

# 2016 BUDGET

ESTIMATES OF NATIONAL EXPENDITURE

ECONOMIC DEVELOPMENT

VOTE 25



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA



# **Estimates of National Expenditure**

## **2016**

**National Treasury**

**Republic of South Africa**

24 February 2016



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The 2016 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](http://www.treasury.gov.za).

Compared to the abridged version of the 2016 ENE, the 2016 ENE e-publications contain more comprehensive coverage of goods and services, transfers and subsidies, and programme specific personnel expenditure. Budget information is also provided for the public entities that are not shown in detail in the abridged publication. 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 information on conditional grants to provinces and municipalities, public private partnerships and donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

# Foreword

The 2016 Budget is tabled at a time when both global and domestic economic conditions continue to be difficult. Government is unwavering in its commitment to stay the course of sound fiscal management in the face of this challenging environment. The approach of using the expenditure ceiling as a fiscal anchor, which was adopted in 2012, serves us well. To achieve the fiscal adjustment necessary, the expenditure level has been reduced and further revenue enhancement measures are introduced in the 2016 MTEF period.

Over the 2016 MTEF period expenditure is R3.73 trillion and will grow at an average annual rate of 7.5 per cent. Spending growth is slower than prior to 2008, but it still remains above the projected inflation rate. During consultations in the budget preparation process trade-offs in financing different policy objectives were carefully examined and culminated in recommendations on how institutional policies, practices and organisational arrangements would be adjusted in line with the national development plan and the 2014-2019 medium term strategic framework on the one hand, and in a manner consistent with fiscal consolidation, on the other hand.

For the 2016 MTEF period, budget amendments were effected through the reprioritisation of existing funding within the lowered expenditure ceiling, with movements away from areas of lower priority to key priorities. Labour-intensive departments received substantial funding for compensation of employees, owing to spending pressures related to the 2015 public sector wage agreement. In the case of departments which historically underspend on their wage bill, the budgets for compensation of employees have been reduced accordingly. A ceiling is put on compensation of employees budgets of national departments through the 2016 Appropriation Act. Resources cannot be diverted from frontline services for the wage bill.

Further reductions have been effected on goods and services budgets. In some cases departments have been asked to provide evidence of service delivery performance before funding can be appropriated to programmes under their specific votes. These provisional allocations, pending programme viability and verifiable record of good performance, total R17.8 billion in 2018/19. Given these measures, government service delivery will not be negatively affected even as spending growth is curtailed.

The financial information and key performance indicators in the institutional budget plans set out in the Estimates of National Expenditure, provide Parliament and the public with the information to hold government accountable against its 14 outcomes, set out in its medium term strategic framework.

The budget process is ably directed by the Ministers' Committee on the Budget, supported by a devoted Medium Term Expenditure Committee of Directors-General in central government departments. As the National Treasury team we are eternally grateful for their guidance and hard work. We are also indebted to the Budget Council, the Budget Forum and our national and provincial counterparts for making what is otherwise an impossible task, seem easier. The presentation of this budget is the product of all their collective efforts.



**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 institutions have spent their budgets in previous years, and how institutions plan to spend the resources allocated to them over the upcoming three-year medium term expenditure framework (MTEF) period. Key performance indicators are included for each national government vote and entity reporting to the same executive authority, showing what institutions aim to achieve by spending their budget allocations in a particular manner. This information is based on government's 2014-2019 medium term strategic framework (MTSF), particularly as it is expressed in institutional strategic and annual performance plans, and in annual reports. Coupled with financial information, performance information provides Parliament and the public with the necessary facts to hold government accountable against the 14 outcomes set out in the 2014-2019 medium term strategic framework.

Each chapter in the abridged 2016 ENE publication relates to a specific budget vote. A separate, more detailed, e-publication is also available for each vote. These e-publications provide more detailed information than the relevant chapter in the abridged ENE, including on goods and services, transfers and subsidies, as well as on programme specific personnel expenditure. Budget information is also provided for the public entities that are not shown in detail in the abridged publication. Each chapter in the abridged ENE publication has a summary table showing expenditure on infrastructure, whereas the vote ENE e-publications' additional tables also contain summaries of expenditure on conditional grants to provinces and municipalities, departmental public private partnerships and information on donor funding. In some e-publications more detailed information at the level of site service delivery is also included.

In addition, a separate 2016 ENE Overview e-publication is also available summarising the ENE information across votes. The 2016 ENE Overview contains a narrative explanation and summary tables; a description of the budgeting approach; and it 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	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	79.2	77.0	–	2.2	80.7	79.4
Growth Path and Social Dialogue	36.0	35.5	–	0.5	35.6	39.6
Investment, Competition and Trade	559.4	30.5	528.8	0.2	598.0	632.0
<b>Total expenditure estimates</b>	<b>674.7</b>	<b>143.0</b>	<b>528.8</b>	<b>2.9</b>	<b>714.3</b>	<b>751.0</b>
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](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants 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 economic growth, including the implementation of certain aspects 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 International Trade Administration Commission of South Africa, the Industrial Development Corporation of South Africa and the Small Enterprise Finance Agency.

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

- the Industrial Development 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		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of interventions to integrate the new growth path framework into government's macroeconomic and microeconomic policy, and infrastructure initiatives per year	Growth Path and Social Dialogue	Outcome 4: Decent employment through inclusive economic growth	–1	–1	6	5	4	4 <sup>2</sup>	3 <sup>2</sup>
Number of spatial, local and provincial initiatives to promote employment, empowerment and development per year	Growth Path and Social Dialogue		–1	–1	6	8	10	10	10

**Table 25.1 Performance indicators by programme and related outcome**

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of quarterly Cabinet level progress reports on strategic integrated projects per year	Investment, Competition and Trade	Outcome 4: Decent employment through inclusive economic growth	- <sup>1</sup>	71	72	60	60	60	60
Number of infrastructure projects unblocked, fast-tracked or facilitated per year	Investment, Competition and Trade		- <sup>1</sup>	8	14	8	8	10	10
Number of Cabinet and presidential infrastructure coordinating committee strategic decisions on infrastructure implemented per year	Investment, Competition and Trade		- <sup>1</sup>	- <sup>1</sup>	5	4	4	4	4
Number of strategic engagements with development finance institutions to improve efficiencies/decrease turnaround times for project approvals per year	Investment, Competition and Trade		8	6	4	5	4	4	4
Number of investment initiatives facilitated, fast tracked and/or unblocked per year	Investment, Competition and Trade		- <sup>1</sup>	- <sup>1</sup>	13	10	12	14	14
Number of reports to monitor and facilitate the improvement of the impact of industrial funding on job creation per year	Investment, Competition and Trade		- <sup>1</sup>	- <sup>1</sup>	4	4	4	4	4
Number of reports on the increase in industrial finance available from development finance institutions and departments, and its impact on job creation, per year	Investment, Competition and Trade		- <sup>1</sup>	- <sup>1</sup>	4	2	4	4	4
Number of strategic engagements with trade and competition authorities to increase administrative efficiencies per year	Investment, Competition and Trade		- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	3	4	5	5

1. No historical data is available as these are new indicators.

2. Target decreases over the medium term to align with implementation.

## Expenditure analysis

The department aims to drive government's priorities of job creation, inclusive economic growth, and industrialisation, and to support the alignment of the state in implementing policies. The department focuses its work in relation to outcome 4 (decent employment through inclusive growth) of government's 2014-2019 medium term strategic framework. The department's 2009 new growth path for creating the jobs that South Africa needs aims for the collective achievement of a more developed and equitable economy and society over the medium term, in the context of sustained growth. It sets out critical markers for employment creation and growth, and identifies where viable changes in the structure and character of production can generate a more inclusive and greener economy over the medium to longer term. To that end, it combines macroeconomic and microeconomic interventions. Over the medium term, the department will make interventions aimed at integrating its new growth path, including: interventions in infrastructure initiatives, support to provinces on economic planning, and strategic support to development finance institutions and regulatory bodies.

Cabinet has approved reductions of R8.3 million for 2017/18 and R13.5 million for 2018/19 to the department's compensation of employees budget. The reductions are part of Cabinet's decision to lower the national aggregate expenditure ceiling. The department's operational expenditure is largely on compensation of employees for the skilled personnel required to drive its policy and coordination interventions. A reduction in personnel will be mitigated through partnerships with higher education institutions to provide technical expertise as it is required. After consultation with the Department of Public Service and Administration and National Treasury, the department will develop and implement a plan to manage its personnel expenditure within its reduced personnel budget. The department's goods and services budget has been reduced, by R1.2 million for 2016/17, R1.2 million for 2017/18 and R1.4 million for 2018/19, particularly in travel and subsistence. The department plans to mitigate the impact of the reductions by shifting expenditure from non-performing areas.

## Interventions in infrastructure initiatives

The department continues its work as secretariat to the Presidential Infrastructure Coordinating Commission. The commission is focused on 18 national strategic integrated projects. The secretariat's work is budgeted for in the *Investment, Competition and Trade* programme. R51.5 million over the medium term is allocated to compensation of employees in this programme.

The department will provide 60 annual progress reports to Cabinet on the strategic integrated projects, and unblock, fast-track and facilitate other infrastructure projects. The focus includes unblocking water use licence applications and environmental impact assessments so that projects can commence. As the chair of the Saldanha-Northern Cape development corridor (strategic integrated project 5), the department will drive the corridor's implementation over the medium term. The Saldanha-Northern Cape development corridor promotes integrated rail and port expansion and back-of-port industrial capacity, strengthens maritime support capacity for oil and gas along the African West Coast, and expands iron ore mining production and beneficiation.

## Support to provinces on economic planning

The department will continue to support provinces on economic planning through a number of spatial, local and provincial economic initiatives. Support is currently being provided to Free State, Eastern Cape, Northern Cape, North West, Limpopo and KwaZulu-Natal. Over the medium term, the department expects to make use of 30 economic development initiatives to promote employment, empowerment and development in all the provinces. Support to provinces on economic planning is budgeted for in the *Growth Path and Social Dialogue* programme, and the increase in activities over the medium term drives expenditure to grow at an average annual rate of 12.4 per cent, from R27.9 million in 2015/16 to R39.6 million by 2018/19.

## Strategic support to development finance institutions and regulatory bodies

The department continues to oversee and provide strategic direction to the development finance institutions and regulatory bodies reporting to it. This work accounts for 81 per cent of total departmental spending over the medium term, or R1.7 billion, in the *Investment, Competition and Trade* programme.

The department will evaluate development finance institutions' performance on the impact of jobs. The department expects to have 4 strategic engagements per year with development finance institutions over the medium term, to improve administrative efficiencies and decrease turnaround times for project approvals.

The department will also undertake 14 engagements with the trade and competition regulatory bodies to improve administrative efficiencies and ensure that the competition authorities address the abuse of market power and support government's employment, industrialisation and development objectives. To further support the work of the competition authorities, the allocation over the medium term to the Competition Tribunal has been increased to strengthen its capacity.

## 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														
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
	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 (%)
Programme 1	60.1	52.3	55.4	63.6	95.8	91.3	79.5	94.9	87.4	83.2	83.2	83.2	110.8%	97.3%
Programme 2	47.2	31.2	20.6	44.1	36.3	35.6	38.3	20.9	22.0	27.9	27.9	27.9	67.3%	91.2%
Programme 3	565.5	613.0	597.5	663.8	639.4	644.5	579.1	581.1	585.5	774.7	774.7	774.7	100.7%	99.8%
<b>Total</b>	<b>672.7</b>	<b>696.5</b>	<b>673.5</b>	<b>771.5</b>	<b>771.5</b>	<b>771.4</b>	<b>696.9</b>	<b>696.9</b>	<b>694.9</b>	<b>885.8</b>	<b>885.8</b>	<b>885.8</b>	<b>100.0%</b>	<b>99.2%</b>
Change to 2015 Budget estimate											-			

Table 25.2 Vote expenditure trends by programme and economic classification

Economic classification	2012/13			2013/14			2014/15			2015/16			Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate		
R million														
<b>Current payments</b>	<b>141.8</b>	<b>161.3</b>	<b>120.6</b>	<b>151.0</b>	<b>157.0</b>	<b>139.7</b>	<b>160.8</b>	<b>132.0</b>	<b>116.3</b>	<b>150.3</b>	<b>140.9</b>	<b>140.9</b>	<b>85.7%</b>	<b>87.5%</b>
Compensation of employees	91.6	63.9	62.1	98.0	72.4	70.9	107.8	76.9	75.7	96.1	87.8	87.8	75.3%	98.5%
Goods and services	50.2	97.5	58.5	53.0	84.5	68.8	53.0	55.0	40.6	54.2	53.1	53.1	105.1%	76.2%
of which:														
Administrative fees	0.6	0.5	0.2	0.6	0.6	0.7	0.6	0.5	0.5	0.6	0.4	0.4	74.3%	90.0%
Advertising	1.6	1.5	16.1	1.7	32.3	20.1	11.8	16.5	6.1	0.8	10.7	10.7	335.7%	87.0%
Minor assets	0.5	0.5	0.1	0.5	0.5	0.2	0.6	1.1	0.1	0.3	0.1	0.1	25.5%	21.3%
Audit costs: External	0.2	0.2	2.6	1.6	1.6	3.2	1.7	2.6	3.0	1.8	3.4	3.4	234.0%	156.5%
Bursaries: Employees	0.1	0.1	0.1	0.2	0.2	0.1	0.2	0.1	0.1	0.2	0.3	0.3	90.6%	81.8%
Catering: Departmental activities	0.6	0.6	2.1	0.6	0.6	1.4	0.7	0.6	0.4	0.7	0.4	0.4	158.8%	190.3%
Communication	0.6	0.6	2.1	0.6	0.6	2.3	0.7	0.6	1.5	0.7	1.0	1.0	271.9%	248.7%
Computer services	0.1	0.1	0.5	0.1	0.1	1.1	0.1	0.6	1.6	0.1	0.1	0.1	795.0%	394.6%
Consultants: Business and advisory services	6.6	5.3	1.5	-	6.0	4.2	0.6	0.5	0.4	0.6	9.1	9.1	197.2%	72.6%
Legal services	-	-	-	-	-	6.8	-	-	3.4	3.6	3.6	3.6	376.8%	382.3%
Science and technological services	0.3	0.3	1.0	3.3	3.3	-	3.5	4.0	-	-	-	-	14.3%	13.2%
Contractors	0.5	0.5	6.1	0.5	0.5	0.7	0.5	0.5	0.2	0.5	0.1	0.1	356.2%	458.2%
Agency and support/outourced services	0.1	0.1	0.3	0.2	0.2	0.1	0.2	0.3	0.2	0.2	0.0	0.0	101.9%	107.0%
Entertainment	0.1	0.1	0.0	0.1	0.1	0.0	0.1	0.1	0.0	0.1	-	-	12.0%	18.3%
Fleet services (including government motor transport)	-	-	0.5	-	-	1.0	-	0.6	1.1	-	0.7	0.7	-	238.9%
Inventory: Clothing material and accessories	-	-	-	-	-	0.0	-	0.2	0.4	-	-	-	-	199.1%
Consumable supplies	-	-	0.0	-	-	0.3	-	0.8	0.1	-	0.0	0.0	-	62.0%
Consumables: Stationery, printing and office supplies	1.1	1.1	2.1	1.1	1.1	1.7	1.3	2.7	1.0	1.3	1.3	1.3	127.0%	99.8%
Operating leases	7.5	4.4	3.7	4.9	9.1	9.2	7.4	9.9	9.2	18.2	9.4	9.4	83.0%	96.0%
Rental and hiring	-	-	0.0	-	-	0.3	-	0.0	0.0	-	-	-	-	2 164.7%
Property payments	-	-	0.0	-	-	0.1	-	0.0	-	-	-	-	-	900.0%
Transport provided: Departmental activity	-	-	-	-	-	0.1	-	-	0.0	-	-	-	-	-
Travel and subsistence	16.4	15.7	13.0	17.3	15.9	11.8	13.6	10.4	9.6	14.0	9.7	9.7	71.9%	85.4%
Training and development	-	-	0.5	-	-	0.3	-	0.5	0.2	1.1	0.1	0.1	97.4%	176.4%
Operating payments	4.1	59.1	1.6	13.9	5.6	1.5	4.4	1.2	1.1	4.2	0.8	0.8	18.8%	7.5%
Venues and facilities	9.2	6.8	4.4	5.7	6.2	1.4	5.0	0.7	0.3	5.0	1.7	1.7	31.4%	51.1%
<b>Transfers and subsidies</b>	<b>523.5</b>	<b>529.7</b>	<b>551.0</b>	<b>612.6</b>	<b>612.6</b>	<b>628.1</b>	<b>533.9</b>	<b>560.5</b>	<b>575.9</b>	<b>733.2</b>	<b>742.3</b>	<b>742.3</b>	<b>103.9%</b>	<b>102.1%</b>
Departmental agencies and accounts	339.5	247.4	249.2	381.6	381.6	273.6	291.3	291.6	306.8	326.8	330.8	330.8	86.6%	92.7%
Higher education institutions	-	2.3	10.1	-	-	0.2	-	-	-	-	-	-	-	450.2%
Public corporations and private enterprises	183.9	280.0	289.3	231.0	231.0	354.0	242.6	268.8	268.8	406.4	411.4	411.4	124.4%	111.1%
Non-profit institutions	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-
Households	-	-	2.4	-	-	0.3	-	-	0.2	-	0.1	0.1	-	3 743.2%
<b>Payments for capital assets</b>	<b>7.5</b>	<b>5.5</b>	<b>1.8</b>	<b>7.9</b>	<b>1.9</b>	<b>3.6</b>	<b>2.2</b>	<b>4.4</b>	<b>2.7</b>	<b>2.2</b>	<b>2.6</b>	<b>2.6</b>	<b>53.9%</b>	<b>74.0%</b>
Machinery and equipment	6.0	4.0	1.7	6.3	1.9	2.5	1.7	4.0	2.7	1.8	2.1	2.1	56.8%	75.1%
Software and other intangible assets	1.5	1.5	0.1	1.6	0.0	1.1	0.5	0.5	-	0.5	0.5	0.5	42.5%	68.8%
<b>Total</b>	<b>672.7</b>	<b>696.5</b>	<b>673.5</b>	<b>771.5</b>	<b>771.5</b>	<b>771.4</b>	<b>696.9</b>	<b>696.9</b>	<b>694.9</b>	<b>885.8</b>	<b>885.8</b>	<b>885.8</b>	<b>100.0%</b>	<b>99.2%</b>

## 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 (%)	
				2015/16	2012/13 - 2015/16	2016/17			2017/18
R million	2015/16	2012/13 - 2015/16	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19	
Programme 1	83.2	16.7%	10.5%	79.2	80.7	79.4	-1.6%	10.7%	
Programme 2	27.9	-3.7%	3.5%	36.0	35.6	39.6	12.4%	4.6%	
Programme 3	774.7	8.1%	86.0%	559.4	598.0	632.0	-6.6%	84.7%	
<b>Total</b>	<b>885.8</b>	<b>8.3%</b>	<b>100.0%</b>	<b>674.7</b>	<b>714.3</b>	<b>751.0</b>	<b>-5.4%</b>	<b>100.0%</b>	
Change to 2015 Budget estimate				(11.0)	(13.6)	(19.1)			
Economic classification									
<b>Current payments</b>	<b>140.9</b>	<b>-4.4%</b>	<b>17.1%</b>	<b>143.0</b>	<b>141.2</b>	<b>139.6</b>	<b>-0.3%</b>	<b>18.7%</b>	
Compensation of employees	87.8	11.2%	9.8%	94.0	91.1	91.8	1.5%	12.1%	
Goods and services	53.1	-18.3%	7.3%	49.0	50.1	47.8	-3.4%	6.6%	
<i>of which:</i>									
Administrative fees	0.4	-6.9%	0.1%	0.5	0.6	0.6	17.0%	0.1%	
Advertising	10.7	94.1%	1.8%	5.1	1.5	1.3	-50.0%	0.6%	
Minor assets	0.1	-36.9%	0.0%	0.1	0.1	0.1	3.6%	0.0%	
Audit costs: External	3.4	149.4%	0.4%	3.3	3.5	3.7	2.8%	0.5%	
Bursaries: Employees	0.3	23.1%	0.0%	0.1	0.1	0.1	-19.3%	0.0%	
Catering: Departmental activities	0.4	-16.6%	0.1%	1.3	1.4	1.5	61.3%	0.1%	
Communication	1.0	21.7%	0.2%	2.0	2.1	2.3	31.0%	0.2%	
Computer services	0.1	-18.5%	0.1%	1.0	1.2	1.3	192.3%	0.1%	
Consultants: Business and advisory services	9.1	19.9%	0.5%	2.0	1.8	2.3	-36.7%	0.5%	
Legal services	3.6	-	0.5%	3.8	4.0	4.3	5.9%	0.5%	
Contractors	0.1	-32.8%	0.2%	2.2	2.3	0.7	75.2%	0.2%	
Agency and support/outourced services	0.0	-41.8%	0.0%	0.2	0.2	0.2	101.7%	0.0%	
Fleet services (including government motor transport)	0.7	-	0.1%	0.8	0.9	1.0	9.6%	0.1%	
Inventory: Clothing material and accessories	-	-	0.0%	0.1	0.2	0.2	-	0.0%	
Consumable supplies	0.0	-	0.0%	0.2	0.2	0.2	63.9%	0.0%	
Consumables: Stationery, printing and office supplies	1.3	7.1%	0.2%	1.6	1.7	1.9	11.9%	0.2%	
Operating leases	9.4	28.9%	1.0%	10.4	12.8	9.2	-0.7%	1.4%	
Rental and hiring	-	-	0.0%	0.1	0.1	0.1	-	0.0%	
Travel and subsistence	9.7	-14.7%	1.5%	9.7	10.7	11.7	6.3%	1.4%	
Training and development	0.1	-	0.0%	1.0	1.0	1.1	115.3%	0.1%	
Operating payments	0.8	-76.3%	0.2%	1.3	1.4	1.5	24.7%	0.2%	
Venues and facilities	1.7	-37.1%	0.3%	2.0	2.1	2.2	9.9%	0.3%	
<b>Transfers and subsidies</b>	<b>742.3</b>	<b>11.9%</b>	<b>82.5%</b>	<b>528.8</b>	<b>571.9</b>	<b>608.3</b>	<b>-6.4%</b>	<b>81.0%</b>	
Departmental agencies and accounts	330.8	10.2%	38.4%	315.7	348.1	371.6	3.9%	45.2%	
Public corporations and private enterprises	411.4	13.7%	43.7%	213.1	223.8	236.8	-16.8%	35.9%	
Households	0.1	-	0.1%	-	-	-	-100.0%	0.0%	
<b>Payments for capital assets</b>	<b>2.6</b>	<b>-22.3%</b>	<b>0.4%</b>	<b>2.9</b>	<b>1.2</b>	<b>3.1</b>	<b>6.6%</b>	<b>0.3%</b>	
Machinery and equipment	2.1	-19.4%	0.3%	2.5	0.8	2.7	8.3%	0.3%	
Software and other intangible assets	0.5	-31.1%	0.1%	0.4	0.4	0.5	-1.4%	0.1%	
<b>Total</b>	<b>885.8</b>	<b>8.3%</b>	<b>100.0%</b>	<b>674.7</b>	<b>714.3</b>	<b>751.0</b>	<b>-5.4%</b>	<b>100.0%</b>	

## Personnel information

**Table 25.4 Vote personnel numbers and cost by salary level and programme<sup>1</sup> prior to Cabinet approved reduction, effective from 2017/18<sup>2</sup>; budget reductions and aggregate baseline total**

Number of posts estimated for 31 March 2016		Number and cost <sup>3</sup> of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts additional to the establishment	Actual 2014/15			Revised estimate 2015/16			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	2016/17		2017/18		2018/19				2015/16 - 2018/19		
<b>Economic Development</b>																		
<b>Salary level</b>	<b>166</b>																	
1 – 6	23	23	4.3	0.2	23	5.3	0.2	23	4.8	0.2	23	5.1	0.2	23	5.3	0.2	-0.7%	100.0%
7 – 10	36	36	10.8	0.3	36	14.7	0.4	38	14.0	0.4	38	15.2	0.4	38	17.0	0.4	1.8%	25.4%
11 – 12	39	33	15.3	0.5	33	18.1	0.5	38	25.8	0.7	38	26.8	0.7	38	29.1	0.8	4.8%	24.9%
13 – 16	66	55	41.7	0.8	56	46.7	0.8	46	46.4	1.0	46	49.2	1.1	46	50.8	1.1	-6.3%	32.8%
Other	2	2	3.5	1.8	2	3.0	1.5	2	2.9	1.5	2	3.2	1.6	2	3.1	1.6	-	1.4%
<b>Programme</b>	<b>166</b>																	
Programme 1	82	81	39.5	0.5	82	42.8	0.5	82	45.8	0.6	82	49.0	0.6	82	49.0	0.6	-	55.5%
Programme 2	41	35	18.4	0.5	35	23.3	0.7	38	30.1	0.8	38	32.2	0.8	38	37.1	1.0	2.8%	25.2%
Programme 3	43	33	17.7	0.5	33	21.7	0.7	27	18.1	0.7	27	18.1	0.7	27	19.3	0.7	-6.5%	19.3%
<b>Reduction</b>																		
<b>Total</b>	<b>166</b>	<b>149</b>	<b>75.7</b>	<b>0.5</b>	<b>150</b>	<b>87.8</b>	<b>0.6</b>	<b>147</b>	<b>94.0</b>	<b>0.6</b>	<b>147</b>	<b>99.4</b>	<b>0.7</b>	<b>147</b>	<b>105.3</b>	<b>0.7</b>	<b>-0.7%</b>	<b>100.0%</b>

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.  
 2. The department's compensation of employees budget has been reduced by R21.9 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.  
 3. Rand million.

## Departmental receipts

**Table 25.5 Departmental receipts by economic classification**

R thousand	Audited outcome				Adjusted estimate 2015/16	Revised estimate 2015/16	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
<b>Departmental receipts</b>	<b>668 662</b>	<b>1 097 542</b>	<b>930 728</b>	<b>668 650</b>	<b>668 650</b>		<b>100.0%</b>	<b>908 329</b>	<b>951 288</b>	<b>980 772</b>	<b>13.6%</b>	<b>100.0%</b>	
<b>Sales of goods and services produced by department</b>	<b>21</b>	<b>23</b>	<b>85</b>	<b>32</b>	<b>32</b>	<b>15.1%</b>	<b>-</b>	<b>20</b>	<b>21</b>	<b>22</b>	<b>-11.7%</b>	<b>-</b>	
Sales by market establishments	21	23	85	22	22	1.6%	-	20	21	22	-	-	
of which:													
Rental: Parking	21	23	85	22	22	1.6%	-	20	21	22	-	-	
Administrative fees	-	-	-	10	10	-	-	-	-	-	-100.0%	-	
of which:													
Other administrative fees	-	-	-	10	10	-	-	-	-	-	-100.0%	-	
<b>Fines, penalties and forfeits</b>	<b>617 344</b>	<b>1 037 454</b>	<b>880 361</b>	<b>618 549</b>	<b>618 549</b>	<b>0.1%</b>	<b>93.7%</b>	<b>858 159</b>	<b>901 067</b>	<b>930 500</b>	<b>14.6%</b>	<b>94.3%</b>	
<b>Interest, dividends and rent on land</b>	<b>50 106</b>	<b>50 229</b>	<b>50 237</b>	<b>50 049</b>	<b>50 049</b>		<b>6.0%</b>	<b>50 150</b>	<b>50 200</b>	<b>50 250</b>	<b>0.1%</b>	<b>5.7%</b>	
Interest	106	229	237	49	49	-22.7%	-	150	200	250	72.2%	-	
Dividends	50 000	50 000	50 000	50 000	50 000	-	5.9%	50 000	50 000	50 000	-	5.7%	
of which:													
Dividends from the Industrial Development Corporation	50 000	50 000	50 000	50 000	50 000	-	5.9%	50 000	50 000	50 000	-	5.7%	
<b>Transactions in financial assets and liabilities</b>	<b>1 191</b>	<b>9 836</b>	<b>45</b>	<b>20</b>	<b>20</b>	<b>-74.4%</b>	<b>0.3%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	
<b>Total</b>	<b>668 662</b>	<b>1 097 542</b>	<b>930 728</b>	<b>668 650</b>	<b>668 650</b>		<b>100.0%</b>	<b>908 329</b>	<b>951 288</b>	<b>980 772</b>	<b>13.6%</b>	<b>100.0%</b>	

## 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 (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand					2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Ministry	16 322	21 031	19 828	20 582	8.0%	24.5%	27 444	27 474	25 342	7.2%	31.3%
Office of the Director General	10 975	10 791	12 582	9 312	-5.3%	13.8%	10 089	10 108	10 419	3.8%	12.4%
Corporate Management Services	16 255	46 096	42 236	41 523	36.7%	46.0%	28 966	31 701	30 074	-10.2%	41.0%
Financial Management	11 843	13 383	12 772	11 806	-0.1%	15.7%	12 709	11 403	13 548	4.7%	15.3%
<b>Total</b>	<b>55 395</b>	<b>91 301</b>	<b>87 418</b>	<b>83 223</b>	<b>14.5%</b>	<b>100.0%</b>	<b>79 208</b>	<b>80 686</b>	<b>79 383</b>	<b>-1.6%</b>	<b>100.0%</b>
Change to 2015				-			(8 427)	(9 247)	(7 671)		
Budget estimate											
<b>Economic classification</b>											
<b>Current payments</b>	<b>53 477</b>	<b>88 681</b>	<b>74 496</b>	<b>80 917</b>	<b>14.8%</b>	<b>93.8%</b>	<b>76 981</b>	<b>80 199</b>	<b>77 037</b>	<b>-1.6%</b>	<b>97.7%</b>
Compensation of employees	30 885	38 087	39 531	42 816	11.5%	47.7%	45 804	44 918	42 718	-0.1%	54.7%
Goods and services	22 592	50 594	34 965	38 101	19.0%	46.1%	31 177	35 281	34 319	-3.4%	43.1%
of which:											
Administrative fees	60	411	241	237	58.1%	0.3%	328	351	377	16.7%	0.4%
Advertising	980	19 984	6 138	10 714	121.9%	11.9%	77	82	1 321	-50.2%	3.8%
Minor assets	70	225	62	92	9.5%	0.1%	119	127	136	13.9%	0.1%
Audit costs: External	2 633	3 210	3 037	3 430	9.2%	3.9%	3 250	3 477	3 721	2.8%	4.3%
Bursaries: Employees	87	123	97	274	46.6%	0.2%	120	132	144	-19.3%	0.2%
Catering: Departmental activities	669	315	117	72	-52.4%	0.4%	366	392	420	80.0%	0.4%
Communication	1 573	1 707	1 288	778	-20.9%	1.7%	1 523	1 628	1 743	30.8%	1.8%
Computer services	380	578	378	28	-58.1%	0.4%	389	529	566	172.4%	0.5%
Consultants: Business and advisory services	438	1 059	351	410	-2.2%	0.7%	616	660	705	19.8%	0.7%
Legal services	1 011	2 464	3 355	3 584	52.5%	3.3%	3 829	4 020	4 253	5.9%	4.9%
Contractors	312	358	154	138	-23.8%	0.3%	214	225	238	19.9%	0.3%
Agency and support/outsourced services	293	129	202	29	-53.7%	0.2%	208	223	238	101.7%	0.2%
Entertainment	23	5	9	(3)	-150.7%	-	12	13	14	-267.1%	-
Fleet services (including government motor transport)	483	968	1 076	723	14.4%	1.0%	842	901	963	10.0%	1.1%
Inventory: Clothing material and accessories	-	6	-	-	-	-	2	2	2	-	-
Inventory: Materials and supplies	15	9	4	14	-2.3%	-	11	12	8	-17.0%	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	4	-	-
Inventory: Other supplies	1	-	-	17	157.1%	-	-	-	-	-100.0%	-
Consumable supplies	9	242	89	36	58.7%	0.1%	113	121	130	53.4%	0.1%
Consumables: Stationery, printing and office supplies	1 491	1 291	969	919	-14.9%	1.5%	1 250	1 337	1 431	15.9%	1.5%
Operating leases	3 710	9 238	9 185	9 446	36.5%	10.0%	10 365	12 816	9 247	-0.7%	13.0%
Rental and hiring	9	25	-	-	-100.0%	-	11	12	13	-	-
Property payments	34	34	-	-	-100.0%	-	33	35	38	-	-
Transport provided: Departmental activity	-	57	-	-	-	-	19	20	22	-	-
Travel and subsistence	6 979	7 345	7 058	6 586	-1.9%	8.8%	5 891	6 477	6 791	1.0%	8.0%
Training and development	443	323	221	110	-37.1%	0.3%	978	1 035	1 095	115.1%	1.0%
Operating payments	657	431	871	459	-11.3%	0.8%	590	632	675	13.7%	0.7%
Venues and facilities	232	57	63	8	-67.5%	0.1%	21	22	24	44.2%	-
<b>Transfers and subsidies</b>	<b>112</b>	<b>202</b>	<b>10 488</b>	<b>60</b>	<b>-18.8%</b>	<b>3.4%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>
Departmental agencies and accounts	-	-	10 408	-	-	3.3%	-	-	-	-	-
Households	112	202	80	60	-18.8%	0.1%	-	-	-	-100.0%	-
<b>Payments for capital assets</b>	<b>1 806</b>	<b>2 391</b>	<b>2 434</b>	<b>2 244</b>	<b>7.5%</b>	<b>2.8%</b>	<b>2 227</b>	<b>487</b>	<b>2 346</b>	<b>1.5%</b>	<b>2.3%</b>
Machinery and equipment	1 705	2 363	2 434	1 754	0.9%	2.6%	2 184	441	2 297	9.4%	2.1%
Software and other intangible assets	101	28	-	490	69.3%	0.2%	43	46	49	-53.6%	0.2%
<b>Payments for financial assets</b>	<b>-</b>	<b>27</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>
<b>Total</b>	<b>55 395</b>	<b>91 301</b>	<b>87 418</b>	<b>83 223</b>	<b>14.5%</b>	<b>100.0%</b>	<b>79 208</b>	<b>80 686</b>	<b>79 383</b>	<b>-1.6%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	8.2%	11.8%	12.6%	9.4%	-	-	11.7%	11.3%	10.6%	-	-

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

Details of transfers and subsidies			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome						2016/17	2017/18	2018/19		
R thousand	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	
<b>Households</b>										
<b>Other transfers to households</b>										
Current	-	160	9	-	-	0.1%	-	-	-	-
Households	-	160	9	-	-	0.1%	-	-	-	-
<b>Departmental agencies and accounts</b>										
<b>Departmental agencies (non-business entities)</b>										
Current	-	-	10 408	-	-	3.3%	-	-	-	-
Public Service Sector Education and Training Authority	-	-	323	-	-	0.1%	-	-	-	-
Competition Commission	-	-	10 085	-	-	3.2%	-	-	-	-
<b>Households</b>										
<b>Social benefits</b>										
Current	112	42	71	60	-18.8%	0.1%	-	-	-	-100.0%
Households	112	42	71	60	-18.8%	0.1%	-	-	-	-100.0%

## Personnel information

**Table 25.7 Administration personnel numbers and cost by salary level<sup>1</sup> prior to Cabinet approved reduction, effective from 2017/18<sup>2</sup>; budget reductions and aggregate baseline total**

Number of posts estimated for 31 March 2016		Number and cost <sup>3</sup> 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 (%)		
		2014/15			2015/16			2016/17			2017/18			2018/19					2015/16 - 2018/19	
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	
<b>Administration</b>																				
Salary level	82	-	81	39.5	0.5	82	42.8	0.5	82	45.8	0.6	82	49.0	0.6	82	49.0	0.6	-	100.0%	
1 – 6	23	-	23	4.3	0.2	23	5.3	0.2	23	4.8	0.2	23	5.1	0.2	23	5.3	0.2	-	28.0%	
7 – 10	21	-	21	6.7	0.3	21	8.2	0.4	23	8.4	0.4	23	8.9	0.4	23	9.3	0.4	3.1%	27.4%	
11 – 12	22	-	19	9.5	0.5	19	10.3	0.5	19	13.4	0.7	19	14.1	0.7	19	14.0	0.7	-	23.2%	
13 – 16	14	-	16	15.5	1.0	17	16.0	0.9	15	16.2	1.1	15	17.9	1.2	15	17.2	1.1	-4.1%	18.9%	
Other	2	-	2	3.5	1.8	2	3.0	1.5	2	2.9	1.5	2	3.2	1.6	2	3.1	1.6	-	2.4%	
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(4.1)	-	-	(6.3)	-	-	-	
Total	82	-	81	39.5	0.5	82	42.8	0.5	82	45.8	0.6	-	44.9	-	-	42.7	-	-	-	

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

2. This programme's compensation of employees budget has been reduced by R10.4 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

## Programme 2: Growth Path and Social Dialogue

### Programme purpose

Strengthen the economic development capacity of government. Align 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 and 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 (%)		Medium-term expenditure estimate			Average growth rate (%)		
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	
R thousand												
Growth Path and Job Drivers	11 575	23 886	12 776	16 402	12.3%	60.9%	25 065	25 742	24 853	14.9%	66.2%	
Social Dialogue, Productivity and Innovation	8 981	11 697	9 266	11 487	8.5%	39.1%	10 943	9 867	14 734	8.7%	33.8%	
<b>Total</b>	<b>20 556</b>	<b>35 583</b>	<b>22 042</b>	<b>27 889</b>	<b>10.7%</b>	<b>100.0%</b>	<b>36 008</b>	<b>35 609</b>	<b>39 587</b>	<b>12.4%</b>	<b>100.0%</b>	
Change to 2015 Budget estimate				-			6 018	3 009	(6 838)			
<b>Economic classification</b>												
<b>Current payments</b>	<b>20 533</b>	<b>25 295</b>	<b>21 833</b>	<b>27 704</b>	<b>10.5%</b>	<b>89.9%</b>	<b>35 493</b>	<b>35 058</b>	<b>38 997</b>	<b>12.1%</b>	<b>98.7%</b>	
Compensation of employees	13 747	17 739	18 413	23 339	19.3%	69.0%	30 137	29 533	32 296	11.4%	82.9%	
Goods and services	6 786	7 556	3 420	4 365	-13.7%	20.9%	5 356	5 525	6 701	15.4%	15.8%	
of which:												
Administrative fees	64	176	236	96	14.5%	0.5%	158	169	181	23.5%	0.4%	
Advertising	14	42	-	-	-100.0%	0.1%	19	20	22	-	-	
Minor assets	4	-	-	9	31.0%	-	1	1	2	-39.4%	-	
Catering: Departmental activities	476	967	200	151	-31.8%	1.7%	547	586	628	60.8%	1.4%	
Communication	230	389	85	160	-11.4%	0.8%	235	251	269	18.9%	0.7%	
Computer services	164	524	1 234	24	-47.3%	1.8%	641	686	733	212.6%	1.5%	
Consultants: Business and advisory services	1 006	362	-	28	-69.7%	1.3%	456	88	522	165.2%	0.8%	
Contractors	130	306	30	-	-100.0%	0.4%	122	130	138	-	0.3%	
Entertainment	-	15	-	-	-	-	5	5	6	-	-	
Fleet services (including government motor transport)	-	7	3	6	-	-	3	3	4	-12.6%	-	
Inventory: Clothing material and accessories	-	-	31	-	-	-	10	11	12	-	-	
Inventory: Materials and supplies	-	1	-	-	-	-	-	-	-	-	-	
Consumable supplies	20	67	5	3	-46.9%	0.1%	31	33	35	126.8%	0.1%	
Consumables: Stationery, printing and office supplies	392	324	18	201	-20.0%	0.9%	244	262	281	11.8%	0.7%	
Rental and hiring	19	285	10	-	-100.0%	0.3%	104	112	120	-	0.2%	
Property payments	-	12	-	-	-	-	4	4	5	-	-	
Transport provided: Departmental activity	-	12	-	-	-	-	4	5	5	-	-	
Travel and subsistence	2 459	2 195	1 157	1 782	-10.2%	7.2%	1 408	1 699	2 176	6.9%	5.1%	
Operating payments	200	724	135	265	9.8%	1.2%	353	378	404	15.1%	1.0%	
Venues and facilities	1 608	1 148	276	1 640	0.7%	4.4%	1 011	1 082	1 158	-11.0%	3.5%	
<b>Transfers and subsidies</b>	<b>23</b>	<b>9 084</b>	<b>78</b>	<b>21</b>	<b>-3.0%</b>	<b>8.7%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	
Public corporations and private enterprises	-	9 000	-	-	-	8.5%	-	-	-	-	-	
Households	23	84	78	21	-3.0%	0.2%	-	-	-	-100.0%	-	
<b>Payments for capital assets</b>	<b>-</b>	<b>1 204</b>	<b>131</b>	<b>164</b>	<b>-</b>	<b>1.4%</b>	<b>515</b>	<b>551</b>	<b>590</b>	<b>53.2%</b>	<b>1.3%</b>	
Machinery and equipment	-	100	131	164	-	0.4%	147	157	169	1.0%	0.5%	
Software and other intangible assets	-	1 104	-	-	-	1.0%	368	394	421	-	0.9%	
<b>Total</b>	<b>20 556</b>	<b>35 583</b>	<b>22 042</b>	<b>27 889</b>	<b>10.7%</b>	<b>100.0%</b>	<b>36 008</b>	<b>35 609</b>	<b>39 587</b>	<b>12.4%</b>	<b>100.0%</b>	
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>3.1%</b>	<b>4.6%</b>	<b>3.2%</b>	<b>3.1%</b>	<b>-</b>	<b>-</b>	<b>5.3%</b>	<b>5.0%</b>	<b>5.3%</b>	<b>-</b>	<b>-</b>	
<b>Details of transfers and subsidies</b>												
<b>Households</b>												
<b>Social benefits</b>												
Current	23	84	78	21	-3.0%	0.2%	-	-	-	-100.0%	-	
Households	23	84	78	21	-3.0%	0.2%	-	-	-	-100.0%	-	
<b>Public corporations and private enterprises</b>												
<b>Public corporations</b>												
<b>Public corporations - subsidies on products and production</b>												
Current	-	9 000	-	-	-	8.5%	-	-	-	-	-	
Small Enterprise Finance Agency	-	9 000	-	-	-	8.5%	-	-	-	-	-	

## Personnel information

**Table 25.9 Growth Path and Social Dialogue personnel numbers and cost by salary level<sup>1</sup> prior to Cabinet approved reduction, effective from 2017/18<sup>2</sup>; budget reductions and aggregate baseline total**

Number of posts estimated for 31 March 2016		Number and cost <sup>3</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual 2014/15			Revised estimate 2015/16			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	2016/17		2017/18		2018/19				2015/16 - 2018/19			
<b>Growth Path and Social Dialogue</b>																			
Salary level	41	–	35	18.4	0.5	35	23.3	0.7	38	30.1	0.8	38	32.2	0.8	38	37.1	1.0	2.8%	100.0%
7 – 10	9	–	9	2.4	0.3	9	4.3	0.5	10	4.0	0.4	10	4.7	0.5	10	5.8	0.6	-3.6%	26.2%
11 – 12	9	–	7	2.8	0.4	7	3.9	0.6	11	7.4	0.7	11	7.9	0.7	11	9.9	0.9	16.3%	26.8%
13 – 16	23	–	19	13.3	0.7	19	15.1	0.8	17	18.8	1.1	17	19.6	1.2	17	21.4	1.3	-3.6%	47.0%
Reduction	–	–	–	–	–	–	–	–	–	–	–	–	(2.7)	–	–	(4.8)	–	–	–
<b>Total</b>	<b>41</b>	<b>–</b>	<b>35</b>	<b>18.4</b>	<b>0.5</b>	<b>35</b>	<b>23.3</b>	<b>0.7</b>	<b>38</b>	<b>30.1</b>	<b>0.8</b>	<b>–</b>	<b>29.5</b>	<b>–</b>	<b>–</b>	<b>32.3</b>	<b>–</b>	<b>–</b>	<b>–</b>

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

2. This programme's compensation of employees budget has been reduced by R7.5 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

## Programme 3: Investment, Competition and Trade

### Programme purpose

Coordinate infrastructure development. Provide oversight and coordinate policy regarding identified development finance institutions and economic regulatory bodies.

### Objectives

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

### Subprogrammes

- *Development Investment, Industrial Funding and Entrepreneurship* focuses on unblocking productive investments and overseeing the development finance institutions that fall under the department.
- *Competition, Trade and other Economic Regulation* focuses on strengthening the economic regulators and overseeing the regulatory bodies that fall under the department.
- *Infrastructure Development Coordination* provides 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 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2012/13 - 2015/16	Expenditure/Total: Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19	Expenditure/Total: Average (%)
R thousand											
Development Investment, Industrial Funding and Entrepreneurship	306 938	347 708	273 563	417 437	10.8%	51.7%	217 510	228 112	241 189	-16.7%	43.1%
Competition, Trade and other Economic Regulation	250 396	277 453	302 122	332 640	9.9%	44.7%	319 836	352 189	375 763	4.1%	53.8%
Infrastructure Development Coordination	40 188	19 350	9 767	24 589	-15.1%	3.6%	22 099	17 689	15 083	-15.0%	3.1%
<b>Total</b>	<b>597 522</b>	<b>644 511</b>	<b>585 452</b>	<b>774 666</b>	<b>9.0%</b>	<b>100.0%</b>	<b>559 445</b>	<b>597 990</b>	<b>632 035</b>	<b>-6.6%</b>	<b>100.0%</b>
Change to 2015 Budget estimate							(8 591)	(7 329)	(4 552)		
<b>Economic classification</b>											
<b>Current payments</b>	<b>46 608</b>	<b>25 722</b>	<b>19 926</b>	<b>32 245</b>	<b>-11.6%</b>	<b>4.8%</b>	<b>30 495</b>	<b>25 955</b>	<b>23 518</b>	<b>-10.0%</b>	<b>4.4%</b>
Compensation of employees	17 442	15 077	17 744	21 660	7.5%	2.8%	18 054	16 623	16 788	-8.1%	2.9%
Goods and services	29 166	10 645	2 182	10 585	-28.7%	2.0%	12 441	9 332	6 730	-14.0%	1.5%
of which:											
Administrative fees	65	75	46	59	-3.2%	-	62	66	70	5.9%	-
Advertising	15 078	61	-	-	-100.0%	0.6%	5 046	1 418	-	-	0.3%
Minor assets	-	-	-	26	-	-	-	-	-	-100.0%	-
Catering: Departmental activities	915	114	93	129	-48.0%	-	374	400	428	49.1%	0.1%
Communication	290	244	98	65	-39.3%	-	211	226	241	54.8%	-
Consultants: Business and advisory services	46	2 745	21	8 629	472.4%	0.4%	937	1 002	1 073	-50.1%	0.5%
Legal services	-	4 300	-	-	-	0.2%	-	-	-	-	-
Contractors	5 628	41	53	-	-100.0%	0.2%	1 837	1 966	366	-	0.2%
Entertainment	8	4	-	-	-100.0%	-	5	5	5	-	-
Fleet services (including government motor transport)	2	1	6	8	58.7%	-	3	3	4	-20.6%	-
Inventory: Clothing material and accessories	-	1	398	-	-	-	133	142	152	-	-
Consumable supplies	2	20	6	1	-20.6%	-	9	10	11	122.4%	-
Consumables: Stationery, printing and office supplies	241	115	48	212	-4.2%	-	132	142	152	-10.5%	-
Rental and hiring	20	-	-	-	-100.0%	-	7	7	8	-	-
Property payments	-	10	-	-	-	-	3	4	4	-	-
Transport provided: Departmental activity	-	-	1	-	-	-	-	-	-	-	-
Travel and subsistence	3 579	2 300	1 346	1 347	-27.8%	0.3%	2 358	2 524	2 700	26.1%	0.3%
Training and development	7	-	-	-	-100.0%	-	2	2	3	-	-
Operating payments	726	391	62	65	-55.3%	-	393	421	450	90.6%	0.1%
Venues and facilities	2 559	223	4	44	-74.2%	0.1%	929	994	1 063	189.1%	0.1%
<b>Transfers and subsidies</b>	<b>550 914</b>	<b>618 789</b>	<b>565 379</b>	<b>742 245</b>	<b>10.4%</b>	<b>95.2%</b>	<b>528 781</b>	<b>571 854</b>	<b>608 324</b>	<b>-6.4%</b>	<b>95.6%</b>
Departmental agencies and accounts	249 220	273 603	296 412	330 848	9.9%	44.2%	315 657	348 074	371 565	3.9%	53.3%
Higher education institutions	12 280	-	-	-	-100.0%	0.5%	-	-	-	-	-
Public corporations and private enterprises	289 327	344 979	268 845	411 397	12.4%	50.5%	213 124	223 780	236 759	-16.8%	42.3%
Non-profit institutions	-	-	60	-	-	-	-	-	-	-	-
Households	87	207	62	-	-100.0%	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>147</b>	<b>176</b>	<b>-</b>	<b>-</b>	<b>169</b>	<b>181</b>	<b>193</b>	<b>3.1%</b>	<b>-</b>
Machinery and equipment	-	-	147	176	-	-	169	181	193	3.1%	-
<b>Total</b>	<b>597 522</b>	<b>644 511</b>	<b>585 452</b>	<b>774 666</b>	<b>9.0%</b>	<b>100.0%</b>	<b>559 445</b>	<b>597 990</b>	<b>632 035</b>	<b>-6.6%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>88.7%</b>	<b>83.6%</b>	<b>84.2%</b>	<b>87.5%</b>	<b>-</b>	<b>-</b>	<b>82.9%</b>	<b>83.7%</b>	<b>84.2%</b>	<b>-</b>	<b>-</b>
<b>Details of transfers and subsidies</b>											
<b>Households</b>											
<b>Other transfers to households</b>											
Current	-	30	-	-	-	-	-	-	-	-	-
Households	-	30	-	-	-	-	-	-	-	-	-
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
Current	<b>249 220</b>	<b>273 603</b>	<b>296 412</b>	<b>330 848</b>	<b>9.9%</b>	<b>44.2%</b>	<b>315 657</b>	<b>348 074</b>	<b>371 565</b>	<b>3.9%</b>	<b>53.3%</b>
Competition Commission	157 211	176 888	188 127	223 045	12.4%	28.6%	208 541	218 968	231 668	1.3%	34.4%
Competition Tribunal	15 798	16 945	19 911	19 102	6.5%	2.8%	20 115	30 041	35 086	22.5%	4.1%
International Trade Administration Commission	74 403	79 770	88 374	88 701	6.0%	12.7%	87 001	99 065	104 811	5.7%	14.8%
Council for Scientific and Industrial Research	1 808	-	-	-	-100.0%	0.1%	-	-	-	-	-

**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 (%)
		2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand												
<b>Households</b>												
<b>Social benefits</b>												
<b>Current</b>												
Households		87	177	62	-	-100.0%	-	-	-	-	-	-
<b>Public corporations and private enterprises</b>												
<b>Public corporations</b>												
<b>Other transfers to public corporations</b>												
<b>Current</b>												
Small Enterprise Finance Agency		289 327	344 979	268 845	411 397	12.4%	50.5%	213 124	223 780	236 759	-16.8%	42.3%
Industrial Development Corporation		171 330	236 979	268 845	406 397	33.4%	41.6%	213 124	223 780	236 759	-16.5%	42.1%
South African Institute of Chartered Accountants		109 000	108 000	-	5 000	-64.2%	8.5%	-	-	-	-100.0%	0.2%
		8 997	-	-	-	-100.0%	0.3%	-	-	-	-	-
<b>Higher education institutions</b>												
<b>Current</b>												
University of the Witwatersrand: Economic development capacity building course: Municipalities		12 280	-	-	-	-100.0%	0.5%	-	-	-	-	-
University of Johannesburg: Academy for social economy		2 280	-	-	-	-100.0%	0.1%	-	-	-	-	-
		10 000	-	-	-	-100.0%	0.4%	-	-	-	-	-
<b>Non-profit institutions</b>												
<b>Current</b>												
Non-profit organisations		-	-	60	-	-	-	-	-	-	-	-
		-	-	60	-	-	-	-	-	-	-	-

## Personnel information

**Table 25.11 Investment, Competition and Trade personnel numbers and cost by salary level<sup>1</sup> prior to Cabinet approved reduction, effective from 2017/18<sup>2</sup>; budget reductions and aggregate baseline total**

Number of posts estimated for 31 March 2016		Number and cost <sup>3</sup> 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 (%)				
		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
<b>Investment, Competition and Trade</b>																			
Salary level	43	-	33	17.7	0.5	33	21.7	0.7	27	18.1	0.7	27	18.1	0.7	27	19.3	0.7	-6.5%	100.0%
7 – 10	6	-	6	1.7	0.3	6	2.2	0.4	5	1.6	0.3	5	1.6	0.3	5	2.0	0.4	-5.9%	18.4%
11 – 12	8	-	7	3.1	0.4	7	4.0	0.6	8	5.0	0.6	8	4.8	0.6	8	5.1	0.6	4.6%	27.2%
13 – 16	29	-	20	12.9	0.6	20	15.5	0.8	14	11.4	0.8	14	11.7	0.8	14	12.2	0.9	-11.2%	54.4%
<b>Reduction</b>	-	-	-	-	-	-	-	-	-	-	-	-	(1.5)	-	-	(2.5)	-	-	-
<b>Total</b>	<b>43</b>	<b>-</b>	<b>33</b>	<b>17.7</b>	<b>0.5</b>	<b>33</b>	<b>21.7</b>	<b>0.7</b>	<b>27</b>	<b>18.1</b>	<b>0.7</b>	<b>-</b>	<b>16.6</b>	<b>-</b>	<b>-</b>	<b>16.8</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

2. This programme's compensation of employees budget has been reduced by R4 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

## Entities

### Industrial Development Corporation

#### Mandate

The Industrial Development Corporation of South Africa is a national development finance institution established in terms of the Industrial Development Act (1940) with the objective of leading industrial capacity development. This entails aligning its priorities with those identified in terms of government policies and programmes related to industrial development, including 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		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Value of funding disbursed per year	Administration	Outcome 4: Decent employment through inclusive economic growth	R16bn	R11.2bn	R10.9bn	R12.5bn	R14.3bn	R15bn	R16.2bn
Number of jobs expected to be created or saved per year	Administration		24 223	19 689	20 388	14 062	17 805	18 968	20 000
Value of funding to black industrialists per year	Administration		– <sup>1</sup>	– <sup>1</sup>	R2.1bn	R2bn	R2.6bn	R3bn	R3.5bn
Funding for localisation initiatives per year	Administration		– <sup>1</sup>	– <sup>1</sup>	R2.8bn	R1.5bn	R2.5bn	R3bn	R3.5bn
Turnaround time for non-complex transactions	Administration		– <sup>1</sup>	18 days	14 days	17 days	17 days	17 days	17 days

1. No historical data is available as these are new indicators.

## Expenditure analysis

The Industrial Development Corporation of South Africa is a self-financing national development finance institution whose primary objectives are to contribute to the generation of balanced, sustainable economic growth in Africa, and the economic empowerment of the South African population. Thus, the corporation's focus over the medium term will continue to be on the development of industrial capacity that is balanced with long term sustainability.

The corporation began implementing Project Evolve in April 2015 as a response to the need to strengthen industrialisation efforts towards the achievement of the long term goals of the national development plan, and the economic objectives of the new growth path, the industrial policy action plan, the agricultural policy action plan, and the national infrastructure plan. The intention of the project is to ensure that the corporation focuses its activities on industrial sectors that have significant potential for economic growth. It seeks to improve systems and processes to ensure greater responsiveness and more effective delivery of services to clients. This is also in line with outcome 4 (decent employment through inclusive economic growth) of government's 2014-2019 medium term strategic framework, which articulates the importance of increasing production and employment.

As a development finance institution, the corporation plans to be more proactive when investing in competitive value chains of the economy (particularly the metals and mining value chain, the chemicals value chain, and the agro-processing and agriculture value chain) to increase their potential to create jobs in the long term, and will seek to identify emerging industries that hold potential for South Africa. The corporation aims to play a greater role in ensuring that a more enabling environment is created for industrial development through engaging on policy issues, pursuing strategies within the companies it invests in to facilitate outcomes that are aligned with its mandate, and investing in industrial infrastructure to unlock industrial development. Through these efforts, the corporation envisages that 56 773 jobs will be created or saved over the medium term.

To assist in creating an environment in which industry can thrive, the corporation plans to develop prioritised industries proactively through the provision of finance and project development, and close cooperation with other industry stakeholders, including government and the private sector. In line with its commitment to support the implementation of the new growth path and the industrial policy action plan, investment over the medium term will continue to focus on manufacturing, green industries, mining and minerals beneficiation, and the agricultural value chain. To do this, the corporation is targeting funding approvals of between R85 billion and R100 billion over 5 years.

The corporation plans are to support the development of black industrialists to facilitate their participation in the productive sectors of the economy and assist in steering industrial development. Expenditure for the funding of black industrialists is estimated at R23 billion over the medium term.

Investments over the medium term are funded through new borrowings, the repayment of existing loans, the disposal of mature investments, and retained income. The corporation generates revenue mainly from the sale of investments and related interest and dividends. Revenue over the medium term is expected to increase from R20.4 billion in 2015/16 to R25.4 billion in 2018/19, mainly as a result of interest income as the corporation increases the levels of funding it provides to drive industrial development.

As a result of the drive to increase its operational efficiency, the number of personnel the corporation employs is expected to remain constant at 816 over the medium term.

## Programmes/objectives/activities

Table 25.13 Industrial Development Corporation 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 (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
Administration	12 611 000	18 378 000	20 478 000	20 577 855	17.7%	100.0%	21 780 130	22 869 137	24 686 658	6.3%	100.0%
<b>Total</b>	<b>12 611 000</b>	<b>18 378 000</b>	<b>20 478 000</b>	<b>20 577 855</b>	<b>17.7%</b>	<b>100.0%</b>	<b>21 780 130</b>	<b>22 869 137</b>	<b>24 686 658</b>	<b>6.3%</b>	<b>100.0%</b>

## 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	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Outcome/ Budget Average (%)
	Budget	2012/13	Budget	2013/14	Budget	2014/15			
<b>Revenue</b>									
<b>Non-tax revenue</b>	11 815 295	14 420 020	18 546 000	19 790 021	20 697 735	21 443 155	22 424 731	19 967 854	102.9%
Sale of goods and services other than capital assets	7 500 000	8 603 020	6 500 000	13 908 021	13 629 735	14 005 155	15 017 731	14 615 901	119.9%
<i>of which:</i>									
Administrative fees	–	632 000	–	545 000	710 115	707 000	285 000	684 803	258.1%
Sales by market establishment	–	–	–	–	–	–	–	33 053	–
Other sales	7 500 000	7 971 020	6 500 000	13 363 021	12 919 620	13 298 155	14 732 731	13 898 045	116.5%
Other non-tax revenue	4 315 295	5 817 000	12 046 000	5 882 000	7 068 000	7 438 000	7 407 000	5 351 953	79.4%
<b>Transfers received</b>	<b>108 000</b>	<b>168 980</b>	<b>338 979</b>	<b>230 979</b>	<b>242 604</b>	<b>283 845</b>	<b>292 604</b>	<b>407 103</b>	<b>111.1%</b>
<b>Total revenue</b>	<b>11 923 295</b>	<b>14 589 000</b>	<b>18 884 979</b>	<b>20 021 000</b>	<b>21 011 126</b>	<b>22 131 000</b>	<b>22 717 335</b>	<b>20 374 957</b>	<b>103.5%</b>
<b>Expenses</b>									
<b>Current expenses</b>	<b>7 912 460</b>	<b>12 545 000</b>	<b>11 018 813</b>	<b>17 740 000</b>	<b>19 269 908</b>	<b>20 309 000</b>	<b>19 807 604</b>	<b>20 297 555</b>	<b>122.2%</b>
Compensation of employees	1 753 509	723 203	1 919 860	843 000	887 757	885 150	926 000	926 000	61.6%
Goods and services	5 208 951	10 691 797	7 800 425	15 337 000	17 112 483	17 423 850	17 041 869	16 431 455	127.0%
Depreciation	350 000	441 000	383 528	534 000	495 508	598 000	588 735	576 192	118.2%
Interest, dividends and rent on land	600 000	689 000	915 000	1 026 000	774 160	1 402 000	1 251 000	2 363 908	154.8%
<b>Transfers and subsidies</b>	<b>–</b>	<b>–</b>	<b>55 464</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total expenses</b>	<b>8 191 720</b>	<b>12 611 000</b>	<b>11 227 776</b>	<b>18 378 000</b>	<b>19 755 220</b>	<b>20 478 000</b>	<b>19 963 604</b>	<b>20 577 855</b>	<b>121.8%</b>
<b>Surplus/(Deficit)</b>	<b>3 731 575</b>	<b>1 978 000</b>	<b>7 657 203</b>	<b>1 643 000</b>	<b>1 255 906</b>	<b>1 653 000</b>	<b>2 753 731</b>	<b>(202 898)</b>	<b>–</b>
Statement of financial position									
Carrying value of assets	4 730 000	8 295 000	5 241 000	9 401 000	5 646 000	10 557 000	10 540 633	10 540 633	148.3%
Acquisition of assets	(704 000)	(1 538 000)	(1 630 280)	(1 549 000)	(1 728 097)	(1 268 000)	(1 675 340)	(1 675 340)	105.1%
Investments	79 411 000	84 116 000	95 231 000	92 363 000	92 652 000	73 179 000	97 751 343	97 751 343	95.2%
Inventory	1 300 000	3 390 000	2 100 000	3 854 000	2 310 000	3 853 000	4 249 035	4 249 035	154.1%
Loans	26 297 000	18 666 000	23 500 000	20 818 000	33 608 000	22 412 000	17 984 992	17 984 992	78.8%
Receivables and prepayments	1 200 000	2 961 000	1 450 000	3 813 000	1 595 000	3 702 000	4 203 833	4 203 833	173.7%
Cash and cash equivalents	878 315	9 009 000	3 636 000	7 877 000	5 655 399	8 257 000	10 152 000	10 152 000	173.7%
Taxation	–	399 000	120 000	396 000	132 000	325 000	433 500	433 500	226.6%
Derivatives financial instruments	255 000	49 000	–	71 000	–	4 000	–	–	48.6%
<b>Total assets</b>	<b>114 071 315</b>	<b>126 885 000</b>	<b>131 278 000</b>	<b>138 593 000</b>	<b>141 598 399</b>	<b>122 289 000</b>	<b>145 315 335</b>	<b>145 315 335</b>	<b>100.2%</b>
Accumulated surplus/(deficit)	23 116 175	35 744 000	37 719 000	37 415 000	39 763 440	39 187 000	40 269 910	40 269 910	108.3%
Capital and reserves	79 000 000	61 196 000	55 320 000	69 569 000	55 485 359	50 735 000	69 856 543	69 856 543	96.8%
Borrowings	6 500 000	19 033 000	25 876 000	21 456 000	33 938 000	24 049 000	23 991 660	23 991 660	98.0%
Trade and other payables	2 200 000	3 190 000	2 286 000	3 560 000	2 514 600	3 748 000	3 924 900	3 924 900	132.0%
Taxation	–	6 526 000	9 500 000	5 528 000	9 310 000	3 372 000	6 094 620	6 094 620	86.4%
Provisions	230 000	1 134 000	300 000	1 015 000	530 000	1 124 000	1 119 038	1 119 038	201.6%
Managed funds (e.g. poverty alleviation fund)	2 942 140	56 000	57 000	24 000	57 000	18 000	30 000	30 000	4.1%
Derivatives financial instruments	–	6 000	–	26 000	–	56 000	28 665	28 665	407.0%
<b>Total equity and liabilities</b>	<b>113 988 315</b>	<b>126 885 000</b>	<b>131 058 000</b>	<b>138 593 000</b>	<b>141 598 399</b>	<b>122 289 000</b>	<b>145 315 335</b>	<b>145 315 335</b>	<b>100.2%</b>

## 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 (%)
R thousand					2015/16	2012/13 - 2015/16	2016/17		
<b>Revenue</b>									
<b>Non-tax revenue</b>		<b>19 967 854</b>	<b>11.5%</b>	<b>98.1%</b>	<b>23 834 367</b>	<b>25 546 836</b>	<b>25 089 345</b>	<b>7.9%</b>	<b>98.8%</b>
Sale of goods and services other than capital assets		14 615 901	19.3%	65.9%	15 774 367	16 555 836	17 331 014	5.8%	67.5%
of which:									
Administrative fees		684 803	2.7%	3.4%	305 000	313 000	794 722	5.1%	2.2%
Sales by market establishment		33 053	-	0.0%	-	-	14 789	-23.5%	0.1%
Other sales		13 898 045	20.4%	62.4%	15 469 367	16 242 836	16 521 503	5.9%	65.2%
Other non-tax revenue		5 351 953	-2.7%	32.3%	8 060 000	8 991 000	7 758 331	13.2%	31.3%
<b>Transfers received</b>		<b>407 103</b>	<b>34.1%</b>	<b>1.4%</b>	<b>213 124</b>	<b>223 780</b>	<b>293 577</b>	<b>-10.3%</b>	<b>1.2%</b>
<b>Total revenue</b>		<b>20 374 957</b>	<b>11.8%</b>	<b>100.0%</b>	<b>24 047 491</b>	<b>25 770 616</b>	<b>25 382 922</b>	<b>7.6%</b>	<b>100.0%</b>
<b>Expenses</b>									
<b>Current expenses</b>		<b>20 297 555</b>	<b>17.4%</b>	<b>98.5%</b>	<b>21 447 835</b>	<b>22 572 327</b>	<b>24 475 121</b>	<b>6.4%</b>	<b>149.6%</b>
Compensation of employees		926 000	8.6%	4.8%	975 878	1 024 672	1 075 905	5.1%	4.5%
Goods and services		16 431 455	15.4%	83.3%	17 663 786	18 236 575	18 539 962	4.1%	78.9%
Depreciation		576 192	9.3%	3.0%	618 172	649 080	685 913	6.0%	2.8%
Interest, dividends and rent on land		2 363 908	50.8%	7.3%	2 190 000	2 662 000	4 173 341	20.9%	12.5%
<b>Transfers and subsidies</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44 436</b>	<b>-</b>	<b>0.0%</b>
<b>Total expenses</b>		<b>20 577 855</b>	<b>17.7%</b>	<b>100.0%</b>	<b>21 780 130</b>	<b>22 869 137</b>	<b>24 686 658</b>	<b>6.3%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>		<b>(202 898)</b>	<b>(1)</b>	<b>-</b>	<b>2 267 361</b>	<b>2 901 479</b>	<b>696 264</b>	<b>-250.8%</b>	<b>-</b>
<b>Statement of financial position</b>									
Carrying value of assets		10 540 633	8.3%	7.3%	11 168 924	11 834 704	8 643 014	-6.4%	6.7%
of which:									
Acquisition of assets		(1 675 340)	2.9%	-1.1%	(1 757 807)	(1 844 397)	(1 951 372)	5.2%	-1.1%
Investments		97 751 343	5.1%	65.0%	103 052 260	106 088 473	173 022 582	21.0%	72.9%
Inventory		4 249 035	7.8%	2.9%	4 461 487	4 684 561	3 665 881	-4.8%	2.7%
Loans		17 984 992	-1.2%	15.1%	16 408 655	17 592 850	1 791 324	-53.6%	8.9%
Receivables and prepayments		4 203 833	12.4%	2.8%	4 414 024	4 634 725	4 092 372	-0.9%	2.7%
Cash and cash equivalents		10 152 000	4.1%	6.6%	9 810 000	9 688 000	6 803 278	-12.5%	5.8%
Non-current assets held for sale		-	-	-	-	-	12 635	-	0.0%
Taxation		433 500	2.8%	0.3%	461 190	490 680	727 347	18.8%	0.3%
<b>Total assets</b>		<b>145 315 335</b>	<b>4.6%</b>	<b>100.0%</b>	<b>149 776 539</b>	<b>155 013 994</b>	<b>198 758 432</b>	<b>11.0%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)		40 269 910	4.1%	28.7%	42 537 271	45 438 750	22 364 599	-17.8%	24.2%
Capital and reserves		69 856 543	4.5%	47.0%	66 249 792	65 265 943	98 607 190	12.2%	46.0%
Capital reserve fund		-	-	-	-	-	326 181	-	0.0%
Borrowings		23 991 660	8.0%	16.7%	29 233 893	31 967 438	60 310 855	36.0%	21.7%
Finance lease		-	-	-	-	-	14 857	-	0.0%
Trade and other payables		3 924 900	7.2%	2.7%	4 121 145	4 327 202	3 867 955	-0.5%	2.5%
Taxation		6 094 620	-2.3%	4.0%	6 399 351	6 719 319	12 071 515	25.6%	4.7%
Provisions		1 119 038	-0.4%	0.8%	1 174 989	1 233 739	762 327	-12.0%	0.7%
Managed funds (e.g. poverty alleviation fund)		30 000	-18.8%	0.0%	30 000	30 000	-	-100.0%	0.0%
Derivatives financial instruments		28 665	68.4%	0.0%	30 098	31 603	432 953	147.2%	0.1%
<b>Total equity and liabilities</b>		<b>145 315 335</b>	<b>4.6%</b>	<b>100.0%</b>	<b>149 776 539</b>	<b>155 013 994</b>	<b>198 758 432</b>	<b>90.6%</b>	<b>100.0%</b>

## Personnel information

**Table 25.16 Industrial Development Corporation personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2016		Number and cost <sup>1</sup> 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 (%)				
		2014/15		Unit Cost	2015/16		Unit Cost	2016/17		2017/18		2018/19				2015/16 - 2018/19			
Industrial Development Corporation		Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost			
Salary level	816	816	816	885.1	1.1	816	926.0	1.1	816	975.9	1.2	816	1 024.7	1.3	816	1 075.9	1.3	5.1%	100.0%
1 – 6	32	32	32	5.9	0.2	32	6.2	0.2	32	6.5	0.2	32	6.8	0.2	32	7.1	0.2	5.1%	3.9%
7 – 10	294	294	294	145.7	0.5	294	152.4	0.5	294	160.7	0.5	294	168.7	0.6	294	177.1	0.6	5.1%	36.0%
11 – 12	219	219	219	242.7	1.1	219	253.9	1.2	219	267.6	1.2	219	280.9	1.3	219	295.0	1.3	5.1%	26.8%
13 – 16	260	260	260	446.6	1.7	260	467.3	1.8	260	492.4	1.9	260	517.1	2.0	260	542.9	2.1	5.1%	31.9%
17 – 22	11	11	11	44.2	4.0	11	46.3	4.2	11	48.8	4.4	11	51.2	4.7	11	53.7	4.9	5.1%	1.3%

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 <sup>1</sup>			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Average turnaround time for phase 1 merger investigations	Mergers and acquisitions	Outcome 6: An efficient, competitive and responsive economic infrastructure network	-	-	-	20 days	20 days	20 days	20 days
Average turnaround time for phase 2 merger investigations	Mergers and acquisitions		-	-	-	45 days	45 days	45 days	45 days
Average turnaround time for phase 3 intermediate merger investigations	Mergers and acquisitions		-	-	-	60 days	60 days	60 days	60 days
Average turnaround time for phase 3 large merger investigations	Mergers and acquisitions		-	-	-	120 days	120 days	120 days	120 days
Percentage of imposed remedies and conditions monitored	Mergers and acquisitions		-	-	-	100%	100%	100%	100%
Number of abuse of dominance conduct cases initiated per year	Enforcements and exemptions		-	-	-	2	3	3	4
Number of abuse of dominance cases referred to the Competition Tribunal per year	Enforcements and exemptions		-	-	-	2	2	2	2
Number of cartel investigations initiated in priority sectors per year	Cartel		-	-	-	10	12	14	16
Number of market inquiries initiated per year	Policy and research		-	-	-	2	1	2	3
Number of market inquiries completed per year	Policy and research		-	-	-	1	1	1	1
Percentage of merger decisions upheld by the Competition Tribunal and/or courts	Legal services	-	-	-	75%	75%	75%	75%	
Percentage of cartel cases won at the Competition Tribunal and the courts per year	Legal services	-	-	-	70%	75%	80%	85%	
Percentage of abuse of dominance cases won at the Competition Tribunal and the courts per year	Legal services	-	-	-	50%	50%	50%	50%	
Percentage of advisory opinions issued within 3 months per year	Legal services	-	-	-	60%	65%	70%	75%	

1. No historical data is available as these are new indicators.

### Expenditure analysis

In line with the national development plan's vision, a central feature of the Competition Commission's Vision 2030 is the attainment of an inclusive economy, devoid of poverty and unemployment, which serves all South Africans by 2030. The commission's emphasis is on the transformational role it can play in contributing to an economy that is growing and dynamic, which is also in line with the new growth path. This entails balancing the efficiency objectives related to competitive markets with the public interest objectives related to socioeconomic redress, such as employment, consumer fairness, and expanded opportunities, in line with the Competition Act (1998). The commission thus envisages effective competition regulation over the medium term that moves South Africa towards a fair and efficient economy in support of inclusive growth.

To increase the impact of competition regulation, the commission aims to initiate 6 market inquiries over the medium term. The commission will further work towards achieving an increase in the percentage of cartel cases won at the Competition Tribunal and in courts from 75 per cent in 2016/17 to 85 per cent by 2018/19. It will continue to make a concerted effort to combat the abuse of dominance in markets (such as the excessive pricing of goods or services, the denial of access for competitors, and price discrimination) with the aim of increasing the number of cases it refers to the courts from 3 in 2016/17 to 4 in 2018/19, and winning at least 50 per cent of its overall cases.

In this regard, the commission's ongoing inquiry into private health care is the first formal inquiry conducted in terms of the Competition Amendment Act (2009) that allows the commission to obtain an in-depth

understanding of the general state of competition in a market for particular goods or services without necessarily referring to the conduct or activities of any particular company. The inquiry into private health care will evaluate ways of promoting competition in the sector, and aims to expand access to private health care by encouraging greater innovation and more effective price competition, and to help to build a more competitive, innovative, accessible, affordable, and better quality private health care sector for the benefit of all South Africans. Owing to its complexity and to ensure that the intended objectives are achieved, the commission has extended this inquiry into 2016/17. The extension contributed to increased expenditure on goods and services in 2015/16 because it was necessary to hire legal consultants and industry experts.

The commission will also conduct an inquiry into the grocery retail sector to examine whether there are features in that sector that prevent, distort or restrict competition.

The commission is committed to the prevention of anti-competitive and unfair business practices, improved consumer outcomes through competitive pricing of goods and services, and greater access to the economy over the medium term. Its personnel are skilled in the areas of competition policy and research, merger regulation, and investigations into restrictive practices and cartels, which are all activities that help the commission to realise its objectives of contributing to a fair and efficient economy. Compensation of employees thus remains the commission's key cost driver over the medium term, accounting for an expected 57.7 per cent of total expenditure. Although the number of personnel in the commission is expected to remain constant at 202, expenditure on compensation of employees is expected to grow marginally by 3.2 per cent over the medium term, due to inflationary increases. Owing to the increasing levels of litigation and the complexity of the cases the commission deals with, expenditure on legal services is expected to amount to R158.4 million, which is 17.9 per cent of the total budget of R855.5 million, over the medium term.

The commission expects to derive 77.7 per cent (R659.2 million) of its revenue over the medium term from transfers from the Economic Development Department. An estimated R196.4 million in other revenue is expected to be generated through filing fees paid by external parties, mainly for transactions related to mergers and acquisitions. Revenue is expected to grow at an average annual rate of 1.1 per cent over the medium term, from R293.2 million in 2015/16 to R302.9 million in 2018/19, due to the marginal growth anticipated in merger activity.

## 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 (%)
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
Administration	63 844	59 984	66 910	132 836	27.7%	32.6%	105 362	109 741	118 319	-3.8%	38.3%
Mergers and acquisitions	12 110	15 480	19 668	24 548	26.6%	7.4%	21 289	24 303	25 761	1.6%	7.9%
Enforcements and exemptions	19 767	20 325	19 329	29 323	14.0%	9.4%	28 722	30 902	32 756	3.8%	10.1%
Cartel	16 253	17 918	22 156	26 601	17.8%	8.7%	25 682	26 965	28 583	2.4%	8.9%
Policy and research	30 128	37 260	29 144	48 944	17.6%	15.3%	37 554	39 431	41 796	-5.1%	13.7%
Legal services	34 797	37 310	37 107	58 611	19.0%	17.5%	50 067	52 570	55 725	-1.7%	17.9%
Advocacy and stakeholder relations	9 056	10 648	-	-	-100.0%	2.6%	-	-	-	-	-
Inquiry into private health care	-	-	29 443	46 580	-	6.5%	-	-	-	-100.0%	3.2%
<b>Total</b>	<b>185 955</b>	<b>198 925</b>	<b>223 757</b>	<b>367 442</b>	<b>25.5%</b>	<b>100.0%</b>	<b>268 675</b>	<b>283 912</b>	<b>302 940</b>	<b>-6.2%</b>	<b>100.0%</b>

## 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	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
<b>Revenue</b>									
<b>Non-tax revenue</b>	53 762	48 151	51 851	49 943	56 042	60 254	60 474	60 094	98.3%
Sale of goods and services other than capital assets	50 445	40 857	49 260	43 903	52 517	51 641	56 765	56 228	92.2%
<i>of which:</i>									
Administrative fees	50 445	40 857	49 260	43 903	52 517	51 641	56 765	56 228	92.2%
Other non-tax revenue	3 317	7 294	2 591	6 040	3 525	8 613	3 709	3 866	196.4%
<b>Total revenue</b>	<b>210 973</b>	<b>205 362</b>	<b>228 739</b>	<b>226 831</b>	<b>244 169</b>	<b>248 381</b>	<b>283 519</b>	<b>293 223</b>	<b>100.7%</b>
<b>Expenses</b>									
<b>Current expenses</b>	<b>201 909</b>	<b>185 955</b>	<b>228 740</b>	<b>198 925</b>	<b>243 267</b>	<b>223 757</b>	<b>283 139</b>	<b>367 442</b>	<b>102.0%</b>
Compensation of employees	122 872	104 931	140 376	119 325	149 057	140 111	168 318	168 832	91.8%
Goods and services	74 900	78 537	83 952	77 271	89 561	81 123	109 978	195 309	120.6%
Depreciation	4 058	2 384	4 332	2 329	4 569	2 523	4 763	3 221	59.0%
Interest, dividends and rent on land	80	103	80	-	80	-	80	80	57.2%
<b>Transfers and subsidies</b>	<b>9 064</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenses</b>	<b>210 973</b>	<b>185 955</b>	<b>228 740</b>	<b>198 925</b>	<b>243 267</b>	<b>223 757</b>	<b>283 139</b>	<b>367 442</b>	<b>101.0%</b>
<b>Surplus/(Deficit)</b>	<b>-</b>	<b>19 407</b>	<b>-</b>	<b>27 906</b>	<b>902</b>	<b>24 624</b>	<b>380</b>	<b>(74 219)</b>	<b>-</b>
<b>Statement of financial position</b>									
Carrying value of assets	14 692	5 602	11 539	4 325	8 011	7 104	4 540	11 000	72.3%
<i>Acquisition of assets</i>	(15 409)	(2 927)	(1 142)	(1 045)	(961)	(5 295)	(961)	(4 498)	74.5%
Inventory	200	149	200	149	200	375	200	200	109.1%
Receivables and prepayments	1 009	381	1 181	1 452	1 335	2 329	1 442	1 442	112.8%
Cash and cash equivalents	43 671	91 653	37 362	110 567	45 298	132 102	25 629	55 461	256.5%
<b>Total assets</b>	<b>59 573</b>	<b>97 785</b>	<b>50 283</b>	<b>116 493</b>	<b>54 844</b>	<b>141 910</b>	<b>31 811</b>	<b>68 103</b>	<b>215.9%</b>
Accumulated surplus/(deficit)	27 217	57 281	20 908	85 187	29 408	109 811	-	35 592	371.3%
Capital reserve fund	-	2 092	-	1 925	-	-	-	-	-
Finance lease	2 000	1 684	1 427	1 122	185	763	-	700	118.2%
Trade and other payables	30 206	36 601	23 489	28 143	20 555	31 336	26 866	26 866	121.6%
Provisions	150	127	4 459	116	4 696	-	4 945	4 945	36.4%
<b>Total equity and liabilities</b>	<b>59 573</b>	<b>97 785</b>	<b>50 283</b>	<b>116 493</b>	<b>54 844</b>	<b>141 910</b>	<b>31 811</b>	<b>68 103</b>	<b>215.9%</b>

## 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								
R thousand	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
<b>Revenue</b>								
<b>Non-tax revenue</b>	60 094	7.7%	22.6%	60 134	64 944	71 272	5.9%	22.3%
Sale of goods and services other than capital assets	56 228	11.2%	19.8%	56 228	60 726	66 798	5.9%	20.9%
<i>of which:</i>								
Administrative fees	56 228	11.2%	19.8%	56 228	60 726	66 798	5.9%	20.9%
Other non-tax revenue	3 866	-19.1%	2.8%	3 906	4 218	4 474	5.0%	1.4%
<b>Transfers received</b>	<b>233 129</b>	<b>14.0%</b>	<b>77.4%</b>	<b>208 541</b>	<b>218 968</b>	<b>231 668</b>	<b>-0.2%</b>	<b>77.7%</b>
<b>Total revenue</b>	<b>293 223</b>	<b>12.6%</b>	<b>100.0%</b>	<b>268 675</b>	<b>283 912</b>	<b>302 940</b>	<b>1.1%</b>	<b>100.0%</b>
<b>Expenses</b>								
<b>Current expenses</b>	<b>367 442</b>	<b>25.5%</b>	<b>100.0%</b>	<b>268 675</b>	<b>283 912</b>	<b>302 940</b>	<b>-6.2%</b>	<b>140.3%</b>
Compensation of employees	168 832	17.2%	56.2%	166 207	175 115	185 618	3.2%	57.7%
Goods and services	195 309	35.5%	42.6%	97 624	103 716	112 742	-16.7%	40.8%
Depreciation	3 221	10.6%	1.1%	4 763	5 001	4 500	11.8%	1.5%
Interest, dividends and rent on land	80	-8.1%	0.0%	80	80	80	-	0.0%
<b>Total expenses</b>	<b>367 442</b>	<b>25.5%</b>	<b>100.0%</b>	<b>268 675</b>	<b>283 912</b>	<b>302 940</b>	<b>-6.2%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>(74 219)</b>	<b>(3)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>
<b>Statement of financial position</b>								
Carrying value of assets	11 000	25.2%	7.6%	9 500	8 000	6 500	-16.1%	45.8%
<i>of which:</i>								
<i>Acquisition of assets</i>	(4 498)	15.4%	-3.6%	(1 015)	(1 068)	(1 162)	-36.3%	-8.0%
Inventory	200	10.3%	0.2%	200	200	200	-	1.2%
Receivables and prepayments	1 442	55.8%	1.3%	1 181	1 240	1 000	-11.5%	6.8%
Cash and cash equivalents	55 461	-15.4%	90.8%	26 923	4 507	-	-100.0%	46.2%
<b>Total assets</b>	<b>68 103</b>	<b>-11.4%</b>	<b>100.0%</b>	<b>37 804</b>	<b>13 947</b>	<b>7 700</b>	<b>-51.6%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	35 592	-14.7%	65.3%	7 320	(17 665)	(44 034)	-207.4%	-156.7%
Borrowings	-	-	-	-	-	18 924	-	61.4%
Finance lease	700	-25.4%	1.1%	580	460	200	-34.1%	2.1%
Trade and other payables	26 866	-9.8%	30.8%	24 959	26 207	27 665	1.0%	163.2%
Provisions	4 945	238.9%	1.9%	4 945	4 945	4 945	0.0%	30.0%
<b>Total equity and liabilities</b>	<b>68 103</b>	<b>-11.4%</b>	<b>100.0%</b>	<b>37 804</b>	<b>13 947</b>	<b>7 700</b>	<b>-240.5%</b>	<b>100.0%</b>

## Personnel information

**Table 25.21 Competition Commission personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2016		Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual 2014/15			Revised estimate 2015/16			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)				
		2014/15		Unit Cost	2015/16		Unit Cost	2016/17		2017/18		2018/19							
Competition Commission	202	202	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2015/16 - 2018/19	
Salary level	202	202	185	140.1	0.8	202	168.8	0.8	202	166.2	0.8	202	175.1	0.9	202	185.6	0.9	3.2%	100.0%
1 – 6	5	5	5	3.3	0.7	5	3.4	0.7	5	3.4	0.7	5	1.0	0.2	5	1.0	0.2	-33.7%	2.5%
7 – 10	110	110	105	51.1	0.5	110	61.2	0.6	110	60.7	0.6	110	65.3	0.6	110	69.5	0.6	4.4%	54.5%
11 – 12	47	47	41	36.6	0.9	47	43.0	0.9	47	42.7	0.9	47	45.4	1.0	47	47.5	1.0	3.3%	23.3%
13 – 16	40	40	34	49.1	1.4	40	61.3	1.5	40	59.4	1.5	40	63.5	1.6	40	67.7	1.7	3.3%	19.8%

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		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Percentage of consent orders per year issued within 10 business days	Ensure the effective and efficient adjudication on matters brought before the tribunal	Entity mandate	100%	98%	100%	90%	90%	90%	90%
Percentage of orders in procedural matters per year issued within 20 business days	Ensure the effective and efficient adjudication on matters brought before the tribunal		89%	83%	87%	85%	85%	85%	85%
Percentage of large mergers per year set down within 10 business days	Ensure the effective and efficient adjudication on matters brought before the tribunal		81%	74%	80%	75%	75%	75%	75%
Percentage of large merger orders per year issued within 10 business days	Ensure the effective and efficient adjudication on matters brought before the tribunal		100%	100%	100%	95%	95%	95%	95%
Percentage of large merger reasons for decisions per year issued within 20 business days	Ensure the effective and efficient adjudication on matters brought before the tribunal		51%	82%	85%	70%	70%	70%	70%
Percentage of small and intermediate mergers per year set down within 10 business days <sup>1</sup>	Ensure the effective and efficient adjudication on matters brought before the tribunal		57%	100%	75%	75%	75%	75%	75%
Percentage of small and intermediate merger orders per year issued within 10 business days	Ensure the effective and efficient adjudication on matters brought before the tribunal		100%	– <sup>2</sup>	98%	95%	95%	95%	95%
Percentage of reasons for small and intermediate merger decisions per year issued within 20 business days	Ensure the effective and efficient adjudication on matters brought before the tribunal		13%	– <sup>3</sup>	56%	60%	60%	60%	60%

1. This indicator has been revised from the 2015 Estimates of National Expenditure.

2. No orders were issued in 2013/14.

3. No reasons were issued in 2013/14.

### Expenditure analysis

As an adjudicative agency, the Competition Tribunal's quasi-judicial nature precludes it from setting proactive objectives or embarking on focused interventions that target any particular sector or emphasise any specific criteria in its decision making. The tribunal's caseload is determined by complaint referrals and notified mergers, and each case is adjudicated on its merits. Over the medium term, the tribunal's focus will be on

promoting and maintaining competition within South Africa by holding hearings and adjudicating on matters, and educating and creating awareness about competition matters among its stakeholders.

The tribunal's work relates indirectly to outcome 6 (an efficient, competitive and responsive economic infrastructure network) and outcome 12 (an efficient, effective and development orientated public service) of government's 2014-2019 medium term strategic framework. The tribunal also supports outcome 4 (decent employment through inclusive economic growth) by promoting labour absorbing growth, and encouraging competitiveness.

The tribunal strives to ensure effective and efficient adjudication on matters brought before it, and this objective is expected to account for 51 per cent of the tribunal's total estimated expenditure of R136 million over the medium term. An expected increase in the tribunal's caseload over the medium term will require it to adjudicate on more matters, which will in turn lead to increased expenditure.

To cater for this, the tribunal's allocation from the Economic Development Department increases from R64.5 million to R86.2 million over the medium term through a Cabinet approved reprioritisation to support enhanced capacity. This will fund its operations, in addition to the tribunal's own projected revenue of R39.6 million over the medium term, which is generated from filing fees charged for merger applications. Revenue is expected to increase by 15.8 per cent due to the reprioritised allocation of R21.7 million in support of enhanced capacity and resources to support an increasing caseload.

To ensure that the tribunal hears matters timeously and concludes them expeditiously, the number of personnel is expected to grow from 27 in 2015/16 to 29 in 2018/19. Compensation of employees is expected to remain a significant cost driver, at an estimated R81.7 million over the medium term, or 59.7 per cent of total expenditure.

## 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 (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19		
Administration	10 295	14 168	14 452	8 887	-4.8%	37.7%	9 543	10 162	10 932	7.1%	22.9%
Ensure the effective and efficient adjudication on matters brought before the tribunal	14 405	16 179	16 455	18 635	9.0%	51.2%	20 885	23 611	24 985	10.3%	50.9%
Educate and create awareness of competition matters to tribunal stakeholders	622	729	-	864	11.6%	1.7%	935	998	1 066	7.3%	2.2%
Enhance the expertise of tribunal staff	991	980	1 000	1 280	8.9%	3.3%	2 131	2 258	2 394	23.2%	4.6%
Competition Appeal Court	476	429	324	499	1.6%	1.4%	642	680	719	12.9%	1.5%
Ensure the Tribunal has effective strategic leadership, administration	-	-	-	3 245	-	2.2%	3 331	3 528	3 736	4.8%	8.0%
Enhance record keeping, performance information and cash flow management	-	-	-	2 269	-	1.5%	2 486	2 954	3 130	11.3%	6.3%
Ensure financial management that promotes effective and efficient use of resources	-	-	-	1 320	-	0.9%	1 491	1 596	1 707	8.9%	3.5%
<b>Total</b>	<b>26 789</b>	<b>32 485</b>	<b>32 231</b>	<b>36 999</b>	<b>11.4%</b>	<b>100.0%</b>	<b>41 444</b>	<b>45 787</b>	<b>48 669</b>	<b>9.6%</b>	<b>100.0%</b>

## 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		Outcome/ Budget Average (%)
	2012/13	2013/14	2013/14	2014/15	2014/15	2015/16	2015/16	2012/13 - 2015/16	
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>14 688</b>	<b>9 540</b>	<b>15 638</b>	<b>11 861</b>	<b>18 527</b>	<b>14 248</b>	<b>15 673</b>	<b>11 840</b>	<b>73.6%</b>
Sale of goods and services other than capital assets	9 075	8 417	9 775	10 856	9 880	13 289	10 670	10 670	109.7%
of which:									
Administrative fees	9 075	8 417	9 775	10 856	9 880	13 289	10 670	10 670	109.7%
Other non-tax revenue	5 613	1 123	5 863	1 005	8 647	959	5 003	1 170	16.9%
<b>Total revenue</b>	<b>30 288</b>	<b>25 338</b>	<b>32 583</b>	<b>28 806</b>	<b>36 627</b>	<b>32 348</b>	<b>34 775</b>	<b>31 804</b>	<b>88.1%</b>

**Table 25.24 Competition Tribunal statements of historical financial performance and position**

Statement of financial performance									Outcome/ Budget Average (%)
R thousand	Budget 2012/13	Audited outcome	Budget 2013/14	Audited outcome	Budget 2014/15	Audited outcome	Budget estimate 2015/16	Revised estimate	2012/13 - 2015/16
<b>Expenses</b>									
<b>Current expenses</b>	<b>30 288</b>	<b>26 789</b>	<b>32 583</b>	<b>32 485</b>	<b>35 325</b>	<b>33 102</b>	<b>36 999</b>	<b>36 999</b>	<b>95.7%</b>
Compensation of employees	18 323	13 710	20 412	16 170	19 768	19 096	21 659	21 659	88.1%
Goods and services	11 123	12 524	11 163	15 238	14 386	13 260	14 200	14 200	108.6%
Depreciation	842	555	1 009	1 077	1 170	746	1 140	1 140	84.5%
<b>Total expenses</b>	<b>30 288</b>	<b>26 789</b>	<b>32 583</b>	<b>32 485</b>	<b>35 325</b>	<b>33 102</b>	<b>36 999</b>	<b>36 999</b>	<b>95.7%</b>
<b>Surplus/(Deficit)</b>	<b>-</b>	<b>(1 452)</b>	<b>-</b>	<b>(3 679)</b>	<b>1 302</b>	<b>(754)</b>	<b>(2 224)</b>	<b>(5 195)</b>	<b>-</b>
<b>Statement of financial position</b>									
Carrying value of assets	3 536	3 880	3 075	3 855	3 665	3 812	4 393	3 826	104.8%
Acquisition of assets	(824)	(910)	(601)	(1 054)	(1 301)	(765)	(1 360)	(1 154)	95.0%
Inventory	19	18	12	30	10	55	10	-	202.0%
Receivables and prepayments	800	797	800	522	75	1 355	397	-	129.1%
Cash and cash equivalents	16 456	22 465	14 947	19 586	17 994	17 722	10 802	12 513	120.1%
<b>Total assets</b>	<b>20 811</b>	<b>27 160</b>	<b>18 834</b>	<b>23 993</b>	<b>21 744</b>	<b>22 944</b>	<b>15 602</b>	<b>16 339</b>	<b>117.5%</b>
Accumulated surplus/(deficit)	18 604	24 814	15 739	21 135	13 148	20 410	11 127	14 647	138.2%
Finance lease	226	198	213	292	350	75	275	150	67.2%
Trade and other payables	1 330	1 604	2 313	1 880	7 446	1 974	3 400	1 057	45.0%
Provisions	651	544	569	686	800	485	800	485	78.0%
<b>Total equity and liabilities</b>	<b>20 811</b>	<b>27 160</b>	<b>18 834</b>	<b>23 993</b>	<b>21 744</b>	<b>22 944</b>	<b>15 602</b>	<b>16 339</b>	<b>117.5%</b>

**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								
R thousand	Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2012/13 - 2015/16	Medium-term estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
				2016/17	2017/18	2018/19		
<b>Revenue</b>								
<b>Non-tax revenue</b>	<b>11 840</b>	<b>7.5%</b>	<b>40.0%</b>	<b>12 304</b>	<b>13 046</b>	<b>14 290</b>	<b>6.5%</b>	<b>33.3%</b>
Sale of goods and services other than capital assets	10 670	8.2%	36.4%	11 524	12 446	13 690	8.7%	31.2%
of which:								
Administrative fees	10 670	8.2%	36.4%	11 524	12 446	13 690	8.7%	31.2%
Other non-tax revenue	1 170	1.4%	3.6%	780	600	600	-20.0%	2.2%
<b>Transfers received</b>	<b>19 964</b>	<b>8.1%</b>	<b>60.0%</b>	<b>21 063</b>	<b>30 041</b>	<b>35 086</b>	<b>20.7%</b>	<b>66.7%</b>
<b>Total revenue</b>	<b>31 804</b>	<b>7.9%</b>	<b>100.0%</b>	<b>33 367</b>	<b>43 087</b>	<b>49 376</b>	<b>15.8%</b>	<b>100.0%</b>
<b>Expenses</b>								
<b>Current expenses</b>	<b>36 999</b>	<b>11.4%</b>	<b>100.0%</b>	<b>41 444</b>	<b>45 787</b>	<b>48 669</b>	<b>9.6%</b>	<b>131.6%</b>
Compensation of employees	21 659	16.5%	54.3%	24 182	27 868	29 617	11.0%	59.7%
Goods and services	14 200	4.3%	43.0%	16 420	17 128	18 215	8.7%	38.2%
Depreciation	1 140	27.1%	2.7%	842	791	837	-9.8%	2.1%
<b>Total expenses</b>	<b>36 999</b>	<b>11.4%</b>	<b>100.0%</b>	<b>41 444</b>	<b>45 787</b>	<b>48 669</b>	<b>9.6%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>(5 195)</b>	<b>1</b>	<b>-</b>	<b>(8 077)</b>	<b>(2 700)</b>	<b>707</b>	<b>-151.4%</b>	<b>-</b>
<b>Statement of financial position</b>								
Carrying value of assets	3 826	-0.5%	17.6%	4 311	4 130	3 999	1.5%	42.1%
of which:								
Acquisition of assets	(1 154)	8.2%	-4.5%	(1 327)	(610)	(706)	-15.1%	-9.2%
Cash and cash equivalents	12 513	-17.7%	79.5%	5 277	3 366	4 909	-26.8%	57.9%
<b>Total assets</b>	<b>16 339</b>	<b>-15.6%</b>	<b>100.0%</b>	<b>9 588</b>	<b>7 496</b>	<b>8 908</b>	<b>-18.3%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	14 647	-16.1%	89.5%	6 570	3 870	4 577	-32.1%	65.3%
Finance lease	150	-8.8%	0.8%	140	130	120	-7.2%	1.4%
Trade and other payables	1 057	-13.0%	7.2%	2 393	3 011	3 726	52.2%	28.4%
Provisions	485	-3.8%	2.5%	485	485	485	-	5.0%
<b>Total equity and liabilities</b>	<b>16 339</b>	<b>-15.6%</b>	<b>100.0%</b>	<b>9 588</b>	<b>7 496</b>	<b>8 908</b>	<b>12.9%</b>	<b>100.0%</b>

## Personnel information

**Table 25.26 Competition Tribunal personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2016		Number and cost <sup>1</sup> 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 (%)					
		2014/15			2015/16			2016/17		2017/18		2018/19				2015/16 - 2018/19				
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost							
Competition Tribunal		27	29	26	19.1	0.7	27	21.7	0.8	27	24.2	0.9	29	27.9	1.0	29	29.6	1.0	11.0%	100.0%
Salary level		27	29	26	19.1	0.7	27	21.7	0.8	27	24.2	0.9	29	27.9	1.0	29	29.6	1.0	11.0%	100.0%
1 – 6	2	2	2	2	0.2	0.1	2	0.3	0.1	2	0.4	0.2	2	0.4	0.2	2	0.5	0.2	23.2%	7.2%
7 – 10	16	16	16	16	7.1	0.4	16	8.0	0.5	16	9.0	0.6	16	9.7	0.6	16	10.3	0.6	8.9%	57.2%
11 – 12	1	2	1	0.7	0.7	1	0.8	0.8	1	0.8	0.8	2	1.6	0.8	2	1.7	0.8	29.7%	5.3%	
13 – 16	4	5	4	4.6	1.1	4	4.8	1.2	4	5.3	1.3	5	6.6	1.3	5	7.1	1.4	13.7%	16.0%	
17 – 22	4	4	3	6.5	2.2	4	7.8	2.0	4	8.6	2.1	4	9.6	2.4	4	10.1	2.5	8.8%	14.3%	

1. Rand million.

## International Trade Administration Commission of South Africa

### Mandate

The International Trade Administration Commission of South Africa was established by the International Trade Administration Act (2002). The commission is mandated 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 of South Africa performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Percentage of final decisions for customs tariff amendments investigations per year taken within six months <sup>1</sup>	Tariff investigations	Outcome 4: Decent employment through inclusive economic growth	125% (64/51)	80%	85%	100%	90%	90%	100%
Percentage of rebate and drawback permits issued within two weeks <sup>1</sup>	Tariff investigations		135% (878/650)	80%	85%	100%	90%	100%	100%
Number of new investigations (anti-dumping, countervailing, safeguards and sunset reviews) initiated per year	Trade remedies		7	4	4	4	4	4	4
Number of import control permits issued per year	Import and export control		14 977	17 332	18 453	13 500	13 500	13 500	13 500
Number of export control permits issued per year	Import and export control		6 982	10 013	14 181	7 500	7 500	7 500	7 500
Number of enforcement container inspections conducted per year	Import and export control		1 275	1 229	1 000	1 000	1 000	1 000	1 000
Number of investigations on the enforcement of permit conditions per year	Import and export control		14	17	17	16	16	16	16

1. From 2013/14 onwards, these indicators measure the turnaround times for final decisions and not the number of amendments.

### Expenditure analysis

The International Trade Administration Commission aims to contribute to employment creating growth and development in alignment with the national development plan and outcome 4 (decent employment through inclusive economic growth) of government's 2014-2019 medium term strategic framework. Given its expertise in trade defence instruments and product specific investigations, the commission is positioned to make a valuable contribution to the implementation of trade and industrial policy.

The commission will continue to monitor trade flows and identify opportunities in, and threats to, economic development. Tariff recommendations and export control measures will be carefully designed to promote domestic manufacturing, job retention and creation, and international competitiveness, and will be made conditional to a commitment by beneficiaries that their performance be measured against government's policy

objectives. The commission aims to initiate 4 new investigations per year on anti-dumping, countervailing (in support of domestic producers), and sunset reviews over the medium term. The commission initiates investigations on request from industry players, and thus investigations can be scheduled or unscheduled. Tariff investigations are expected to account for 26.8 per cent (R78.6 million) of total expenditure over the medium term, and trade remedies for 17.9 per cent (R52.7 million).

To promote manufacturing and international competitiveness, the commission plans to issue 13 500 import control permits and 7 500 export control permits per year over the medium term.

As a result of the complex nature of the cases the commission handles, as well as an expected increase in the number of new cases it takes on, the commission envisages increased legal and professional fees within goods and services over the medium term. Due to the skilled nature of the commission's work, compensation of employees remains its largest driver of expenditure, accounting for an expected 81 per cent, or R236.6 million of total expenditure over the medium term, with the number of personnel expected to remain constant at 130.

The commission's operations are funded mainly through transfers from the Economic Development Department, and these are expected to increase by 7.4 per cent over the medium term, from R84.7 million in 2015/16 to R104.8 million in 2018/19. Other income is generated through interest on the call account, and this is expected to be R5.3 million over the medium term.

## Programmes/objectives/activities

**Table 25.28 International Trade Administration Commission of South Africa expenditure trends and estimates by programme/objective/activity**

R thousand	Audited outcome			Revised estimate 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2012/13 - 2015/16	Expenditure/Total: Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19	Expenditure/Total: Average (%)
Administration	39 546	40 946	55 837	35 650	-3.4%	52.5%	35 436	44 765	47 003	9.7%	42.4%
Tariff investigations	16 995	20 877	3 920	23 618	11.6%	20.0%	24 756	26 149	27 655	5.4%	26.8%
Trade remedies	10 042	12 527	13 522	15 593	15.8%	15.7%	16 647	17 479	18 621	6.1%	17.9%
Import and export control	7 853	8 551	10 947	11 445	13.4%	11.8%	11 855	12 450	13 399	5.4%	12.9%
<b>Total</b>	<b>74 436</b>	<b>82 901</b>	<b>84 226</b>	<b>86 306</b>	<b>5.1%</b>	<b>100.0%</b>	<b>88 694</b>	<b>100 843</b>	<b>106 678</b>	<b>7.3%</b>	<b>100.0%</b>

## Statements of historical financial performance and position

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

Statement of financial performance	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Outcome/Budget Average (%)
	Budget	2012/13	Budget	2013/14	Budget	2014/15			
R thousand									2012/13 - 2015/16
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>2 776</b>	<b>1 964</b>	<b>2 161</b>	<b>2 241</b>	<b>2 088</b>	<b>1 856</b>	<b>1 605</b>	<b>1 605</b>	<b>88.8%</b>
Sale of goods and services other than capital assets	21	-	22	-	-	-	-	-	-
of which:									
Other sales	21	-	22	-	-	-	-	-	-
Other non-tax revenue	2 755	1 964	2 139	2 241	2 088	1 856	1 605	1 605	89.3%
<b>Total revenue</b>	<b>76 442</b>	<b>76 367</b>	<b>81 931</b>	<b>82 011</b>	<b>87 149</b>	<b>86 917</b>	<b>86 306</b>	<b>86 306</b>	<b>99.9%</b>
<b>Expenses</b>									
<b>Current expenses</b>	<b>76 443</b>	<b>74 436</b>	<b>81 931</b>	<b>82 901</b>	<b>87 149</b>	<b>84 226</b>	<b>86 306</b>	<b>86 306</b>	<b>98.8%</b>
Compensation of employees	56 366	55 199	61 559	61 109	66 164	67 386	71 484	71 484	99.8%
Goods and services	17 813	17 838	18 150	20 744	19 279	15 808	13 588	13 588	98.8%
Depreciation	2 106	1 308	2 089	1 017	1 604	1 030	1 079	1 079	64.5%
Interest, dividends and rent on land	158	91	133	31	102	2	155	155	50.9%
<b>Total expenses</b>	<b>76 443</b>	<b>74 436</b>	<b>81 931</b>	<b>82 901</b>	<b>87 149</b>	<b>84 226</b>	<b>86 306</b>	<b>86 306</b>	<b>98.8%</b>
<b>Surplus/(Deficit)</b>	<b>-</b>	<b>1 931</b>	<b>-</b>	<b>(890)</b>	<b>-</b>	<b>2 691</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

Statement of financial position									
R thousand	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
Carrying value of assets	5 515	2 756	5 807	2 518	7 284	2 434	2 562	2 562	48.5%
Acquisition of assets	(5 425)	(1 979)	(2 107)	(851)	(2 233)	(960)	(1 626)	(2 526)	55.4%
Inventory	120	43	126	71	39	90	37	37	74.8%
Receivables and prepayments	247	919	260	776	743	339	567	567	143.1%
Cash and cash equivalents	11 991	29 463	12 627	30 614	32 483	32 578	30 956	30 956	140.4%
<b>Total assets</b>	<b>17 873</b>	<b>33 181</b>	<b>18 820</b>	<b>33 979</b>	<b>40 549</b>	<b>35 441</b>	<b>34 122</b>	<b>34 122</b>	<b>122.8%</b>
Accumulated surplus/(deficit)	17 411	22 247	18 334	21 358	24 694	24 069	21 358	21 358	108.8%
Capital and reserves	(11 589)	-	(12 203)	-	-	-	-	-	-
Finance lease	1 232	356	1 297	47	1 667	-	1 361	1 361	31.7%
Trade and other payables	6 216	2 916	6 545	4 329	6 866	3 530	3 980	3 980	62.5%
Provisions	4 603	7 662	4 847	8 245	7 322	7 842	7 423	7 423	128.8%
<b>Total equity and liabilities</b>	<b>17 873</b>	<b>33 181</b>	<b>18 820</b>	<b>33 979</b>	<b>40 549</b>	<b>35 441</b>	<b>34 122</b>	<b>34 122</b>	<b>122.8%</b>

**Statements of estimates of financial performance and position**

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

Statement of financial performance									
R thousand	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/Total: Average (%)	
				2015/16	2012/13 - 2015/16	2016/17			2017/18
<b>Revenue</b>									
Non-tax revenue	1 605	-6.5%	2.3%	1 693	1 778	1 867	5.2%	1.8%	
Other non-tax revenue	1 605	-6.5%	2.3%	1 693	1 778	1 867	5.2%	1.8%	
Transfers received	84 701	4.4%	97.7%	87 001	99 065	104 811	7.4%	98.2%	
<b>Total revenue</b>	<b>86 306</b>	<b>4.2%</b>	<b>100.0%</b>	<b>88 694</b>	<b>100 843</b>	<b>106 678</b>	<b>7.3%</b>	<b>100.0%</b>	
<b>Expenses</b>									
Current expenses	86 306	5.1%	100.0%	88 694	100 843	106 678	7.3%	115.6%	
Compensation of employees	71 484	9.0%	77.7%	74 665	78 642	83 299	5.2%	80.8%	
Goods and services	13 588	-8.7%	20.9%	12 886	20 896	22 010	17.4%	17.9%	
Depreciation	1 079	-6.2%	1.4%	1 039	1 196	1 255	5.2%	1.2%	
Interest, dividends and rent on land	155	19.4%	0.1%	104	109	114	-9.7%	0.1%	
<b>Total expenses</b>	<b>86 306</b>	<b>5.1%</b>	<b>100.0%</b>	<b>88 694</b>	<b>100 843</b>	<b>106 678</b>	<b>7.3%</b>	<b>100.0%</b>	
<b>Surplus/(Deficit)</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Statement of financial position</b>									
Carrying value of assets	2 562	-2.4%	7.5%	2 362	1 990	2 310	-3.4%	7.1%	
of which:									
Acquisition of assets	(2 526)	8.5%	-4.6%	(203)	(1 838)	(525)	-40.8%	-3.8%	
Inventory	37	-4.9%	0.2%	35	46	51	11.3%	0.1%	
Receivables and prepayments	567	-14.9%	1.9%	431	332	290	-20.0%	1.2%	
Cash and cash equivalents	30 956	1.7%	90.4%	28 790	30 230	29 323	-1.8%	91.6%	
<b>Total assets</b>	<b>34 122</b>	<b>0.9%</b>	<b>100.0%</b>	<b>31 618</b>	<b>32 598</b>	<b>31 974</b>	<b>-2.1%</b>	<b>100.0%</b>	
Accumulated surplus/(deficit)	21 358	-1.4%	65.1%	21 358	21 358	21 358	-	65.6%	
Finance lease	1 361	56.4%	1.3%	660	131	-	-100.0%	1.6%	
Trade and other payables	3 980	10.9%	10.8%	3 481	3 700	3 885	-0.8%	11.5%	
Provisions	7 423	-1.1%	22.8%	6 119	7 409	6 731	-3.2%	21.2%	
<b>Total equity and liabilities</b>	<b>34 122</b>	<b>0.9%</b>	<b>100.0%</b>	<b>31 618</b>	<b>32 598</b>	<b>31 974</b>	<b>-104.0%</b>	<b>100.0%</b>	

**Personnel information**

**Table 25.31 International Trade Administration Commission of South Africa personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2016		Number and cost <sup>1</sup> 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 (%)				
		2014/15	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19												
International Trade Administration Commission of South Africa		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	130	130	121	67.4	0.6	130	71.5	0.5	130	74.7	0.6	130	78.6	0.6	130	83.3	0.6	5.2%	100.0%
1 - 6	16	16	16	2.7	0.2	16	2.8	0.2	16	3.0	0.2	16	3.2	0.2	16	3.4	0.2	5.7%	12.3%
7 - 10	64	64	61	27.2	0.4	64	28.7	0.4	64	30.4	0.5	64	32.1	0.5	64	34.1	0.5	5.9%	49.2%
11 - 12	34	34	29	22.0	0.8	34	23.2	0.7	34	24.2	0.7	34	25.5	0.8	34	27.0	0.8	5.1%	26.2%
13 - 16	16	16	15	15.5	1.0	16	16.7	1.0	16	17.0	1.1	16	17.8	1.1	16	18.9	1.2	4.2%	12.3%

<sup>1</sup>. Rand million.

## Small Enterprise Finance Agency

### Mandate

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

### 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		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Value of finance approved for direct lending per year	Administration	Outcome 4: Decent employment through inclusive economic growth	R146m	R367m	R485m	R541m	R628m	R677m	R732m
Value of finance disbursed for direct lending per year	Administration		R41m	R261m	R388m	R514m	R596m	R644m	R695m
Number of SMMEs financed in direct lending per year	Administration		227	209	1 212	628	774	928	1 114
Number of jobs created through direct lending from the Small Finance Agency per year	Administration		942	2 459	5 604	3 140	3 870	4 640	5 221
Value of finance approved for wholesale lending per year	Administration		R241m	R532m	R283m	R355m	R400m	R472m	R596m
Value of finance disbursed for wholesale lending per year	Administration		R127m	R226m	R181m	R207m	R236m	R279m	R329m
Number of SMMEs financed in the wholesale sector per year	Administration		959	608	406	156	176	208	265
Number of jobs financed in wholesale sector per year	Administration		4 796	3 184	852	960	1 133	1 436	1 498
Value of finance approved for micro-finance lending per year	Administration		R52m	R167m	R120m	R97m	R110m	R131m	R154m
Value of finance disbursed for micro-finance lending per year	Administration		R32m	R62m	R54m	R36m	R63m	R74m	R87m
Number of SMMEs financed in micro-finance lending per year	Administration		27 176	45 590	36 000	37 800	39 690	41 675	43 758
Number of jobs financed in micro-finance lending sector per year	Administration		14 115	40 759	50 400	52 920	55 566	58 344	61 262

### Expenditure analysis

The national development plan identifies the important role of small businesses in driving inclusive economic growth and job creation, and outcome 4 (decent employment through inclusive economic growth) of government's 2014-2019 medium term strategic framework further articulates the importance of increasing the role played by small businesses in addressing increased inclusion in the mainstream economy. SMMEs require support through reduced regulatory burdens, the education of small business owners about the role of development finance institutions, and improved coordination between stakeholders. The Small Enterprise Finance Agency intends to contribute to government's priorities by providing SMMEs and cooperatives with access to finance in South Africa, acting as a catalyst for their establishment and sustainable development. It plans to do this by providing wholesale and direct lending, credit guarantees, and support to strengthen financial intermediaries; and developing strategic partnerships.

The agency's focus over the medium term will be on driving development by continuing to provide financial support, particularly to female and youth enterprises, and increasing the impact and reach of interventions to include township and rural economies. It expects to create 5 221 jobs through direct lending approvals and 1 498 jobs through wholesale lending approvals by 2018/19. To do this, the agency plans to increase its direct lending approvals, as well as its wholesale lending approvals from R355 million in 2015/16 to R596 million in 2018/19, while also targeting an increase in disbursements.

Other areas of focus over the medium term include the provision of financial and business support, the building of a technology platform to reach an increased number of SMMEs and cooperatives, and increasing the number of access points, particularly in rural areas and townships. The agency's expenditure over the medium term is largely driven by the loan financing provided to clients, consulting fees, capital expenses, and marketing costs, accounting for R856.6 million, or 55.2 per cent of total expenditure, in goods and services.

The agency will continue to work towards increasing operational efficiencies, and hopes to contain expenditure on compensation of employees by keeping the number of personnel constant at 249 over the medium term. Compensation of employees over the medium term is expected to account for R663.7 million, or 36.8 per cent of total expenditure. The agency further intends to streamline processes through increased automation and the development of efficient business processes, and to drive partnerships with stakeholders such as other development finance institutions and organisations that provide non-financial and mentoring support.

The agency's operations are funded from revenue largely derived from the allocation it receives from the Economic Development Department, reflecting R671.9 million, or 54 per cent of revenue, over the medium term. 46 per cent of its revenue is derived from interest and fee income, and income from property and rentals. Revenue is expected to decrease at an average annual rate of 7.4 per cent over the medium term, mainly due to a decrease in the allocation from the department as a result of economic competitiveness support package funding ending in 2015/16.

## Programmes/objectives/activities

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

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
R thousand											
Administration	295 491	386 143	550 378	572 390	24.7%	100.0%	581 523	575 407	536 018	-2.2%	100.0%
<b>Total</b>	<b>295 491</b>	<b>386 143</b>	<b>550 378</b>	<b>572 390</b>	<b>24.7%</b>	<b>100.0%</b>	<b>581 523</b>	<b>575 407</b>	<b>536 018</b>	<b>-2.2%</b>	<b>100.0%</b>

## 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									
	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Outcome/Budget Average (%)
	Budget	2012/13	Budget	2013/14	Budget	2014/15	2015/16		2012/13 - 2015/16
R thousand									
<b>Revenue</b>									
<b>Non-tax revenue</b>		120 422	28 678	160 613	133 878	167 712	221 962	206 591	170.4%
Sale of goods and services other than capital assets		40 306	721	51 149	105 981	50 923	50 308	60 134	129.0%
of which:									
Administrative fees		5 414	721	14 978	61 372	17 439	12 259	27 082	87.3%
Sales by market establishment		34 892		36 171	44 609	33 484	38 049	33 052	166.5%
Other non-tax revenue		80 116	27 958	109 464	27 897	116 789	171 654	146 457	199.0%
<b>Transfers received</b>		48 870	178 274	15 947	242 604		407 103	407 103	57.0%
<b>Total revenue</b>		231 077	206 952	209 928	376 482	198 947	629 065	613 694	103.4%
<b>Expenses</b>									
<b>Current expenses</b>		295 491	211 373	382 526	343 783	504 216	572 390	572 390	155.6%
Compensation of employees		85 157	82 140	99 774	129 471	122 303	166 935	166 935	125.3%
Goods and services		206 055	125 560	278 266	209 288	354 434	399 609	399 609	168.6%
Depreciation		4 046	3 672	4 486	5 024	5 024	5 846	5 846	133.4%
Interest, dividends and rent on land		233				22 455			
<b>Transfers and subsidies</b>			33 514	3 617	16 500	16 500			40.2%
<b>Total expenses</b>		295 491	244 887	386 143	360 283	550 378	572 390	572 390	153.2%
<b>Surplus/(Deficit)</b>		(64 414)	(37 935)	(176 215)	16 199	(351 431)	56 675	41 304	
Statement of financial position									
Carrying value of assets		185 710	187 510	171 392	175 371	163 303	164 026	139 059	125.2%
Acquisition of assets		(12 853)	(4 483)	(2 563)	(3 983)	(4 443)	(7 939)	(7 939)	169.4%
Investments		684 360	162 335	792 980	211 080	859 693	354 851	360 976	370.5%
Loans		303 060	1 268 723	479 363	864 275	652 772	955 517	881 180	75.0%
Receivables and prepayments		21 303	19 236	30 902	38 798	34 586	29 855	81 223	191.2%
Cash and cash equivalents		909 998	419 966	715 208	296 651	534 199	390 537	328 937	224.8%
Non-current assets held for sale				25 567		17 420			
Taxation		75 253		11 782	98 498	130 990	1 241	7 915	226.5%
<b>Total assets</b>		2 179 684	2 057 770	2 227 194	1 684 673	2 392 963	1 896 027	1 799 290	152.5%
Capital and reserves		756 901	339 660	585 020	(107 612)	1 378 374	(95 998)	1 000 847	2 735.1%
Capital reserve fund		308 300	774 462	308 300	308 300	308 300	308 300	308 300	88.7%
Borrowings		944 542	535 928	1 175 521	1 420 361	399 628	1 589 124	399 628	82.3%
Trade and other payables		136 784	20 855	135 092	31 515	133 761	74 922	71 685	375.0%
Taxation		15 628		11 704		160 333			
Provisions		11 073		6 698	21 038	7 318	11 362	10 875	111.0%
Derivatives financial instruments		6 456	39 518	4 859	11 071	5 249	8 317	7 955	41.6%
<b>Total equity and liabilities</b>		2 179 684	2 050 774	2 227 194	1 684 673	2 392 963	1 896 027	1 799 290	152.7%

## 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 (%)
	2015/16				2012/13 - 2015/16	2016/17	2017/18		
R thousand									
<b>Revenue</b>									
<b>Non-tax revenue</b>		<b>206 591</b>	<b>19.7%</b>	<b>61.6%</b>	<b>209 305</b>	<b>215 695</b>	<b>252 790</b>	<b>7.0%</b>	<b>46.0%</b>
Sale of goods and services other than capital assets		60 134	14.3%	19.3%	60 496	69 914	85 397	12.4%	14.4%
of which:									
Administrative fees		27 082	71.0%	5.7%	12 544	17 375	27 004	-0.1%	4.2%
Sales by market establishment		33 052	-1.8%	13.6%	47 952	52 539	58 393	20.9%	10.2%
Other non-tax revenue		146 457	22.3%	42.3%	148 809	145 781	167 393	4.6%	31.6%
<b>Transfers received</b>		<b>407 103</b>	<b>102.7%</b>	<b>23.8%</b>	<b>213 124</b>	<b>223 780</b>	<b>234 969</b>	<b>-16.7%</b>	<b>54.0%</b>
<b>Total revenue</b>		<b>613 694</b>	<b>38.5%</b>	<b>100.0%</b>	<b>422 429</b>	<b>439 475</b>	<b>487 759</b>	<b>-7.4%</b>	<b>100.0%</b>
<b>Expenses</b>									
<b>Current expenses</b>		<b>572 390</b>	<b>24.7%</b>	<b>97.7%</b>	<b>581 523</b>	<b>550 407</b>	<b>509 018</b>	<b>-3.8%</b>	<b>-</b>
Compensation of employees		166 935	25.2%	26.5%	207 012	220 660	235 988	12.2%	36.8%
Goods and services		399 609	24.7%	69.0%	337 445	289 540	229 605	-16.9%	55.2%
Depreciation		5 846	13.1%	1.1%	5 111	5 873	6 536	3.8%	1.0%
Interest, dividends and rent on land		-	-100.0%	1.0%	31 955	34 334	36 889	-	4.6%
<b>Transfers and subsidies</b>		<b>-</b>	<b>-</b>	<b>1.0%</b>	<b>-</b>	<b>25 000</b>	<b>27 000</b>	<b>-</b>	<b>2.3%</b>
<b>Total expenses</b>		<b>572 390</b>	<b>24.7%</b>	<b>100.0%</b>	<b>581 523</b>	<b>575 407</b>	<b>536 018</b>	<b>-2.2%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>		<b>41 304</b>	<b>(2)</b>	<b>-</b>	<b>(159 094)</b>	<b>(135 932)</b>	<b>(48 259)</b>	<b>-205.3%</b>	<b>-</b>
<b>Statement of financial position</b>									
Carrying value of assets		139 059	-9.2%	7.7%	139 146	137 528	134 412	-1.1%	8.2%
Acquisition of assets		(7 939)	-14.8%	-0.3%	(4 831)	(4 255)	(3 420)	-24.5%	-0.3%
Investments		360 976	-19.2%	30.7%	347 358	358 385	370 965	0.9%	21.5%
Loans		881 180	42.7%	27.9%	500 184	680 881	884 849	0.1%	43.6%
Receivables and prepayments		81 223	56.2%	2.1%	326 128	162 995	205 382	36.2%	11.7%
Cash and cash equivalents		328 937	-28.8%	28.6%	294 805	159 404	168 286	-20.0%	14.1%
Non-current assets held for sale		-	-	0.5%	17 420	17 420	17 420	-	0.8%
Taxation		7 915	-52.8%	2.5%	1 236	1 236	1 236	-46.1%	0.2%
<b>Total assets</b>		<b>1 799 290</b>	<b>-6.2%</b>	<b>100.0%</b>	<b>1 626 277</b>	<b>1 517 849</b>	<b>1 782 550</b>	<b>-0.3%</b>	<b>100.0%</b>
Capital and reserves		1 000 847	9.8%	43.6%	1 241 381	1 105 449	1 339 152	10.2%	70.0%
Capital reserve fund		308 300	-	14.5%	308 300	308 300	308 300	-	18.4%
Borrowings		399 628	-24.9%	33.8%	-	-	-	-100.0%	5.6%
Trade and other payables		71 685	-19.4%	5.5%	60 951	79 607	106 319	14.0%	4.7%
Provisions		10 875	-0.6%	0.4%	9 002	14 438	16 913	15.9%	0.8%
Derivatives financial instruments		7 955	7.2%	0.3%	6 643	10 055	11 866	14.3%	0.5%
<b>Total equity and liabilities</b>		<b>1 799 290</b>	<b>-6.2%</b>	<b>100.0%</b>	<b>1 626 277</b>	<b>1 517 849</b>	<b>1 782 550</b>	<b>-45.6%</b>	<b>100.0%</b>

## Personnel information

**Table 25.36 Small Enterprise Finance Agency personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2016		Number and cost <sup>1</sup> 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 (%)				
		2014/15			2015/16			2016/17		2017/18		2018/19				2015/16 - 2018/19			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost	Unit Cost
Small Enterprise Finance Agency		199	122.3	0.6	249	166.9	0.7	249	207.0	0.8	249	220.7	0.9	249	236.0	0.9	12.2%	100.0%	
Salary level	252																		
1 - 6	4	4	7	1.2	0.2	7	1.1	0.2	7	1.4	0.2	7	1.5	0.2	7	1.6	0.2	14.6%	2.8%
7 - 10	124	124	111	44.4	0.4	134	54.6	0.4	134	73.4	0.5	134	78.3	0.6	134	83.7	0.6	15.4%	53.8%
11 - 12	68	68	44	33.8	0.8	61	49.1	0.8	61	61.9	1.0	61	65.9	1.1	61	70.5	1.2	12.8%	24.5%
13 - 16	49	49	36	41.0	1.1	43	53.3	1.2	43	59.6	1.4	43	63.6	1.5	43	68.0	1.6	8.5%	17.3%
17 - 22	7	7	1	2.0	2.0	4	8.8	2.2	4	10.7	2.7	4	11.3	2.8	4	12.1	3.0	11.2%	1.6%

<sup>1</sup>. Rand million.





# 2016 BUDGET

ESTIMATES OF NATIONAL EXPENDITURE

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**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA