 386	14 397	111.5%
Depreciation	489	444	842	555	1 009	1 077	1 170	975	86.9%
Total expenses	25 537	23 287	30 288	26 789	32 583	32 485	35 325	34 029	94.2%
Surplus/(Deficit)	-	3 106	-	(1 452)	-	(3 679)	1 302	1 296	-
Statement of financial position									
Carrying value of assets	3 610	3 601	3 536	3 880	3 075	3 855	3 665	4 103	111.2%
<i>of which:</i>									
Acquisition of assets	863	1 198	824	910	501	1 054	1 301	1 301	127.9%
Inventory	20	34	19	18	12	30	10	10	150.8%
Receivables and prepayments	700	976	800	797	800	522	75	500	117.7%
Cash and cash equivalents	16 447	24 322	16 456	22 465	14 947	19 586	17 994	13 496	121.3%
Total assets	20 777	28 933	20 811	27 160	18 834	23 993	21 744	18 109	119.5%
Accumulated surplus/(deficit)	19 127	26 266	18 604	24 814	15 739	21 135	13 148	14 960	130.9%
Finance lease	-	103	226	198	213	292	350	350	119.5%
Trade and other payables	850	1 953	1 330	1 604	2 313	1 880	7 446	1 999	62.3%
Provisions	425	611	651	544	569	686	800	800	108.0%
Derivatives financial instruments	375	-	-	-	-	-	-	-	-
Total equity and liabilities	20 777	28 933	20 811	27 160	18 834	23 993	21 744	18 109	119.5%

Statements of estimates of financial performance and position

Table 25.25 Competition Tribunal statements of estimates of financial performance and position

Statement of financial performance	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/Total: Average (%)
				2015/16	2016/17	2017/18		
R thousand	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Revenue								
Non-tax revenue	17 225	15.4%	42.5%	15 673	15 308	15 970	-2.5%	45.0%
Sale of goods and services other than capital assets	9 880	-0.5%	34.2%	10 670	11 524	12 446	8.0%	31.2%
<i>of which:</i>								
Administrative fees	9 880	-0.5%	34.2%	10 670	11 524	12 446	8.0%	31.2%
Other non-tax revenue	7 345	82.8%	8.3%	5 003	3 784	3 524	-21.7%	13.8%
Transfers received	18 100	6.1%	57.5%	19 102	20 115	21 121	5.3%	55.0%
Total revenue	35 325	10.2%	100.0%	34 775	35 423	37 091	1.6%	100.0%
Expenses								
Current expenses	34 029	13.5%	100.0%	33 416	34 727	36 362	2.2%	100.0%
Compensation of employees	18 656	13.8%	52.5%	18 932	19 870	20 791	3.7%	56.5%
Goods and services	14 397	12.2%	44.9%	13 344	13 755	14 414	0.0%	40.4%
Depreciation	975	30.0%	2.5%	1 140	1 102	1 157	5.9%	3.2%
Total expenses	34 029	13.5%	100.0%	33 416	34 727	36 362	2.2%	100.0%
Surplus/(Deficit)	1 296	-25.3%	-	1 359	696	729	-17.5%	-
Statement of financial position								
Carrying value of assets	4 103	4.4%	16.4%	4 393	3 985	3 557	-4.6%	28.2%
<i>of which:</i>								
Acquisition of assets	1 301	2.8%	4.8%	1 360	694	730	-17.5%	6.9%
Inventory	10	-33.5%	0.1%	10	10	10	-	0.1%
Receivables and prepayments	500	-20.0%	2.8%	397	376	316	-14.2%	2.7%
Cash and cash equivalents	13 496	-17.8%	80.7%	10 802	9 102	7 036	-19.5%	68.9%
Total assets	18 109	-14.5%	100.0%	15 602	13 473	10 919	-15.5%	100.0%
Accumulated surplus/(deficit)	14 960	-17.1%	88.2%	11 127	8 323	5 099	-30.1%	65.6%
Finance lease	350	50.3%	1.1%	275	250	220	-14.3%	1.9%
Trade and other payables	1 999	0.8%	7.9%	3 400	4 000	4 700	33.0%	26.4%
Provisions	800	9.4%	2.8%	800	900	900	4.0%	6.1%
Total equity and liabilities	18 109	-14.5%	100.0%	15 602	13 473	10 919	-7.5%	100.0%

Personnel information

Table 25.26 Competition Tribunal personnel numbers and cost by salary level¹

Competition Tribunal	Number of posts estimated for 31 March 2015		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 (%)			
			2013/14		2014/15		2015/16		2016/17		2017/18		2014/15 - 2017/18						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost			Unit Cost		
Salary level	26	29	25	16.2	0.6	25	18.7	0.7	27	18.9	0.7	27	19.9	0.7	27	20.8	0.8	3.7%	100.0%
1 - 6	1	2	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	1	0.3	0.3	10.9%	3.8%
7 - 10	13	15	11	3.4	0.3	12	3.8	0.3	13	5.2	0.4	13	5.5	0.4	13	5.8	0.4	14.8%	48.1%
11 - 12	5	5	6	2.6	0.4	4	4.0	1.0	5	3.2	0.6	5	3.4	0.7	5	3.6	0.7	-3.5%	17.9%
13 - 16	4	4	4	3.8	1.0	4	4.0	1.0	4	4.5	1.1	4	4.7	1.2	4	4.9	1.2	7.1%	15.1%
17 - 22	3	3	3	6.2	2.1	4	6.7	1.7	4	5.8	1.5	4	6.0	1.5	4	6.3	1.6	-2.0%	15.1%

¹ Rand million.

International Trade Administration Commission

Mandate

The International Trade Administration Commission was established in terms of the International Trade Administration Act (2002) and is mandated to manage an efficient and effective trade administration system. The commission's aim is to foster economic growth and development, raise income levels, and promote

investment and employment in South Africa and the Southern African Customs Union area by establishing an efficient and effective administration system for international trade. The commission's core functions are customs tariff investigations, trade remedies, and import and export control.

Selected performance indicators

Table 25.27 International Trade Administration Commission performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Turnaround times for customs tariff amendments investigations (percentage of the final decision within 6 months)	Tariff investigations	Outcome 4: Decent employment through inclusive economic growth	140% (60/43)	125% (64/51)	80%	85%	90%	90%	90%
Turnaround times for rebate and drawback permits (percentage of permits issued within 2 weeks)	Tariff investigations		97% (831/860)	135% (878/650)	80%	85%	90%	90%	90%
Number of new investigations (anti-dumping, countervailing, safeguards and sunset reviews) initiated per year	Trade remedies		7	7	4	8	8	8	8
Number of import control permits issued per year	Import and export control		16 224	14 977	17 332	13 500	13 500	13 500	13 500
Number of export control permits issued per year	Import and export control		6 839	6 982	10 013	7 500	7 500	7 500	7 500
Number of enforcement container inspections conducted per year	Import and export control		1 275	1 275	1 229	1 000	1 000	1 000	1 000
Number of investigations on enforcement of permit conditions conducted per year	Import and export control		16	14	17	16	16	16	16

Expenditure analysis

In line with the national development plan, the new growth path and the industrial policy action plan, the International Trade Administration Commission will align trade policy with the developmental objectives of creating an enabling environment for fair trade in order to enhance economic growth, and thereby contribute to outcome 4 of government's 2014-2019 medium term strategic framework (decent employment through inclusive economic growth). Thus, the commission aims to focus on opportunities in fast growing economies and increase the export of goods manufactured in South Africa by monitoring trade flows to identify potential threats and opportunities, among other things.

In this regard, the commission's focus will be on tariff investigations, which represent 26.7 per cent of expenditure over the medium term, and trade remedies, which represent 17.8 per cent of expenditure and target anti-dumping to ensure fair competition between local and foreign firms, with the aim of creating an enabling environment for trade over the medium term. The commission aims to initiate 24 new investigations over the medium term in the areas of anti-dumping, countervailing, safeguards, and sunset reviews as part of the trade remedies objective.

As an adjudicative body, expenditure continues to be driven by compensation of employees and related costs to enable the effective administration of trade instruments, with the number of posts expected to increase to 131 at an average annual rate of 5.3 per cent over the medium term. This will account for 79.1 per cent of expenditure, and will further enable the commission to undertake investigation and compliance inspections, as well as the management of 40 500 import control permits and 22 500 export control permits issued over the medium term.

Cabinet approved budget reductions of R12.3 million over the medium term will be effected on the commission's allocation, due to the level of reserves.

Programmes/objectives/activities

Table 25.28 International Trade Administration Commission expenditure trends and estimates by programme/objective/ activity

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
Administration	35 512	39 546	40 946	40 243	4.3%	50.1%	35 650	35 288	44 765	3.6%	42.9%
Tariff investigations	16 483	16 995	20 877	22 208	10.4%	24.4%	23 618	24 904	26 149	5.6%	26.7%
Trade remedies	8 860	10 042	12 527	14 744	18.5%	14.6%	15 793	16 647	17 479	5.8%	17.8%
Import and export control	7 975	7 853	8 551	9 954	7.7%	11.0%	11 245	11 855	12 450	7.7%	12.5%
Total	68 830	74 436	82 901	87 149	8.2%	100.0%	86 306	88 694	100 843	5.0%	100.0%

Statements of historical financial performance and position

Table 25.29 International Trade Administration Commission statements of historical financial performance and position

Statement of financial performance									
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget Average (%)
	2011/12	2012/13	2012/13	2013/14	2013/14	2014/15	2014/15	2011/12 - 2014/15	
Revenue									
Non-tax revenue	2 738	2 132	2 776	1 964	2 161	2 241	2 088	2 088	86.3%
Sale of goods and services other than capital assets	20	–	21	–	22	–	–	–	–
<i>of which:</i>									
Other sales	20	–	21	–	22	–	–	–	–
Other non-tax revenue	2 718	2 132	2 755	1 964	2 139	2 241	2 088	2 088	86.9%
Transfers received	69 604	69 604	73 666	74 403	79 770	79 770	85 061	85 061	100.2%
Total revenue	72 342	71 736	76 442	76 367	81 931	82 011	87 149	87 149	99.8%
Expenses									
Current expenses	72 342	68 830	76 443	74 436	81 931	82 901	87 149	87 149	98.6%
Compensation of employees	52 863	51 404	56 366	55 199	61 559	61 109	66 164	66 164	98.7%
Goods and services	16 704	15 384	17 813	17 838	18 150	20 744	19 279	19 279	101.8%
Depreciation	2 733	1 883	2 106	1 308	2 089	1 017	1 604	1 559	67.6%
Interest, dividends and rent on land	42	159	158	91	133	31	102	147	98.4%
Total expenses	72 342	68 830	76 443	74 436	81 931	82 901	87 149	87 149	98.6%
Surplus/(Deficit)	–	2 906	–	1 931	–	(890)	–	–	–
Statement of financial position									
Carrying value of assets	3 770	2 109	5 515	2 756	5 807	2 518	7 284	2 518	44.2%
<i>of which:</i>									
Acquisition of assets	1 150	963	6 566	1 979	1 125	851	2 233	274	36.7%
Inventory	81	46	120	43	126	71	39	39	54.4%
Receivables and prepayments	85	1 117	247	919	260	776	743	743	266.3%
Cash and cash equivalents	17 000	27 225	11 991	29 463	12 627	30 614	32 483	32 483	161.7%
Total assets	20 936	30 497	17 873	33 181	18 820	33 979	40 549	35 783	135.9%
Accumulated surplus/(deficit)	9 881	20 317	17 411	22 247	18 334	21 358	24 694	21 358	121.3%
Capital and reserves	–	–	(11 589)	–	(12 203)	–	–	–	–
Finance lease	–	699	1 232	356	1 297	47	1 667	1 408	59.8%
Trade and other payables	3 572	4 070	6 216	2 916	6 545	4 329	6 866	4 329	67.4%
Provisions	6 833	5 411	4 603	7 662	4 847	8 245	7 322	8 688	127.1%
Derivatives financial instruments	650	–	–	–	–	–	–	–	–
Total equity and liabilities	20 936	30 497	17 873	33 181	18 820	33 979	40 549	35 783	135.9%

Statements of estimates of financial performance and position

Table 25.30 International Trade Administration Commission statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
					2014/15	2011/12 - 2014/15	2015/16		
R thousand									
Revenue									
Non-tax revenue		2 088	-0.7%	2.7%	1 605	1 693	1 778	-5.2%	2.0%
Other non-tax revenue		2 088	-0.7%	2.7%	1 605	1 693	1 778	-5.2%	2.0%
Transfers received		85 061	6.9%	97.3%	84 701	87 001	99 065	5.2%	98.0%
Total revenue		87 149	6.7%	100.0%	86 306	88 694	100 843	5.0%	100.0%
Expenses									
Current expenses		87 149	8.2%	100.0%	86 306	88 694	100 843	5.0%	100.0%
Compensation of employees		66 164	8.8%	74.6%	69 817	73 605	77 284	5.3%	79.1%
Goods and services		19 279	7.8%	23.4%	15 255	13 946	22 191	4.8%	19.4%
Depreciation		1 559	-6.1%	1.9%	1 079	1 039	1 196	-8.5%	1.3%
Interest, dividends and rent on land		147	-2.6%	0.1%	155	104	172	5.4%	0.2%
Total expenses		87 149	8.2%	100.0%	86 306	88 694	100 843	5.0%	100.0%
Surplus/(Deficit)		-	-100.0%	-	-	-	-	-	-
Statement of financial position									
Carrying value of assets		2 518	6.1%	7.4%	2 562	2 362	1 990	-7.5%	7.0%
of which:									
Acquisition of assets		274	-34.2%	3.1%	1 626	1 986	73	-35.7%	3.0%
Inventory		39	-5.4%	0.1%	37	35	46	5.7%	0.1%
Receivables and prepayments		743	-12.7%	2.7%	567	431	332	-23.5%	1.5%
Cash and cash equivalents		32 483	6.1%	89.7%	30 956	28 790	30 230	-2.4%	91.3%
Total assets		35 783	5.5%	100.0%	34 122	31 618	32 598	-3.1%	100.0%
Accumulated surplus/(deficit)		21 358	1.7%	64.1%	21 358	21 358	21 358	-	63.8%
Finance lease		1 408	26.3%	1.9%	1 361	660	131	-54.7%	2.6%
Trade and other payables		4 329	2.1%	11.7%	3 980	3 481	3 700	-5.1%	11.5%
Provisions		8 688	17.1%	22.3%	7 423	6 119	7 409	-5.2%	22.0%
Total equity and liabilities		35 783	5.5%	100.0%	34 122	31 618	32 598	-65.0%	100.0%

Personnel information

Table 25.31 International Trade Administration Commission personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
		Actual			Revised estimate			Medium-term expenditure estimate					Average growth rate (%)	Salary level/total: Average (%)					
Number of funded posts	Number of posts on approved establishment	2013/14			2014/15			2015/16		2016/17		2017/18		2014/15 - 2017/18					
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost				
International Trade Administration Commission		123	61.1	0.5	123	66.2	0.5	131	69.8	0.5	131	73.6	0.6	131	77.3	0.6	5.3%	100.0%	
Salary level	131	131																	
1-6	12	12	11	1.5	0.1	12	0.3	0.0	12	0.3	0.0	12	0.3	0.0	12	0.4	0.0	5.3%	9.3%
7-10	72	72	65	28.0	0.4	66	27.4	0.4	72	28.9	0.4	72	30.4	0.4	72	32.0	0.4	5.3%	54.6%
11-12	32	32	32	16.3	0.5	31	18.5	0.6	32	19.5	0.6	32	20.6	0.6	32	21.6	0.7	5.4%	24.6%
13-16	15	15	15	15.3	1.0	14	20.0	1.4	15	21.1	1.4	15	22.2	1.5	15	23.3	1.6	5.3%	11.4%

¹ Rand million.

Small Enterprise Finance Agency

Mandate

The Small Enterprise Finance Agency was established in 2012 and combines the operations of Khula Enterprise Finance, the South African Micro-Finance Apex Fund and the small business operations of the Industrial Development Corporation. The agency is a wholly owned subsidiary of the Industrial Development Corporation and derives its mandate from the Industrial Development Act (1940), particularly the objectives in the act related to SMME development.

Selected performance indicators

Table 25.32 Small Enterprise Finance Agency performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12 ¹	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Value of finance approved for direct lending per year	Administration	Outcome 4: Decent employment through inclusive economic growth	- ¹	R146m	R367m	R485m	R541m	R633m	R725m
Value of finance disbursed for direct lending per year	Administration		- ¹	R41m	R261m	R388m	R514m	R601m	R689m
Number of SMMEs financed in direct lending per year	Administration		- ¹	227	209	1 212	628	1 465	1 554
Number of jobs created through direct lending from the Small Enterprise Finance Agency per year	Administration	Outcome 5: A skilled and capable workforce to support an inclusive growth path	- ¹	942	2 459	6 060	7 337	8 590	9 840
Value of finance approved for wholesale lending per year	Administration	Outcome 4: Decent employment through inclusive economic growth	- ¹	R241m	R532m	R333m	R533m	R597m	R688m
Value of finance disbursed for wholesale lending per year	Administration	Outcome 5: A skilled and capable workforce to support an inclusive growth path	- ¹	R127m	R226m	R181m	R230m	R339m	R392m
Number of SMMEs financed in the wholesale sector per year	Administration	Outcome 4: Decent employment through inclusive economic growth	- ¹	959	608	384	656	726	813
Number of jobs financed in the wholesale sector per year	Administration		- ¹	4 796	3 184	480	1 352	1 510	1 738
Value of finance approved for microfinance lending per year	Administration		- ¹	R52m	R167m	R153m	R194m	R221m	R261m
Value of finance disbursed for microfinance lending per year	Administration		- ¹	R32m	R62m	R71m	R72m	R104m	R123m
Number of SMMEs financed in microfinance lending per year	Administration		- ¹	27 176	45 590	36 000	30 150	34 373	19 531
Number of jobs financed in the microfinance lending sector per year	Administration		- ¹	14 115	40 759	50 400	39 908	45 508	21 257

1. The entity was introduced in 2012/13, hence no data for 2011/12.

Expenditure analysis

The national development plan identifies small enterprises as a key sector for the creation of jobs in the realisation of outcome 4 of government's 2014-2019 medium term strategic framework (decent employment through inclusive economic growth). This is reflected in the Small Enterprise Finance Agency's focus over the medium term, which will be on developing SMMEs by providing access to finance and upscaling its lending activities. The agency aims to achieve this over the medium term by increasing the provision of wholesale and retail finance, and increasing access to finance through working in partnership with stakeholders.

Thus, the focus over the medium term is on items that enable the provision of financing. The value of finance approved for direct lending in 2017/18 is expected to reach R725 million, and R688 million for wholesale lending. This is estimated to drive the number of jobs created through direct funding instruments to 9 840 and the number of jobs created through wholesale lending to 1 738 by 2017/18.

The agency will focus on various marketing initiatives to increase public awareness of the financing opportunities offered, which is expected to increase goods and services expenditure by 10.2 per cent over the medium term.

To increase capacity, in line with the provision of increased access to finance driven by the growth in the direct lending loan programme and disbursements to SMMEs and financial intermediaries, expenditure on compensation of employees is expected to increase to R255.4 million, at an average annual rate of 25.4 per cent over the medium term, with the number of personnel reaching 262 in 2017/18 from 201 in 2014/15. The increase in capital expenditure over the medium term will enable the agency to standardise and automate systems, which will enhance service delivery to clients and contribute indirectly to economic growth.

The agency derives its revenue from government transfers and taxable revenue. A transfer of R844 million from the Economic Development Department comprises 53.4 per cent of total revenue over the medium term. The remaining balance consists of non-tax revenue, which is projected to grow at an average annual rate of 35.1 per cent. This revenue comprises interest from loans and investments; revenue generated from the property portfolio; dividends from investments; and interest from cash and cash equivalents. Revenue is projected to increase in line with the increase in the portfolio pipeline through the financing of small businesses.

Programmes/objectives/activities

Table 25.33 Small Enterprise Finance Agency expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
Administration	-	295 491	371 220	360 283	-	-	522 455	599 476	585 053	17.5%	100.0%
Total	-	295 491	371 220	360 283	-	-	522 455	599 476	585 053	17.5%	100.0%

Statements of historical financial performance and position

Table 25.34 Small Enterprise Finance Agency statements of historical financial performance and position

Statement of financial performance									Outcome/ Budget Average (%)
Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	2011/12 - 2014/15	
R thousand	2011/12	2012/13	2013/14	2014/15	2011/12	2012/13	2013/14	2014/15	2011/12 - 2014/15
Revenue									
Non-tax revenue	-	-	-	120 422	28 678	157 184	133 878	133 878	253.1%
Sale of goods and services other than capital assets	-	-	-	40 306	721	51 149	105 981	105 981	185.0%
<i>of which:</i>									
Administrative fees	-	-	-	5 414	721	14 978	61 372	61 372	131.7%
Sales by market establishment	-	-	-	34 892	-	36 171	44 609	44 609	259.3%
Other non-tax revenue	-	-	-	80 116	27 958	106 035	27 897	27 897	383.2%
Transfers received	-	-	-	48 870	178 274	8 983	242 604	242 604	71.4%
Total revenue	-	-	-	231 077	206 952	199 535	376 482	376 482	138.3%
Expenses									
Current expenses	-	-	-	295 491	211 373	367 603	343 783	343 783	181.4%
Compensation of employees	-	-	-	85 157	82 140	99 774	129 471	129 471	148.6%
Goods and services	-	-	-	206 055	125 560	263 343	209 288	209 288	202.7%
Depreciation	-	-	-	4 046	3 672	4 486	5 024	5 024	155.9%
Interest, dividends and rent on land	-	-	-	233	-	-	-	-	-
Transfers and subsidies	-	-	-	-	33 514	3 617	16 500	16 500	40.2%
Total expenses	-	-	-	295 491	244 887	371 220	360 283	360 283	169.7%
Surplus/(Deficit)	-	-	-	(64 414)	(37 935)	(171 685)	16 199	16 199	-
Statement of financial position									
Carrying value of assets	-	-	-	185 710	187 510	171 392	175 371	175 371	146.7%
<i>of which:</i>									
Acquisition of assets	-	-	-	12 853	(10 104)	2 563	20 983	5 043	188.1%
Investments	-	-	-	684 360	162 335	792 980	211 080	211 080	452.2%
Loans	-	-	-	303 060	1 268 723	479 363	864 275	864 275	77.2%
Receivables and prepayments	-	-	-	21 303	19 236	30 902	38 798	38 798	156.8%
Cash and cash equivalents	-	-	-	909 998	419 966	715 208	296 651	296 651	268.2%
Non-current assets held for sale	-	-	-	-	-	25 567	-	-	-
Taxation	-	-	-	75 253	-	11 782	98 498	98 498	188.4%
Total assets	-	-	-	2 179 684	2 057 770	2 227 194	1 684 673	1 684 673	162.8%
Accumulated surplus/(deficit)	-	-	-	-	327 889	-	-	-	-
Capital and reserves	-	-	-	756 901	339 660	585 020	(107 612)	(107 612)	531.9%
Capital reserve fund	-	-	-	308 300	774 462	308 300	308 300	308 300	85.4%
Borrowings	-	-	-	944 542	535 928	1 175 521	1 420 361	1 420 361	181.0%
Trade and other payables	-	-	-	136 784	20 855	135 092	31 515	31 515	579.3%
Taxation	-	-	-	15 628	-	11 704	-	-	-
Provisions	-	-	-	11 073	-	6 698	21 038	21 038	184.5%
Managed funds (e.g. poverty alleviation fund)	-	-	-	-	12 462	-	-	-	-
Derivatives financial instruments	-	-	-	6 456	39 518	4 859	11 071	11 071	44.3%
Total equity and liabilities	-	-	-	2 179 684	2 050 774	2 227 194	1 684 673	1 684 673	163.1%

Statements of estimates of financial performance and position

Table 25.35 Small Enterprise Finance Agency statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
					2014/15	2011/12 - 2014/15	2015/16		
R thousand									
Revenue									
Non-tax revenue		133 878	-	-	221 962	269 989	329 815	35.1%	46.6%
Sale of goods and services other than capital assets		105 981	-	-	50 308	50 963	52 342	-21.0%	14.0%
<i>of which:</i>									
Administrative fees		61 372	-	-	12 259	13 691	15 718	-36.5%	6.0%
Sales by market establishment		44 609	-	-	38 049	37 272	36 624	-6.4%	8.1%
Other non-tax revenue		27 897	-	-	171 654	219 026	277 473	115.1%	32.5%
Transfers received		242 604	-	-	407 103	213 124	223 780	-2.7%	53.4%
Total revenue		376 482	-	-	629 065	483 113	553 595	13.7%	100.0%
Expenses									
Current expenses		343 783	-	-	522 455	559 476	543 053	16.5%	95.4%
Compensation of employees		129 471	-	-	175 411	235 422	255 416	25.4%	38.1%
Goods and services		209 288	-	-	341 078	316 801	280 044	10.2%	56.0%
Depreciation		5 024	-	-	5 966	7 253	7 593	14.8%	1.3%
Transfers and subsidies		16 500	-	-	-	40 000	42 000	36.5%	4.6%
Total expenses		360 283	-	-	522 455	599 476	585 053	17.5%	100.0%
Surplus/(Deficit)		16 199	-	-	106 610	(116 363)	(31 458)	-224.8%	-
Statement of financial position									
Carrying value of assets		175 371	-	-	164 026	164 905	160 824	-2.8%	7.9%
<i>of which:</i>									
Acquisition of assets		5 043	-	-	7 939	4 283	3 511	-11.4%	0.3%
Investments		211 080	-	-	354 851	373 325	394 629	23.2%	15.2%
Loans		864 275	-	-	955 517	1 369 644	1 789 196	27.4%	55.6%
Receivables and prepayments		38 798	-	-	29 855	33 689	37 354	-1.3%	1.7%
Cash and cash equivalents		296 651	-	-	390 537	425 155	463 983	16.1%	18.1%
Taxation		98 498	-	-	1 241	1 241	1 241	-76.7%	1.5%
Total assets		1 684 673	-	-	1 896 027	2 367 959	2 847 227	19.1%	100.0%
Capital and reserves		(107 612)	-	-	(95 998)	(618 759)	(863 343)	100.2%	-17.0%
Capital reserve fund		308 300	-	-	308 300	308 300	308 300	-	14.6%
Borrowings		1 420 361	-	-	1 589 124	2 554 521	3 267 646	32.0%	97.7%
Trade and other payables		31 515	-	-	74 922	101 889	109 523	51.5%	3.5%
Provisions		21 038	-	-	11 362	12 676	14 426	-11.8%	0.7%
Derivatives financial instruments		11 071	-	-	8 317	9 332	10 675	-1.2%	0.5%
Total equity and liabilities		1 684 673	-	-	1 896 027	2 367 959	2 847 227	170.6%	100.0%

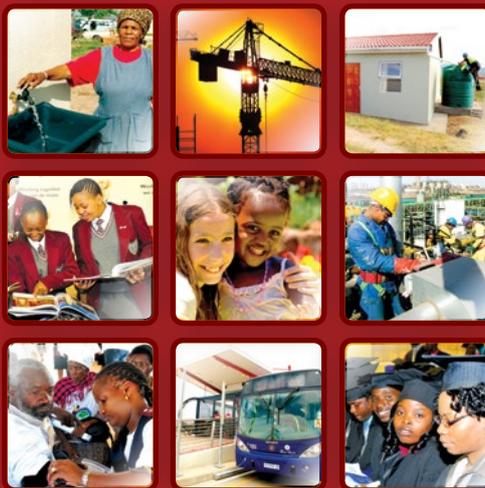
Personnel information

Table 25.36 Small Enterprise Finance Agency personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number						
		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)					
Number of funded posts	Number of posts on approved establishment	2013/14		2014/15			2015/16		2016/17		2017/18		2014/15 - 2017/18							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				
Small Enterprise Finance Agency		201	201	182	99.8	0.5	201	129.5	0.6	262	175.4	0.7	262	235.4	0.9	262	255.4	1.0	25.4%	100.0%
Salary level	201	201	182	99.8	0.5	201	129.5	0.6	262	175.4	0.7	262	235.4	0.9	262	255.4	1.0	25.4%	100.0%	
1 - 6	3	3	3	0.4	0.1	3	0.5	0.2	3	0.5	0.2	3	0.6	0.2	3	0.6	0.2	11.1%	1.2%	
7 - 10	66	66	60	16.4	0.3	66	20.6	0.3	82	29.0	0.4	82	39.7	0.5	82	43.2	0.5	27.9%	31.7%	
11 - 12	68	68	61	30.7	0.5	68	44.9	0.7	77	50.3	0.7	77	62.0	0.8	77	67.3	0.9	14.4%	30.5%	
13 - 16	62	62	58	52.4	0.9	62	63.5	1.0	99	91.9	0.9	99	128.9	1.3	99	139.8	1.4	30.1%	36.1%	
17 - 22	2	2	-	-	-	2	-	-	1	3.7	3.7	1	4.2	4.2	1	4.5	4.5	-	0.5%	

1. Rand million.

Photos provided by GCIS.



BUDGET 2015

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national treasury

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National Treasury
REPUBLIC OF SOUTH AFRICA