

2016 BUDGET

ESTIMATES OF NATIONAL EXPENDITURE

TRADE AND INDUSTRY

VOTE 34



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Estimates of National Expenditure

2016

National Treasury

Republic of South Africa

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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.

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.

Trade and Industry

**National Treasury
Republic of South Africa**



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Vote 34

Trade and Industry

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	736.6	719.0	1.3	16.4	756.5	788.8
International Trade and Economic Development	126.4	100.9	24.7	0.8	123.3	127.9
Special Economic Zones and Economic Transformation	108.3	97.4	10.2	0.7	109.0	112.5
Industrial Development	1 735.7	132.3	1 602.6	0.8	1 814.1	1 776.4
Consumer and Corporate Regulation	313.5	89.6	223.9	0.1	326.9	345.7
Incentive Development and Administration	6 922.4	182.0	6 728.4	12.0	5 773.0	5 095.2
Trade Export South Africa	336.5	160.1	174.3	2.1	339.4	333.6
Investment South Africa	48.1	47.7	-	0.4	48.4	51.2
Total expenditure estimates	10 327.5	1 529.0	8 765.3	33.2	9 290.5	8 631.4

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

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, 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

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

Mandate

The mandate of the Department of Trade and Industry is derived from a wide legislative framework that includes:

- the Companies Act (2008)
- the Manufacturing Development Act (1993)
- the Broad Based Black Economic Empowerment Act (2003)
- the Consumer Protection Act (2008).

Selected performance indicators

Table 34.1 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 reports on industrial policy action plan tabled at ministerial review meetings	Industrial Development	Outcome 4: Decent employment through inclusive economic growth	4	4	4	4	4	4	4
Number of designation requests submitted per year	Industrial Development		4	4	4	4	4	4	4
Value of projected investment to be leveraged from projects approved per year	Incentive Development and Administration		R29.8bn	R40bn	R20.4bn	R14.4bn	R20bn	R15bn	R10bn

Table 34.1 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
Projected number of new jobs supported from approved enterprises per year	Incentive Development and Administration	Outcome 4: Decent employment through inclusive economic growth	22 085	15 079	12 568	6 850	3 600	3 000	3 000
Projected number of jobs retained from approved enterprises per year	Incentive Development and Administration		33 551	106 539	33 551	28 000	3 600	3 000	3 000
Number of strategic infrastructure projects approved for special economic zones/industrial parks per year	Incentive Development and Administration		10	8	29	8	15	10	15
Value of projected export revenue from projects approved per year	Incentive Development and Administration		R1.3bn	R541m	R16.3bn	R800m	R800m	R600m	R600m

Expenditure analysis

The work of the Department of Trade and Industry supports outcome 4 (decent employment through inclusive growth), outcome 7 (comprehensive rural development and land reform) and outcome 11 (create a better South Africa, a better Africa and a better world) of government's 2014-2019 medium term strategic framework. Further, the department is committed to implementing the president's 2015 9-point plan to ignite growth and create jobs. The department plays a critical role in facilitating 3 of these 9 priority interventions: beneficiation through adding value to mineral resources; a more effective implementation of a higher impact industrial policy action plan; and encouraging private sector investment. These national priorities inform the department's spending priorities over the medium term, which are: increased investment facilitation, manufacturing incentives, supporting exports, and industrial spatial development.

The department will also focus on developing a programme to promote the long term sustainable development of black industrialists. The programme will accelerate the participation of black industrialists in the national economy, both in terms of their numbers and their influence. The department will create multiple, diverse instruments for black industrialists to enter targeted industrial sectors and value chains that are aligned with government developmental priorities and specifically the industrial policy action plan. A related medium term priority for the department is the establishment of a broad based black economic empowerment commission to enforce the BEE regulatory framework. The commission will strengthen and foster collaboration between the public and private sector in safeguarding the objectives of the Broad-Based Black Economic Empowerment Amendment Act (2013).

The department's compensation of employees budget has been decreased by R95.3 million for 2017/18 and R144.8 million for 2018/19 due to the Cabinet approved budget reductions to lower the national aggregate expenditure ceiling. In 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 budget. The department's goods and services budget has been similarly reduced by R19.6 million for 2017/18 and R38.8 million for 2018/19. The reductions will adversely impact on the department's ability to deliver on the set up of the broad based black economic empowerment commission and the Investment Promotion and Inter-Departmental Clearing House.

Increased investment facilitation

The department will manage the new Investment Promotion and Inter-Departmental Clearing House, a one-stop shop to facilitate investment, which is part of the 9-point plan. Government agencies involved in any aspect of investment, such as regulations, permits, licensing, infrastructure, and incentives, are to be brought into a single cohesive structure that coordinates and streamlines processes to provide prompt, efficient and transparent services to investors. Funding for the structure is in the new *Investment South Africa* programme, which receives R147.7 million over the medium term after the Cabinet approved reductions. The funds are largely for compensation of employees for the staff that will provide support to investors.

Manufacturing incentives

58.1 per cent of the department's budget goes to its manufacturing development incentives, that is, R10.2 billion over the medium term in the *Incentive Development and Administration* programme. Spending in the programme declines at an average annual rate of 4.4 per cent over the medium term due to the ending of the

economic competitiveness and support package in 2017/18. R45 billion in private sector investment over the medium term is expected to be leveraged.

The manufacturing competitiveness enhancement programme provides enhanced manufacturing support aimed at encouraging manufacturers to upgrade their production facilities to sustain employment and maximise value-addition in the short to medium term. Due to significant demand, the funds in the manufacturing competitiveness enhancement programme are currently fully committed, as announced in October 2015, and subsequent openings for receiving of applications will be subject to the availability of funding.

Supporting exports

The department will continue to support South African exports through the export marketing and investment assistance scheme, which strengthens the export capabilities of assisted companies, by providing marketing assistance to grow existing export markets and develop new ones, and facilitates foreign direct investment through trade missions, among other forms of support. The scheme receives an allocation of R640.2 million over the medium term in the *Manufacturing Incentives* subprogramme of the *Incentive Development and Administration* programme.

Industrial infrastructure development

The department will continue with the implementation of its special economic zones programme, which aims to attract investment in the existing industrial development zones and the newly proposed special economic zones. To date, 6 industrial development zones have been designated, 2 in Eastern Cape and KwaZulu-Natal, 1 in Western Cape and 1 in Gauteng. The seventh zone was designated in September 2015 in Free State. Currently, there are 33 capital projects at various stages of development in these zones. Bulk infrastructure and top structures are financed through the special economic zones allocation in the *Infrastructure Investment Support* subprogramme in the *Incentive Development and Administration* programme linked to specific investors located in the zones. The department envisages expanding the programme over the medium term by designating more zones, with a special economic zone proposed in each province. The department is engaged in preparatory investigations into the viability of designating 4 new special economic zones in Northern Cape, Limpopo, Gauteng and Mpumalanga over the medium term. These zones will focus on sectors such as renewable energy, ICT and mineral beneficiation in line with priorities articulated in the 9-point plan and the industrial policy action plan, among others. R3.4 billion over the medium term is allocated to the special economic zones programme, including an additional R1.5 billion in 2018/19 in the *Infrastructure Investment Support* subprogramme of the *Incentive Development and Administration* programme. The allocation for the special economic zones programme has been decreased by R320 million over the medium term as part of Cabinet's decision to lower the national aggregate expenditure ceiling. This will reduce the number of infrastructure projects the programme can support.

To further support a regionally diverse industrial economy, in 2016/17 the department will start reviving and establishing industrial parks / hubs in underdeveloped regions of South Africa through its cluster development programme which aims to promote industrialisation, sustainable economic growth and job creation. The programme is allocated R100 million over the medium term in the *Infrastructure Investment Support* subprogramme in the *Incentive Development and Administration* programme.

The department will continue to implement the critical infrastructure programme, which provides the required infrastructure for leveraging investment. The critical infrastructure programme is allocated R700.6 million over the medium term in the *Infrastructure Investment Support* subprogramme in the *Incentive Development and Administration* programme. 14 industrial parks requiring infrastructure support have been identified in Eastern Cape, Mpumalanga, KwaZulu-Natal, Free State and Western Cape. An allocation of R260 million over the medium term in the critical infrastructure programme is expected to result in 40 strategic infrastructure projects.

Expenditure trends

Table 34.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. International Trade and Economic Development														
3. Special Economic Zones and Economic Transformation														
4. Industrial Development														
5. Consumer and Corporate Regulation														
6. Incentive Development and Administration														
7. Trade Export South Africa														
8. Investment South Africa														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Programme 1	608.7	697.2	695.9	690.1	725.9	686.9	695.6	750.8	699.9	689.7	768.3	768.3	106.2%	96.9%
Programme 2	133.5	134.7	114.9	138.6	141.6	121.0	147.2	124.7	124.1	164.8	116.6	116.6	81.6%	92.1%
Programme 3	879.9	940.0	227.5	968.3	1 010.3	231.2	307.2	243.3	235.1	263.2	89.7	89.7	32.4%	34.3%
Programme 4	1 482.9	1 492.7	1 518.1	1 617.1	1 616.2	1 591.2	1 792.5	1 786.0	1 775.2	1 973.5	1 964.3	1 964.3	99.7%	99.8%
Programme 5	244.7	248.1	223.6	256.2	256.2	256.7	277.3	285.6	281.1	294.5	296.4	296.4	98.6%	97.4%
Programme 6	5 437.6	4 560.9	4 387.3	5 543.1	5 443.1	5 101.9	5 120.3	5 264.6	5 176.7	5 795.6	5 827.6	5 827.6	93.6%	97.1%
Programme 7	282.2	260.8	237.9	329.7	284.4	306.6	309.1	323.5	329.6	364.1	386.8	386.8	98.1%	100.4%
Programme 8	22.6	16.7	29.7	29.5	37.8	32.4	37.9	39.9	38.0	48.3	48.3	48.3	107.3%	103.9%
Total	9 092.1	8 351.1	7 434.8	9 572.6	9 515.6	8 327.9	8 687.0	8 818.4	8 659.8	9 593.7	9 497.8	9 497.8	91.8%	93.7%
Change to 2015 Budget estimate											(95.9)			
Economic classification														
Current payments	1 303.4	1 422.2	1 188.8	1 493.3	1 527.7	1 392.5	1 441.0	1 544.4	1 442.6	1 475.7	1 561.0	1 561.0	97.8%	92.2%
Compensation of employees	714.0	736.0	623.5	854.2	818.3	734.0	848.0	857.4	815.3	897.7	897.7	897.7	92.7%	92.8%
Goods and services	589.4	686.3	564.8	639.1	709.4	658.5	593.0	687.0	627.3	577.9	663.3	663.3	104.8%	91.5%
of which:														
Administrative fees	5.7	5.5	4.2	7.3	7.3	5.2	7.5	7.1	3.6	6.2	4.0	4.0	64.2%	71.4%
Advertising	25.2	38.3	29.2	31.2	36.1	41.4	31.2	30.3	29.6	31.7	29.3	29.3	108.6%	96.7%
Minor assets	1.1	1.0	0.7	0.9	0.6	0.3	1.6	0.8	1.9	0.5	0.9	0.9	89.2%	110.4%
Audit costs: External	5.3	8.3	9.1	8.9	13.1	8.1	15.6	21.5	8.9	11.5	11.5	11.5	91.1%	69.2%
Bursaries: Employees	1.4	1.4	2.3	2.1	2.2	1.4	1.6	2.1	1.0	1.8	2.1	2.1	98.6%	87.8%
Catering: Departmental activities	5.4	6.9	4.2	5.9	6.8	5.6	3.5	3.8	1.8	4.4	4.4	4.4	83.3%	73.2%
Communication	17.9	13.4	10.7	13.0	12.6	10.6	13.6	11.0	10.6	12.9	11.7	11.7	75.8%	89.4%
Computer services	17.7	24.4	17.2	22.5	18.1	18.3	17.9	22.8	17.1	20.0	28.2	28.2	103.4%	86.5%
Consultants: Business and advisory services	87.7	79.1	33.8	73.8	50.1	38.3	62.7	122.1	82.7	61.7	72.2	72.2	79.4%	70.2%
Infrastructure and planning services	-	-	-	0.0	-	-	-	-	0.3	-	-	-	1 124.0%	-
Laboratory services	-	-	-	0.5	-	-	-	-	-	-	-	-	-	-
Legal services	7.5	13.3	9.8	10.0	8.8	10.5	9.0	9.4	22.5	9.8	8.1	8.1	139.5%	128.5%
Contractors	13.1	29.5	28.1	14.4	36.9	19.2	18.6	19.7	14.5	14.2	39.1	39.1	167.5%	80.7%
Agency and support/outsourced services	3.9	2.9	0.2	3.2	2.5	0.8	2.8	2.6	1.6	3.4	3.3	3.3	45.0%	52.2%
Entertainment	5.0	4.2	1.3	1.6	1.9	1.9	1.2	1.5	1.6	1.2	1.2	1.2	66.1%	68.2%
Fleet services (including government motor transport)	0.6	0.7	0.4	0.7	0.8	0.5	0.7	0.9	0.5	0.8	0.8	0.8	83.2%	72.7%
Inventory: Clothing material and accessories	-	-	-	-	0.1	-	0.0	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	0.2	0.1	0.0	0.3	0.3	-	0.3	0.1	-	-	-	-	0.1%	0.2%
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	1.0	-	-	-	-	-	-
Inventory: Materials and supplies	0.6	0.6	0.4	0.7	0.3	-	0.5	-	-	-	-	-	23.3%	47.2%
Medsas inventory interface	-	-	-	-	0.2	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	0.8	0.8	0.8	0.3	-	1.0	-	-	-	-	-	43.0%	71.7%
Consumable supplies	0.7	0.2	0.0	-	1.8	1.7	2.4	3.2	1.4	2.5	3.6	3.6	122.1%	76.3%
Consumables: Stationery, printing and office supplies	13.2	13.0	10.5	14.3	13.8	11.7	14.1	11.7	8.1	13.5	12.9	12.9	78.2%	83.9%

Table 34.2 Vote expenditure trends by programme and economic classification

Economic classification	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 (%)
R million														
Operating leases	171.9	209.1	217.7	202.6	252.3	277.0	196.4	241.9	279.1	201.2	248.3	248.3	132.4%	107.4%
Rental and hiring	–	0.5	–	–	0.2	0.2	0.2	0.1	0.1	0.2	0.2	0.2	151.7%	49.0%
Property payments	23.4	16.2	12.8	19.8	11.6	8.1	19.6	14.2	8.0	17.6	13.8	13.8	53.0%	76.4%
Transport provided:	0.1	0.1	–	–	–	–	0.0	0.0	–	0.0	0.0	0.0	5.3%	7.2%
Departmental activity														
Travel and subsistence	109.7	123.0	100.2	127.7	134.4	110.7	98.5	97.3	84.3	99.3	103.7	103.7	91.6%	87.0%
Training and development	14.0	14.7	15.6	14.3	17.3	9.2	11.2	11.2	7.2	12.9	13.6	13.6	87.0%	80.2%
Operating payments	20.1	23.5	20.4	24.0	34.7	33.0	26.6	26.4	24.0	30.6	28.2	28.2	104.2%	93.6%
Venues and facilities	38.2	55.7	35.3	38.6	44.4	44.8	34.6	24.4	17.0	20.0	22.3	22.3	90.9%	81.4%
Interest and rent on land	–	–	0.5	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies	7 774.6	6 862.9	6 123.9	8 059.3	7 950.0	6 916.7	7 222.3	7 240.9	7 192.5	8 083.9	7 901.2	7 901.2	90.3%	93.9%
Departmental agencies and accounts	1 060.2	1 126.2	533.4	1 234.7	1 285.7	639.9	724.3	732.8	731.8	761.5	591.9	591.9	66.0%	66.8%
Higher education institutions	10.0	10.0	22.6	12.8	12.8	–	15.8	0.0	–	12.5	0.0	0.0	44.3%	98.9%
Foreign governments and international organisations	37.0	36.4	37.3	39.7	34.5	36.7	34.6	31.7	26.6	31.7	31.7	31.7	92.5%	98.5%
Public corporations and private enterprises	6 648.2	5 668.7	5 445.5	6 751.2	6 586.4	6 140.9	6 325.5	6 349.9	6 295.2	7 131.6	7 128.6	7 128.6	93.1%	97.2%
Non-profit institutions	17.9	17.9	80.2	18.9	27.9	94.8	120.4	124.0	134.0	144.1	146.6	146.6	151.2%	144.0%
Households	1.3	3.7	4.8	1.9	2.6	4.3	1.8	2.5	5.0	2.5	2.4	2.4	223.3%	147.7%
Payments for capital assets	14.1	66.0	40.1	20.0	37.9	17.6	23.7	33.2	19.9	34.2	35.7	35.7	123.1%	65.6%
Machinery and equipment	11.4	38.8	36.2	10.9	13.5	11.0	12.0	21.2	19.4	24.1	30.7	30.7	166.7%	93.3%
Software and other intangible assets	2.7	27.2	3.9	9.2	24.3	6.6	11.7	11.9	0.5	10.1	5.0	5.0	47.4%	23.3%
Payments for financial assets	–	–	82.1	–	0.0	1.2	–	0.0	4.7	–	–	–	–	–
Total	9 092.1	8 351.1	7 434.8	9 572.6	9 515.6	8 327.9	8 687.0	8 818.4	8 659.8	9 593.7	9 497.8	9 497.8	91.8%	93.7%

Expenditure estimates

Table 34.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration 2. International Trade and Economic Development 3. Special Economic Zones and Economic Transformation 4. Industrial Development 5. Consumer and Corporate Regulation 6. Incentive Development and Administration 7. Trade Export South Africa 8. Investment South Africa								
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		
R million								
Programme 1	768.3	3.3%	8.4%	736.6	756.5	788.8	0.9%	8.1%
Programme 2	116.6	-4.7%	1.4%	126.4	123.3	127.9	3.1%	1.3%
Programme 3	89.7	-54.3%	2.3%	108.3	109.0	112.5	7.8%	1.1%
Programme 4	1 964.3	9.6%	20.2%	1 735.7	1 814.1	1 776.4	-3.3%	19.3%
Programme 5	296.4	6.1%	3.1%	313.5	326.9	345.7	5.3%	3.4%
Programme 6	5 827.6	8.5%	60.4%	6 922.4	5 773.0	5 095.2	-4.4%	62.6%
Programme 7	386.8	14.0%	3.7%	336.5	339.4	333.6	-4.8%	3.7%
Programme 8	48.3	42.4%	0.4%	48.1	48.4	51.2	2.0%	0.5%
Total	9 497.8	4.4%	100.0%	10 327.5	9 290.5	8 631.4	-3.1%	100.0%
Change to 2015 Budget estimate				(171.6)	(214.0)	1 193.3		
Economic classification								
Current payments	1 561.0	3.2%	16.5%	1 529.0	1 548.6	1 593.5	0.7%	16.5%
Compensation of employees	897.7	6.8%	9.1%	930.3	912.5	938.4	1.5%	9.7%
Goods and services	663.3	-1.1%	7.4%	598.7	636.1	655.1	-0.4%	6.8%
of which:								
Administrative fees	4.0	-10.3%	0.1%	5.6	5.9	6.0	14.5%	0.1%
Advertising	29.3	-8.5%	0.4%	31.9	32.8	33.3	4.3%	0.3%
Minor assets	0.9	-5.4%	0.0%	0.7	0.6	0.6	-11.8%	0.0%

Table 34.3 Vote expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2015/16	2012/13 - 2015/16	2016/17		
R million								
Audit costs: External	11.5	11.8%	0.1%	8.8	9.0	9.5	-6.2%	0.1%
Bursaries: Employees	2.1	14.7%	0.0%	1.9	2.1	2.2	0.4%	0.0%
Catering: Departmental activities	4.4	-14.0%	0.0%	4.8	5.2	5.5	7.9%	0.1%
Communication	11.7	-4.4%	0.1%	11.9	12.4	13.2	4.0%	0.1%
Computer services	28.2	5.0%	0.2%	19.0	19.2	21.0	-9.4%	0.2%
Consultants: Business and advisory services	72.2	-3.0%	0.7%	65.6	80.0	81.9	4.3%	0.8%
Legal services	8.1	-15.4%	0.1%	10.4	10.8	11.0	11.0%	0.1%
Contractors	39.1	9.9%	0.3%	16.0	16.9	17.3	-23.9%	0.2%
Agency and support/outourced services	3.3	4.4%	0.0%	2.8	2.6	2.7	-7.3%	0.0%
Entertainment	1.2	-34.8%	0.0%	1.2	1.3	1.4	6.4%	0.0%
Fleet services (including government motor transport)	0.8	3.3%	0.0%	1.2	1.1	1.2	14.1%	0.0%
Consumable supplies	3.6	173.9%	0.0%	5.5	6.0	6.6	22.6%	0.1%
Consumables: Stationery, printing and office supplies	12.9	-0.4%	0.1%	12.9	14.0	14.9	5.0%	0.1%
Operating leases	248.3	5.9%	3.0%	219.9	231.2	236.0	-1.7%	2.5%
Rental and hiring	0.2	-33.1%	0.0%	0.2	0.2	0.2	4.5%	0.0%
Property payments	13.8	-5.2%	0.1%	9.6	9.5	10.2	-9.6%	0.1%
Travel and subsistence	103.7	-5.5%	1.2%	105.9	107.4	111.1	2.3%	1.1%
Training and development	13.6	-2.5%	0.1%	14.0	14.5	14.7	2.6%	0.2%
Operating payments	28.2	6.3%	0.3%	28.0	31.5	33.3	5.8%	0.3%
Venues and facilities	22.3	-26.3%	0.4%	21.0	21.9	21.4	-1.2%	0.2%
Transfers and subsidies	7 901.2	4.8%	82.9%	8 765.3	7 708.0	7 002.5	-3.9%	83.1%
Departmental agencies and accounts	591.9	-19.3%	7.4%	601.4	651.9	657.2	3.5%	6.6%
Foreign governments and international organisations	31.7	-4.5%	0.4%	33.6	34.5	36.5	4.8%	0.4%
Public corporations and private enterprises	7 128.6	7.9%	73.7%	7 970.2	6 868.5	6 163.3	-4.7%	74.5%
Non-profit institutions	146.6	101.6%	1.3%	158.1	151.2	143.6	-0.7%	1.6%
Households	2.4	-13.1%	0.0%	2.1	1.8	1.9	-7.6%	0.0%
Payments for capital assets	35.7	-18.6%	0.3%	33.2	33.9	35.4	-0.2%	0.4%
Machinery and equipment	30.7	-7.5%	0.3%	20.6	20.8	21.7	-10.9%	0.2%
Software and other intangible assets	5.0	-43.3%	0.0%	12.6	13.2	13.7	40.4%	0.1%
Total	9 497.8	4.4%	100.0%	10 327.5	9 290.5	8 631.4	-3.1%	100.0%

Personnel information

Table 34.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Programmes																			
1. Administration																			
2. International Trade and Economic Development																			
3. Special Economic Zones and Economic Transformation																			
4. Industrial Development																			
5. Consumer and Corporate Regulation																			
6. Incentive Development and Administration																			
7. Trade Export South Africa																			
8. Investment South Africa																			
Number of posts estimated for 31 March 2016		Number and cost ³ 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	Unit Cost	2015/16	Unit Cost	2016/17		2017/18		2018/19				2015/16 - 2018/19					
		Number	Cost	Number	Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Trade and Industry																			
Salary level	1 617	126	1 770	815.3	0.5	1 617	897.7	0.6	1 617	930.3	0.6	1 617	993.8	0.6	1 617	1 074.2	0.7	-	100.0%
1 - 6	221	70	256	45.7	0.2	221	36.9	0.2	221	40.7	0.2	221	43.4	0.2	221	45.9	0.2	-	13.7%
7 - 10	728	22	815	320.5	0.4	728	337.9	0.5	728	301.7	0.4	728	323.5	0.4	728	364.4	0.5	-	45.0%
11 - 12	376	15	385	213.8	0.6	376	246.3	0.7	376	277.9	0.7	376	296.2	0.8	376	313.3	0.8	-	23.3%
13 - 16	292	19	314	235.3	0.7	292	276.6	0.9	292	310.0	1.1	292	330.7	1.1	292	350.5	1.2	-	18.1%

Table 34.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Number of posts estimated for 31 March 2016		Number and cost ² of personnel posts filled / planned for on funded establishment											Number						
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)				
		2014/15		Unit Cost	2015/16		Unit Cost	2016/17		Unit Cost	2017/18		Unit Cost			2018/19		Unit Cost	
		Number	Cost		Number	Cost		Number	Cost		Number	Cost				Number	Cost		
Trade and Industry																			
Programme	1 617	126	1 770	815.3	0.5	1 617	897.7	0.6	1 617	930.3	0.6	1 617	993.8	0.6	1 617	1 074.2	0.7	-	100.0%
Programme 1	603	43	618	257.4	0.4	603	272.9	0.5	603	310.1	0.5	603	331.1	0.5	603	350.3	0.6	-	37.3%
Programme 2	119	2	116	67.3	0.6	119	72.7	0.6	119	82.4	0.7	119	88.0	0.7	119	93.1	0.8	-	7.4%
Programme 3	94	12	138	44.4	0.3	94	52.9	0.6	94	63.6	0.7	94	67.9	0.7	94	71.8	0.8	-	5.8%
Programme 4	165	9	174	88.9	0.5	165	104.6	0.6	165	112.2	0.7	165	119.8	0.7	165	126.8	0.8	-	10.2%
Programme 5	107	11	146	57.2	0.4	107	59.9	0.6	107	71.1	0.7	107	76.0	0.7	107	80.4	0.8	-	6.6%
Programme 6	258	26	306	125.8	0.4	258	133.7	0.5	258	147.8	0.6	258	157.9	0.6	258	167.0	0.6	-	16.0%
Programme 7	218	18	218	147.7	0.7	218	168.3	0.8	218	112.1	0.5	218	119.9	0.6	218	149.7	0.7	-	13.5%
Programme 8	53	5	54	26.6	0.5	53	32.7	0.6	53	31.0	0.6	53	33.1	0.6	53	35.0	0.7	-	3.3%
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(81.3)	-	-	(135.8)	-	-	-
Total	1 617	126	1 770	815.3	0.5	1 617	897.7	0.6	1 617	930.3	0.6	-	912.5	-	-	938.4	-	-	-

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 R217.2 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 34.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16	2016/17	2017/18		
Departmental receipts	135 323	71 741	82 551	81 996	36 184	-35.6%	100.0%	85 428	93 887	96 295	38.6%	100.0%
Tax receipts	3 719	4 228	2 925	4 110	900	-37.7%	3.6%	5 112	5 200	5 400	81.7%	5.3%
Sales of goods and services produced by department	444	482	524	455	283	-13.9%	0.5%	601	616	669	33.2%	0.7%
Sales by market establishments	259	263	270	154	132	-20.1%	0.3%	300	300	320	34.3%	0.3%
of which:												
Rental of parking	259	263	270	154	132	-20.1%	0.3%	300	300	320	34.3%	0.3%
Administrative fees	51	-	-	1	1	-73.0%	-	1	1	1	-	-
of which:												
Request information in terms of the Promotion of Access to Information Act (2000)	51	-	-	1	1	-73.0%	-	1	1	1	-	-
Other sales	134	219	254	300	150	3.8%	0.2%	300	315	348	32.4%	0.4%
of which:												
Commission on hand	134	159	183	240	90	-12.4%	0.2%	240	250	280	46.0%	0.3%
Academic services	-	60	71	60	60	-	0.1%	60	65	68	4.3%	0.1%
Sales of scrap, waste, arms and other used current goods	-	-	-	-	1	-	-	1	1	1	-	-
of which:												
Waste paper: Recycling of paper	-	-	-	-	1	-	-	1	1	1	-	-
Fines, penalties and forfeits	19	20 420	97	42	10	-19.3%	6.3%	210	220	225	182.3%	0.2%
Interest, dividends and rent on land	39 349	95	1 348	400	140	-84.7%	12.6%	450	550	650	66.8%	0.6%
Interest	39 349	95	1 348	400	140	-84.7%	12.6%	450	550	650	66.8%	0.6%
Sales of capital assets	-	38	223	400	350	-	0.2%	277	300	350	-	0.4%
Transactions in financial assets and liabilities	91 792	46 478	77 434	76 589	34 500	-27.8%	76.8%	78 777	87 000	89 000	37.1%	92.8%
Total	135 323	71 741	82 551	81 996	36 184	-35.6%	100.0%	85 428	93 887	96 295	38.6%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department, and conduct research on industrial development, growth and equity.

Expenditure trends and estimates

Table 34.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2012/13 - 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R thousand											
Ministry	27 319	27 321	27 644	31 801	5.2%	4.0%	33 989	36 315	38 197	6.3%	4.6%
Office of the Director General	59 578	69 727	96 334	98 642	18.3%	11.4%	114 600	122 915	129 311	9.4%	15.3%
Corporate Services	401 564	425 949	444 841	477 505	5.9%	61.4%	421 242	425 145	441 227	-2.6%	57.9%
Office Accommodation	2 177	–	–	4 500	27.4%	0.2%	2 427	2 494	2 227	-20.9%	0.4%
Financial Management	120 728	46 361	57 524	70 856	-16.3%	10.4%	69 425	71 572	75 571	2.2%	9.4%
Media and Public Relations	6 049	7 764	6 906	15 854	37.9%	1.3%	18 830	19 515	21 324	10.4%	2.5%
Marketing Communication and Stakeholder Relations	78 485	109 796	66 696	69 146	-4.1%	11.4%	76 112	78 497	80 983	5.4%	10.0%
Total	695 900	686 918	699 945	768 304	3.4%	100.0%	736 625	756 453	788 840	0.9%	100.0%
Change to 2015				78 564			16 480	(7 281)	(51 000)		
Budget estimate											
Economic classification											
Current payments	580 437	676 359	674 531	741 279	8.5%	93.7%	718 988	738 989	770 941	1.3%	97.4%
Compensation of employees	200 041	226 062	257 408	272 877	10.9%	33.5%	310 050	302 468	320 011	5.5%	39.5%
Goods and services	379 910	450 297	417 123	468 402	7.2%	60.2%	408 938	436 521	450 930	-1.3%	57.9%
of which:											
Administrative fees	3 408	4 553	2 724	3 630	2.1%	0.5%	4 915	5 147	5 276	13.3%	0.6%
Advertising	25 578	37 328	27 341	27 420	2.3%	4.1%	30 073	30 972	31 321	4.5%	3.9%
Minor assets	306	116	1 469	650	28.5%	0.1%	515	331	350	-18.6%	0.1%
Audit costs: External	9 099	8 123	8 857	11 535	8.2%	1.3%	8 791	8 992	9 514	-6.2%	1.3%
Bursaries: Employees	2 326	1 337	995	2 148	-2.6%	0.2%	1 923	2 027	2 145	–	0.3%
Catering: Departmental activities	2 168	3 267	746	2 342	2.6%	0.3%	2 411	2 464	2 601	3.6%	0.3%
Communication	5 643	5 572	5 811	7 340	9.2%	0.9%	7 868	8 235	8 698	5.8%	1.1%
Computer services	16 256	17 184	16 255	27 087	18.6%	2.7%	17 935	18 388	20 112	-9.4%	2.7%
Consultants: Business and advisory services	9 602	10 656	11 567	21 522	30.9%	1.9%	18 797	29 702	29 968	11.7%	3.3%
Legal services	6 006	3 982	15 182	4 792	-7.3%	1.1%	4 821	4 918	4 891	0.7%	0.6%
Contractors	19 139	16 528	11 918	27 777	13.2%	2.6%	8 319	8 759	9 267	-30.6%	1.8%
Agency and support/outsourced services	147	173	712	2 807	167.3%	0.1%	2 198	2 258	2 319	-6.2%	0.3%
Entertainment	108	102	150	279	37.2%	–	220	251	265	-1.7%	–
Fleet services (including government motor transport)	33	60	36	406	130.9%	–	744	743	796	25.2%	0.1%
Inventory: Fuel, oil and gas	1	–	–	–	-100.0%	–	–	–	–	–	–
Inventory: Materials and supplies	381	–	–	–	-100.0%	–	–	–	–	–	–
Inventory: Other supplies	150	–	–	–	-100.0%	–	–	–	–	–	–
Consumable supplies	–	1 141	547	2 102	–	0.1%	4 920	5 442	6 015	42.0%	0.6%
Consumables: Stationery, printing and office supplies	5 581	7 328	5 125	6 553	5.5%	0.9%	6 224	6 797	7 336	3.8%	0.9%
Operating leases	198 423	252 605	258 049	241 333	6.7%	33.3%	211 618	222 432	227 841	-1.9%	29.6%
Rental and hiring	–	23	7	–	–	–	39	41	–	–	–
Property payments	11 199	6 352	5 989	13 160	5.5%	1.3%	9 149	9 062	9 756	-9.5%	1.3%
Travel and subsistence	24 894	23 383	17 666	32 920	9.8%	3.5%	32 414	32 220	34 652	1.7%	4.3%
Training and development	15 529	7 675	7 011	11 740	-8.9%	1.5%	13 783	14 513	14 673	7.7%	1.8%
Operating payments	8 227	11 917	12 378	11 088	10.5%	1.5%	14 239	14 925	15 717	12.3%	1.8%
Venues and facilities	15 706	30 892	6 588	9 771	-14.6%	2.2%	7 022	7 902	7 417	-8.8%	1.1%
Interest and rent on land	486	–	–	–	-100.0%	–	–	–	–	–	–
Transfers and subsidies	3 982	3 864	6 876	2 179	-18.2%	0.6%	1 251	1 039	1 046	-21.7%	0.2%
Departmental agencies and accounts	–	–	1 711	–	–	0.1%	–	–	–	–	–
Public corporations and private enterprises	650	650	1 983	760	5.3%	0.1%	–	–	–	-100.0%	–
Households	3 332	3 214	3 182	1 419	-24.8%	0.4%	1 251	1 039	1 046	-9.7%	0.2%
Payments for capital assets	31 055	6 169	14 962	24 846	-7.2%	2.7%	16 386	16 425	16 853	-12.1%	2.4%
Machinery and equipment	28 444	5 253	14 645	22 160	-8.0%	2.5%	13 769	13 749	14 260	-13.7%	2.1%
Software and other intangible assets	2 611	916	317	2 686	0.9%	0.2%	2 617	2 676	2 593	-1.2%	0.3%
Payments for financial assets	80 426	526	3 576	–	-100.0%	3.0%	–	–	–	–	–
Total	695 900	686 918	699 945	768 304	3.4%	100.0%	736 625	756 453	788 840	0.9%	100.0%
Proportion of total programme expenditure to vote expenditure	9.4%	8.2%	8.1%	8.1%	–	–	7.1%	8.1%	9.1%	–	–

Table 34.6 Administration 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											
Households											
Other transfers to households											
Current	2 584	2 537	2 656	1 335	-19.8%	0.3%	1 251	1 039	1 046	-7.8%	0.2%
Gifts and donations	–	111	–	–	–	–	–	–	–	–	–
Bursaries for non-employees	2 584	2 426	2 656	1 335	-19.8%	0.3%	1 251	1 039	1 046	-7.8%	0.2%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	–	–	1 711	–	–	0.1%	–	–	–	–	–
Public Service Sector Education and Training Authority	–	–	1 711	–	–	0.1%	–	–	–	–	–
Households											
Social benefits											
Current	748	677	526	84	-51.8%	0.1%	–	–	–	-100.0%	–
Employee social benefits	533	512	434	84	-46.0%	0.1%	–	–	–	-100.0%	–
Gifts and donations	215	165	92	–	-100.0%	–	–	–	–	–	–
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	650	650	1 983	760	5.3%	0.1%	–	–	–	-100.0%	–
Industrial Development Corporation: Research into industrial development, growth and equity	650	650	1 983	760	5.3%	0.1%	–	–	–	-100.0%	–

Personnel information

Table 34.7 Administration personnel numbers and cost by salary level¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Number of posts estimated for 31 March 2016		Number and cost ³ 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		Unit Cost	2015/16		Unit Cost	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		
Administration																					
Salary level	603	43	618	257.4	0.4	603	272.9	0.5	603	310.1	0.5	603	331.1	0.5	603	350.3	0.6	–	–	–	100.0%
1 – 6	155	27	181	33.9	0.2	155	27.8	0.2	155	30.8	0.2	155	32.9	0.2	155	34.8	0.2	–	–	–	25.7%
7 – 10	239	6	225	92.4	0.4	239	90.3	0.4	239	99.4	0.4	239	106.1	0.4	239	112.3	0.5	–	–	–	39.6%
11 – 12	132	5	127	67.2	0.5	132	83.4	0.6	132	95.2	0.7	132	101.6	0.8	132	107.5	0.8	–	–	–	21.9%
13 – 16	77	5	85	63.8	0.8	77	71.4	0.9	77	84.7	1.1	77	90.5	1.2	77	95.7	1.2	–	–	–	12.8%
Reduction	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total	603	43	618	257.4	0.4	603	272.9	0.5	603	310.1	0.5	–	302.5	–	–	320.0	–	–	–	–	–

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 R59 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: International Trade and Economic Development

Programme purpose

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

Objectives

- Promote African economic integration and development on bilateral, regional and continental levels by:
 - advancing development integration in the Southern African Customs Union and in the Southern African Development Community (SADC) free trade area through the Africa regional development programme, to be implemented over the medium term
 - finalising negotiations on the tripartite free trade area involving the SADC, the East African Community and the Common Market for Eastern and Southern Africa regions, over the medium term.

- advancing South Africa's trade, industrial policy and economic development objectives through cooperation with key economies to address tariff and non-tariff barriers that inhibit South African value added exports, over the medium term.

Subprogrammes

- *International Trade Development* facilitates bilateral and multilateral trade relations and agreements.
- *African Multilateral Economic Development* facilitates multilateral African trade relations aimed at deepening regional integration.

Expenditure trends and estimates

Table 34.8 International Trade and Economic Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R thousand											
International Trade Development	81 898	94 913	89 947	101 572	7.4%	77.3%	108 276	104 791	107 727	2.0%	85.5%
African Multilateral Economic Development	33 013	26 105	34 161	15 004	-23.1%	22.7%	18 107	18 497	20 131	10.3%	14.5%
Total	114 911	121 018	124 108	116 576	0.5%	100.0%	126 383	123 288	127 858	3.1%	100.0%
Change to 2015				(48 178)			(46 147)	(57 550)	(15 931)		
Budget estimate											
Economic classification											
Current payments	78 907	88 700	81 674	92 907	5.6%	71.8%	100 862	97 216	100 274	2.6%	79.2%
Compensation of employees	58 225	64 525	67 310	72 662	7.7%	55.1%	82 406	77 207	79 224	2.9%	63.0%
Goods and services	20 682	24 175	14 364	20 245	-0.7%	16.7%	18 456	20 009	21 050	1.3%	16.1%
of which:											
Administrative fees	6	–	–	3	-20.6%	–	–	–	–	-100.0%	–
Minor assets	7	12	9	15	28.9%	–	31	32	33	30.1%	–
Catering: Departmental activities	82	112	47	134	17.8%	0.1%	38	95	112	-5.8%	0.1%
Communication	1 350	967	748	843	-14.5%	0.8%	640	695	758	-3.5%	0.6%
Computer services	–	97	16	60	–	–	–	66	70	5.3%	–
Consultants: Business and advisory services	395	1 361	435	330	-5.8%	0.5%	262	257	250	-8.8%	0.2%
Legal services	1 293	962	355	–	-100.0%	0.5%	1 752	1 773	1 800	–	1.1%
Contractors	105	101	–	321	45.1%	0.1%	313	202	202	-14.3%	0.2%
Agency and support/outourced services	–	549	347	500	–	0.3%	520	300	300	-15.7%	0.3%
Entertainment	6	4	–	1	-45.0%	–	–	–	–	-100.0%	–
Fleet services (including government motor transport)	1	4	4	–	-100.0%	–	–	–	–	–	–
Inventory: Other supplies	198	–	–	–	-100.0%	–	–	–	–	–	–
Consumable supplies	–	24	40	29	–	–	13	20	20	-11.6%	–
Consumables: Stationery, printing and office supplies	524	382	126	714	10.9%	0.4%	517	596	572	-7.1%	0.5%
Operating leases	92	98	118	70	-8.7%	0.1%	55	59	63	-3.5%	–
Rental and hiring	–	146	127	150	–	0.1%	156	149	159	2.0%	0.1%
Property payments	41	4	4	7	-44.5%	–	–	–	–	-100.0%	–
Travel and subsistence	15 463	16 197	11 448	13 620	-4.1%	11.9%	12 983	14 113	14 824	2.9%	11.2%
Training and development	35	500	–	–	-100.0%	0.1%	–	–	–	–	–
Operating payments	140	217	368	1 551	122.9%	0.5%	100	208	175	-51.7%	0.4%
Venues and facilities	944	2 438	172	1 897	26.2%	1.1%	1 076	1 444	1 712	-3.4%	1.2%
Transfers and subsidies	35 522	31 719	41 720	23 210	-13.2%	27.7%	24 722	25 233	26 696	4.8%	20.2%
Departmental agencies and accounts	–	835	–	1 077	–	0.4%	1 131	1 188	1 257	5.3%	0.9%
Foreign governments and international organisations	13 145	16 870	17 172	18 178	11.4%	13.7%	19 427	19 672	20 813	4.6%	15.8%
Public corporations and private enterprises	22 298	13 990	24 491	3 955	-43.8%	13.6%	4 164	4 373	4 626	5.4%	3.5%
Households	79	24	57	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	482	599	714	459	-1.6%	0.5%	799	839	888	24.6%	0.6%
Machinery and equipment	482	599	714	459	-1.6%	0.5%	799	839	888	24.6%	0.6%
Total	114 911	121 018	124 108	116 576	0.5%	100.0%	126 383	123 288	127 858	3.1%	100.0%

Table 34.8 International Trade and Economic Development expenditure trends and estimates by subprogramme and economic classification

Details of transfers and subsidies	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R thousand											
Households											
Other transfers to households											
Current	44	-	-	-	-100.0%	-	-	-	-	-	-
Gifts and donations	44	-	-	-	-100.0%	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	835	-	1 077	-	0.4%	1 131	1 188	1 257	5.3%	0.9%
Council for Geoscience	-	835	-	1 077	-	0.4%	1 131	1 188	1 257	5.3%	0.9%
Households											
Social benefits											
Current	35	24	57	-	-100.0%	-	-	-	-	-	-
Employee social benefits	35	24	57	-	-100.0%	-	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	20 898	12 135	23 373	2 797	-48.8%	12.4%	2 945	3 093	3 272	5.4%	2.5%
Development Bank of Southern Africa:	18 500	9 303	20 689	-	-100.0%	10.2%	-	-	-	-	-
Regional spatial development initiatives											
Protechnik Laboratories: Operations	2 398	2 832	2 684	2 797	5.3%	2.2%	2 945	3 093	3 272	5.4%	2.5%
Capital	1 400	1 855	1 118	1 158	-6.1%	1.2%	1 219	1 280	1 354	5.4%	1.0%
Protechnik Laboratories: Capital	1 400	1 855	1 118	1 158	-6.1%	1.2%	1 219	1 280	1 354	5.4%	1.0%
Foreign governments and international organisations											
Current	13 145	16 870	17 172	18 178	11.4%	13.7%	19 427	19 672	20 813	4.6%	15.8%
Organisation for the Prohibition of Chemical Weapons	2 970	3 642	-	4 678	16.4%	2.4%	4 926	5 172	5 472	5.4%	4.1%
World Trade Organisation	10 175	13 228	17 172	13 500	9.9%	11.3%	14 501	14 500	15 341	4.4%	11.7%

Personnel information

Table 34.9 International Trade and Economic Development personnel numbers and cost by salary level¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Number of posts estimated for 31 March 2016		Number and cost ³ 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 (%) 2015/16 - 2018/19	Salary level/total: Average (%)			
		2014/15		2015/16		2016/17		2017/18		2018/19								
		Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost							
International Trade and Economic Development																		
Salary level	2	116	67.3	0.6	119	72.7	0.6	119	82.4	0.7	119	88.0	0.7	119	93.1	0.8	-	100.0%
1 - 6	1	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	1	0.3	0.3	1	0.3	0.3	-	0.8%
7 - 10	53	51	20.5	0.4	53	22.6	0.4	53	24.4	0.5	53	26.0	0.5	53	27.5	0.5	-	44.5%
11 - 12	35	36	22.2	0.6	35	21.6	0.6	35	26.4	0.8	35	28.2	0.8	35	29.8	0.9	-	29.4%
13 - 16	30	28	24.4	0.9	30	28.2	0.9	30	31.4	1.0	30	33.6	1.1	30	35.5	1.2	-	25.2%
Reduction	-	-	-	-	-	-	-	-	-	-	-	(10.8)	-	-	(13.9)	-	-	-
Total	119	116	67.3	0.6	119	72.7	0.6	119	82.4	0.7	-	77.2	-	-	79.2	-	-	-

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 R24.7 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: Special Economic Zones and Economic Transformation

Programme purpose

Drive economic transformation and increase participation in industrialisation.

Objectives

- Facilitate broad based economic participation by implementing the Broad Based Black Economic Empowerment Amendment Act (2013) by:
 - implementing the Black Industrialists framework and action plan by 2018/19

- facilitating the revitalisation of 30 industrial parks by 2018/19
- implementing a national technology commercialisation strategy by 2017/18.
- Facilitate the transformation of the economy to promote industrial development, investment, competitiveness and employment creation by:
 - developing and implementing a special economic zones strategy by 2017/18.

Subprogrammes

- *Enterprise Competitiveness* fosters and stimulates industrialisation and structural change through the development and deployment of technologies and skills development programmes.
- *Equity and Empowerment* promotes broad based black economic empowerment (BEE) and the real growth of the economy through the black industrialists programme.
- *Spatial Industrial Economic Development (Special Economic Zones)* promotes the regional economy towards a more spatially balanced economy through the development of policies, strategies and programmes, and special economic zones, clusters and incubators, among other things.

Expenditure trends and estimates

Table 34.10 Special Economic Zones and Economic Transformation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R thousand											
Enterprise Competitiveness	175 813	188 764	189 106	19 343	-52.1%	73.1%	26 187	27 984	29 606	15.2%	24.6%
Equity and Empowerment	14 188	12 953	20 578	26 910	23.8%	9.5%	35 731	32 112	31 211	5.1%	30.0%
Spatial Industrial Economic Development (Special Economic Zones)	37 457	29 504	25 436	43 451	5.1%	17.3%	46 364	48 875	51 671	5.9%	45.4%
Total	227 458	231 221	235 120	89 704	-26.7%	100.0%	108 282	108 971	112 488	7.8%	100.0%
Change to 2015				(173 520)			(170 731)	(176 341)	(24 258)		
Budget estimate											
Economic classification											
Current payments	52 981	54 693	51 608	77 698	13.6%	30.2%	97 392	97 534	100 386	8.9%	88.9%
Compensation of employees	35 293	42 494	44 363	52 937	14.5%	22.3%	63 573	61 642	64 796	7.0%	57.9%
Goods and services	17 688	12 199	7 245	24 761	11.9%	7.9%	33 819	35 892	35 590	12.9%	31.0%
of which:											
Administrative fees	37	16	15	7	-42.6%	–	32	36	38	75.7%	–
Advertising	–	243	–	–	–	–	1	136	143	–	0.1%
Minor assets	8	–	–	8	–	–	7	7	7	-4.4%	–
Audit costs: External	(4)	–	–	–	-100.0%	–	–	–	–	–	–
Catering: Departmental activities	248	382	71	373	14.6%	0.1%	395	334	366	-0.6%	0.3%
Communication	222	297	526	587	38.3%	0.2%	478	403	429	-9.9%	0.5%
Computer services	–	–	–	160	–	–	300	–	–	-100.0%	0.1%
Consultants: Business and advisory services	4 551	3 121	1 265	17 118	55.5%	3.3%	25 000	26 412	26 760	16.1%	22.7%
Legal services	705	–	112	96	-48.6%	0.1%	36	219	159	18.3%	0.1%
Contractors	471	–	–	–	-100.0%	0.1%	–	483	–	–	0.1%
Agency and support/outsourced services	6	(3)	–	–	-100.0%	–	–	–	–	–	–
Entertainment	3	3	–	6	26.0%	–	5	10	10	18.6%	–
Fleet services (including government motor transport)	34	33	5	75	30.2%	–	124	60	63	-5.6%	0.1%
Inventory: Other supplies	4	–	–	–	-100.0%	–	–	–	–	–	–
Consumable supplies	–	12	54	36	–	–	12	3	3	-56.3%	–
Consumables: Stationery, printing and office supplies	545	458	232	746	11.0%	0.3%	511	797	797	2.2%	0.7%
Operating leases	121	59	85	40	-30.9%	–	132	231	245	83.0%	0.2%
Rental and hiring	–	2	–	–	–	–	–	–	–	–	–
Property payments	2	(1)	–	–	-100.0%	–	–	–	–	–	–
Travel and subsistence	8 935	6 554	3 085	5 036	-17.4%	3.0%	6 183	5 195	5 265	1.5%	5.2%
Training and development	1	–	–	–	-100.0%	–	–	18	19	–	–
Operating payments	976	74	34	95	-54.0%	0.2%	161	705	885	110.4%	0.4%
Venues and facilities	823	949	1 761	378	-22.8%	0.5%	442	843	401	2.0%	0.5%

Table 34.10 Special Economic Zones and Economic Transformation expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16	Expenditure/ Total: Average (%) 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R thousand											
Transfers and subsidies	173 981	176 027	183 221	11 187	-59.9%	69.5%	10 178	10 687	11 307	0.4%	10.3%
Departmental agencies and accounts	166 700	174 285	176 542	8 594	-62.8%	67.1%	8 523	8 949	9 468	3.3%	8.5%
Public corporations and private enterprises	7 000	1 500	1 501	1 572	-39.2%	1.5%	1 655	1 738	1 839	5.4%	1.6%
Non-profit institutions	–	–	5 000	1 000	–	0.8%	–	–	–	-100.0%	0.2%
Households	281	242	178	21	-57.9%	0.1%	–	–	–	-100.0%	–
Payments for capital assets	496	501	291	819	18.2%	0.3%	712	750	795	-1.0%	0.7%
Machinery and equipment	394	501	291	819	27.6%	0.3%	712	750	795	-1.0%	0.7%
Software and other intangible assets	102	–	–	–	-100.0%	–	–	–	–	–	–
Total	227 458	231 221	235 120	89 704	-26.7%	100.0%	108 282	108 971	112 488	7.8%	100.0%
Proportion of total programme expenditure to vote expenditure	3.1%	2.8%	2.7%	0.9%	–	–	1.0%	1.2%	1.3%	–	–
Details of transfers and subsidies											
Households											
Other transfers to households											
Current	136	96	40	–	-100.0%	–	–	–	–	–	–
Gifts and donations	136	–	40	–	-100.0%	–	–	–	–	–	–
Bursaries:Non-employees	–	96	–	–	–	–	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	166 700	174 285	176 542	8 594	-62.8%	67.1%	8 523	8 949	9 468	3.3%	8.5%
National Research Foundation: Technology and human resources for industry programme	157 000	160 634	165 572	–	-100.0%	61.7%	–	–	–	–	–
National Productivity Institute	8 200	13 651	9 170	8 094	-0.4%	5.0%	8 523	8 949	9 468	5.4%	8.4%
Independent Regulatory Board for Auditors	1 500	–	1 800	500	-30.7%	0.5%	–	–	–	-100.0%	0.1%
Households											
Social benefits											
Current	145	146	138	21	-47.5%	0.1%	–	–	–	-100.0%	–
Employee social benefits	145	146	138	21	-47.5%	0.1%	–	–	–	-100.0%	–
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Capital	5 000	–	–	–	-100.0%	0.6%	–	–	–	–	–
Industrial Development Corporation: Technology venture capital	5 000	–	–	–	-100.0%	0.6%	–	–	–	–	–
Non-profit institutions											
Current	–	–	5 000	1 000	–	0.8%	–	–	–	-100.0%	0.2%
Black Business Council	–	–	5 000	1 000	–	0.8%	–	–	–	-100.0%	0.2%
Public corporations and private enterprises											
Public corporations											
Public corporations - subsidies on products and production											
Current	2 000	1 500	1 501	1 572	-7.7%	0.8%	1 655	1 738	1 839	5.4%	1.6%
Council for Scientific and Industrial Research	2 000	1 500	1 501	1 572	-7.7%	0.8%	1 655	1 738	1 839	5.4%	1.6%

Personnel information

Table 34.11 Special Economic Zones and Economic Transformation personnel numbers and cost by salary level¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Number of posts estimated for 31 March 2016		Number and cost ³ 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		Unit Cost	2015/16		Unit Cost	2016/17			Unit Cost	2017/18			Unit Cost	2018/19			Unit Cost		
Special Economic Zones and Economic Transformation		Number	Cost	Unit Cost	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	94	12	138	44.4	0.3	94	52.9	0.6	94	63.6	0.7	94	67.9	0.7	94	71.8	0.8	-	-	100.0%	
1 – 6	8	6	10	0.7	0.1	8	1.0	0.1	8	1.1	0.1	8	1.2	0.2	8	1.2	0.2	-	-	8.5%	
7 – 10	34	-	49	13.1	0.3	34	12.7	0.4	34	14.5	0.4	34	15.5	0.5	34	16.4	0.5	-	-	36.2%	
11 – 12	25	1	38	12.7	0.3	25	15.5	0.6	25	19.0	0.8	25	20.3	0.8	25	21.4	0.9	-	-	26.6%	
13 – 16	27	5	41	17.9	0.4	27	23.7	0.9	27	28.9	1.1	27	30.9	1.1	27	32.7	1.2	-	-	28.7%	
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(6.3)	-	-	(7.0)	-	-	-	-	
Total	94	12	138	44.4	0.3	94	52.9	0.6	94	63.6	0.7	94	61.6	-	94	64.8	-	-	-	-	

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 R13.3 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 4: Industrial Development

Programme purpose

Design and implement policies, strategies and programmes to strengthen the ability of the manufacturing and other sectors of the economy, to create decent jobs and increase value addition and competitiveness in both domestic and export markets.

Objectives

- Support the growth and diversification of South Africa's manufacturing sector by:
 - facilitating diversification beyond the current reliance on traditional commodities and non-tradable services through the promotion of increased value addition, characterised by movement into non-traditional tradable goods and services that compete in export markets as well as against imports, over the medium term
 - promoting the long term intensification of South Africa's industrialisation process and movement towards a knowledge economy
 - promoting a more labour-absorbing industrialisation path, with particular emphasis on tradable labour-absorbing goods and services, and economic linkages that catalyse employment creation
 - promoting a broader based industrialisation path, characterised by the increased participation of historically disadvantaged people and marginalised regions in the mainstream of the industrial economy
 - contributing to industrial development on the African continent with a strong emphasis on building its productive capacity.

Subprogrammes

- *Industrial Competitiveness* develops policies, strategies and programmes to strengthen the ability of manufacturing and other value adding sectors to create decent jobs, and increase value addition and competitiveness in domestic and export markets, as set out in the annual three-year rolling industrial policy action plan.
- *Customised Sector Programmes* develops and implements high impact sector strategies focused on manufacturing and other value adding sectors to create decent jobs, and increases value addition and competitiveness in domestic and export markets, as set out in the annual three-year rolling industrial policy action plan.

Expenditure trends and estimates

Table 34.12 Industrial Development 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											
Industrial Competitiveness	476 771	595 746	650 947	687 283	13.0%	35.2%	685 421	798 159	779 257	4.3%	40.5%
Customised Sector Programmes	1 041 300	995 436	1 124 207	1 276 985	7.0%	64.8%	1 050 258	1 015 924	997 154	-7.9%	59.5%
Total	1 518 071	1 591 182	1 775 154	1 964 268	9.0%	100.0%	1 735 679	1 814 083	1 776 411	-3.3%	100.0%
Change to 2015				(9 266)			(309 659)	(329 247)	(22 219)		
Budget estimate											
Economic classification											
Current payments	91 929	99 241	103 915	131 163	12.6%	6.2%	132 317	131 345	138 142	1.7%	7.3%
Compensation of employees	72 289	82 296	88 926	104 646	13.1%	5.1%	112 191	110 220	116 613	3.7%	6.1%
Goods and services	19 640	16 945	14 989	26 517	10.5%	1.1%	20 126	21 125	21 529	-6.7%	1.2%
of which:											
Administrative fees	68	-	6	27	-26.5%	-	26	30	32	5.8%	-
Advertising	2 412	-	-	70	-69.3%	-	-	-	-	-100.0%	-
Minor assets	19	45	15	62	48.3%	-	69	70	74	6.1%	-
Catering: Departmental activities	210	255	224	337	17.1%	-	378	397	420	7.6%	-
Communication	511	477	500	735	12.9%	-	696	728	769	1.5%	-
Computer services	-	107	-	87	-	-	93	98	104	6.1%	-
Consultants: Business and advisory services	5 148	3 779	3 534	9 576	23.0%	0.3%	4 865	4 913	4 379	-23.0%	0.3%
Infrastructure and planning services	-	-	281	-	-	-	-	-	-	-	-
Legal services	182	532	632	-	-100.0%	-	-	-	-	-	-
Contractors	10	25	32	550	280.3%	-	50	55	58	-52.8%	-
Entertainment	4	1	1	33	102.1%	-	32	33	35	2.0%	-
Fleet services (including government motor transport)	6	1	3	15	35.7%	-	15	15	16	2.2%	-
Inventory: Materials and supplies	1	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Other supplies	15	-	-	-	-100.0%	-	-	-	-	-	-
Consumable supplies	-	10	70	199	-	-	149	153	162	-6.6%	-
Consumables: Stationery, printing and office supplies	454	530	302	939	27.4%	-	861	1 003	1 062	4.2%	0.1%
Operating leases	139	158	146	179	8.8%	-	166	172	182	0.6%	-
Property payments	2	-	3	-	-100.0%	-	-	-	-	-	-
Travel and subsistence	8 782	9 469	7 153	10 112	4.8%	0.5%	9 839	10 405	11 008	2.9%	0.6%
Training and development	-	-	-	-	-	-	-	-	(3)	-	-
Operating payments	915	1 069	1 802	2 539	40.5%	0.1%	1 979	2 043	2 162	-5.2%	0.1%
Venues and facilities	762	487	285	1 057	11.5%	-	908	1 010	1 069	0.4%	0.1%
Transfers and subsidies	1 425 541	1 491 531	1 670 555	1 832 219	8.7%	93.7%	1 602 577	1 681 899	1 637 381	-3.7%	92.6%
Departmental agencies and accounts	192 593	282 415	348 010	368 652	24.2%	17.4%	372 819	411 861	403 242	3.0%	21.4%
Higher education institutions	22 600	-	-	3	-94.9%	0.3%	3	3	3	-	-
Foreign governments and international organisations	4 789	5 853	5 071	6 249	9.3%	0.3%	6 459	6 767	7 159	4.6%	0.4%
Public corporations and private enterprises	1 125 180	1 108 269	1 188 355	1 311 715	5.2%	69.1%	1 065 189	1 112 081	1 083 369	-6.2%	62.7%
Non-profit institutions	80 168	94 784	129 018	145 600	22.0%	6.6%	158 107	151 187	143 608	-0.5%	8.2%
Households	211	210	101	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	601	410	684	886	13.8%	-	785	839	888	0.1%	-
Machinery and equipment	601	410	684	870	13.1%	-	785	839	888	0.7%	-
Software and other intangible assets	-	-	-	16	-	-	-	-	-	-100.0%	-
Total	1 518 071	1 591 182	1 775 154	1 964 268	9.0%	100.0%	1 735 679	1 814 083	1 776 411	-3.3%	100.0%
Proportion of total programme expenditure to vote expenditure	20.4%	19.1%	20.5%	20.7%	-	-	16.8%	19.5%	20.6%	-	-
Details of transfers and subsidies											
Households											
Other transfers to households											
Current	-	130	8	-	-	-	-	-	-	-	-
Gifts and donations	-	130	8	-	-	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	192 593	222 415	237 010	214 053	3.6%	12.6%	210 026	265 528	280 156	9.4%	13.3%
South African National Accreditation System	30 676	33 473	35 712	26 025	-5.3%	1.8%	22 208	30 313	31 828	6.9%	1.5%
National Metrology Institute of South Africa: Operations	82 233	85 942	91 564	96 296	5.4%	5.2%	101 400	106 470	112 645	5.4%	5.7%
National Regulator for Compulsory Specifications	79 684	103 000	109 734	91 732	4.8%	5.6%	86 418	128 745	135 683	13.9%	6.1%
Capital	-	60 000	111 000	154 599	-	4.8%	162 793	146 333	123 086	-7.3%	8.0%
National Metrology Institute of South Africa	-	60 000	111 000	154 599	-	4.8%	162 793	146 333	123 086	-7.3%	8.0%

Table 34.12 Industrial Development 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			2015/16				2012/13 - 2015/16	2016/17	2017/18		
R thousand	2012/13	2013/14		2014/15							
Households											
Social benefits											
Current											
Employee social benefits	211	80	93	-	-100.0%	-	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	1 055 828	1 043 365	1 164 244	1 290 181	6.9%	66.5%	1 047 408	1 093 061	1 062 956	-6.3%	61.6%
Council for Scientific and Industrial Research:	41 225	-	51 679	55 000	10.1%	2.2%	58 870	64 951	64 008	5.2%	3.3%
National Cleaner Production Centre											
South African Bureau of Standards: Research	185 930	204 967	220 078	216 215	5.2%	12.1%	208 861	277 194	272 111	8.0%	13.4%
Council for Scientific and Industrial Research: National Foundry Technology Network	21 000	14 130	14 243	16 384	-7.9%	1.0%	19 689	25 678	27 457	18.8%	1.2%
South African Bureau of Standards: Small business technical consulting: Membership fees	1 203	1 477	-	1 645	11.0%	0.1%	1 722	1 798	1 902	5.0%	0.1%
Industrial Development Corporation	806 470	822 791	878 244	1 000 937	7.5%	51.2%	758 266	723 440	697 478	-11.3%	43.6%
Capital	69 352	64 904	24 111	21 534	-32.3%	2.6%	17 781	19 020	20 413	-1.8%	1.1%
Council for Scientific and Industrial Research: Aerospace industry	21 352	21 226	22 500	21 534	0.3%	1.3%	17 781	19 020	20 413	-1.8%	1.1%
South African Bureau of Standards: Upgrading of vehicle testing facility	-	43 678	-	-	-	0.6%	-	-	-	-	-
South African Bureau of Standards	48 000	-	1 611	-	-100.0%	0.7%	-	-	-	-	-
Foreign governments and international organisations											
Current	4 789	5 853	5 071	6 249	9.3%	0.3%	6 459	6 767	7 159	4.6%	0.4%
United Nations Industrial Development Organisation	4 789	5 853	5 071	6 249	9.3%	0.3%	6 459	6 767	7 159	4.6%	0.4%
Non-profit institutions											
Current	80 168	94 784	129 018	145 600	22.0%	6.6%	158 107	151 187	143 608	-0.5%	8.2%
Intsimbi national tooling initiative	49 168	54 434	67 700	70 353	12.7%	3.5%	74 082	77 786	82 298	5.4%	4.2%
Automotive supply chain competitiveness initiative	-	-	-	14 000	-	0.2%	15 000	-	-	-100.0%	0.4%
Trade and Industrial Policy Strategies	-	6 000	14 570	18 522	-	0.6%	18 712	21 423	12 086	-13.3%	1.0%
Centurion Aerospace Village	15 000	15 800	16 748	17 517	5.3%	1.0%	18 445	19 367	15 490	-4.0%	1.0%
Proudly South African campaign	16 000	18 550	30 000	25 208	16.4%	1.3%	31 868	32 611	33 734	10.2%	1.7%
Higher education institutions											
Current	22 600	-	-	3	-94.9%	0.3%	3	3	3	-	-
University of the Witwatersrand	12 400	-	-	1	-95.7%	0.2%	1	1	1	-	-
North-West University	10 200	-	-	1	-95.4%	0.1%	1	1	1	-	-

Personnel information

Table 34.13 Industrial Development personnel numbers and cost by salary level¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Number of posts estimated for 31 March 2016		Number and cost ³ 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		Unit Cost	2015/16		Unit Cost	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			
Industrial Development																			
Salary level	165	9	174	88.9	0.5	165	104.6	0.6	165	112.2	0.7	165	119.8	0.7	165	126.8	0.8	-	100.0%
1 - 6	7	7	8	0.9	0.1	7	0.8	0.1	7	0.8	0.1	7	0.9	0.1	7	0.9	0.1	-	4.2%
7 - 10	64	1	69	22.0	0.3	64	26.1	0.4	64	27.2	0.4	64	29.0	0.5	64	30.7	0.5	-	38.8%
11 - 12	48	1	50	28.9	0.6	48	32.5	0.7	48	35.9	0.7	48	38.3	0.8	48	40.6	0.8	-	29.1%
13 - 16	46	-	47	37.2	0.8	46	45.3	1.0	46	48.3	1.1	46	51.6	1.1	46	54.6	1.2	-	27.9%
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(9.6)	-	-	(10.2)	-	-	-
Total	165	9	174	88.9	0.5	165	104.6	0.6	165	112.2	0.7	-	110.2	-	-	116.6	-	-	-

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 R19.8 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 5: Consumer and Corporate Regulation

Programme purpose

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

Objectives

- Increase access to economic opportunities for small businesses and historically disadvantaged citizens by developing and reviewing policies, bills and regulations; and conducting assessments of the impact of the regulations on businesses and economic citizens, by 31 March 2019.
- Develop efficient regulation in order to reduce the regulatory burden on business, and increase confidence and certainty in South African business regulation by developing and reviewing policies, bills and regulations; and conducting assessments of the impact of the regulations on businesses and economic citizens, by 31 March 2019.
- Create a business regulatory environment that promotes competitive, fair and efficient markets by developing and reviewing policies, bills and regulations; and conducting assessments of the impact of the regulations on businesses and economic citizens, by 31 March 2019.
- Provide access to redress for economic citizens in order to increase confidence in markets by conducting research on the impact of the current legislation on economic citizens; developing and reviewing policies, bills and regulations; and conducting assessments of the impact of the regulations on businesses and economic citizens, by 31 March 2019.
- Promote the awareness of rights, duties/responsibilities to increase activism and public participation by conducting capacity building sessions, workshops, and education and awareness campaigns by 31 March 2019.
- Share and exchange regulatory experience with partners and stakeholders nationally and internationally to promote simple, appropriate and more effective regulatory solutions by holding consultations, seminars and conferences on policy issues by 31 March 2019.

Subprogrammes

- *Policy and Legislative Development* develops policies, laws and regulatory frameworks.
- *Enforcement and Compliance* conducts trend analyses, impact assessments and market surveys; and monitors the effectiveness of regulation.
- *Regulatory Services* executes oversight of and transfers funds to the following regulatory agencies: the National Consumer Tribunal, the National Credit Regulator, the National Gambling Board, the National Consumer Commission, the Companies and Intellectual Property Commission and the Companies Tribunal. The department exercises oversight of, but does not transfer funds to: the National Lotteries Board, which regulates the lotteries sector and facilitates the distribution of lottery funds to worthy organisations that serve the public interest; and the Takeover Regulation Panel and the Financial Reporting Standards Council, which are responsible for regulating applicable transactions and issuing standards.

Expenditure trends and estimates

Table 34.14 Consumer and Corporate Regulation 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											
Policy and Legislative Development	14 421	19 206	17 639	17 747	7.2%	6.5%	21 427	23 834	26 063	13.7%	6.9%
Enforcement and Compliance	14 458	23 156	31 441	43 304	44.1%	10.6%	46 495	47 442	49 283	4.4%	14.5%
Regulatory Services	194 689	214 336	232 042	235 334	6.5%	82.9%	245 603	255 619	270 381	4.7%	78.5%
Total	223 568	256 698	281 122	296 385	9.9%	100.0%	313 525	326 895	345 727	5.3%	100.0%
Change to 2015 Budget estimate				1 889			6 562	5 008	(5 702)		

Table 34.14 Consumer and Corporate Regulation expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand												
Current payments	43 050	68 692	70 300	77 858	21.8%	24.6%	89 567	91 844	97 043	7.6%	27.8%	
Compensation of employees	30 021	48 697	57 227	59 884	25.9%	18.5%	71 139	72 356	76 564	8.5%	21.8%	
Goods and services	13 029	19 995	13 073	17 974	11.3%	6.1%	18 428	19 488	20 479	4.4%	6.0%	
of which:												
Administrative fees	–	17	4	68	–	–	40	45	10	-47.2%	–	
Advertising	855	3 265	2 003	1 831	28.9%	0.8%	1 759	1 650	1 746	-1.6%	0.5%	
Minor assets	3	2	4	24	100.0%	–	–	–	–	-100.0%	–	
Catering: Departmental activities	1 063	639	297	376	-29.3%	0.2%	445	779	824	29.9%	0.2%	
Communication	165	444	374	356	29.2%	0.1%	371	369	483	10.7%	0.1%	
Computer services	–	–	–	354	–	–	60	65	69	-42.0%	–	
Consultants: Business and advisory services	2 307	2 543	1 840	5 398	32.8%	1.1%	3 125	3 927	5 348	-0.3%	1.4%	
Legal services	44	2 352	2 119	300	89.6%	0.5%	325	341	361	6.4%	0.1%	
Contractors	690	6	19	–	-100.0%	0.1%	–	–	–	–	–	
Entertainment	4	8	42	32	100.0%	–	20	27	27	-5.5%	–	
Fleet services (including government motor transport)	2	43	72	111	281.4%	–	100	75	80	-10.3%	–	
Inventory: Other supplies	4	–	–	–	-100.0%	–	–	–	–	–	–	
Consumable supplies	–	16	20	52	–	–	37	–	–	-100.0%	–	
Consumables: Stationery, printing and office supplies	327	369	216	439	10.3%	0.1%	811	888	941	28.9%	0.2%	
Operating leases	139	171	318	152	3.0%	0.1%	184	199	210	11.4%	0.1%	
Travel and subsistence	4 803	7 456	4 085	6 156	8.6%	2.1%	9 216	9 384	8 586	11.7%	2.6%	
Training and development	–	940	136	250	–	0.1%	200	–	–	-100.0%	–	
Operating payments	171	653	613	1 172	90.0%	0.2%	690	730	753	-13.7%	0.3%	
Venues and facilities	2 452	1 071	911	903	-28.3%	0.5%	1 045	1 009	1 041	4.9%	0.3%	
Transfers and subsidies	177 536	186 763	210 532	218 349	7.1%	75.0%	223 858	235 051	248 684	4.4%	72.2%	
Departmental agencies and accounts	174 132	182 360	205 495	213 556	7.0%	73.3%	218 931	229 878	243 211	4.4%	70.6%	
Foreign governments and international organisations	3 362	4 214	4 355	4 679	11.6%	1.6%	4 927	5 173	5 473	5.4%	1.6%	
Households	42	189	682	114	39.5%	0.1%	–	–	–	-100.0%	–	
Payments for capital assets	1 278	639	290	178	-48.2%	0.2%	100	–	–	-100.0%	–	
Machinery and equipment	1 278	639	112	178	-48.2%	0.2%	100	–	–	-100.0%	–	
Payments for financial assets	1 704	604	–	–	-100.0%	0.2%	–	–	–	–	–	
Total	223 568	256 698	281 122	296 385	9.9%	100.0%	313 525	326 895	345 727	5.3%	100.0%	
Proportion of total programme expenditure to vote expenditure	3.0%	3.1%	3.2%	3.1%	–	–	3.0%	3.5%	4.0%	–	–	
Details of transfers and subsidies												
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	174 132	182 360	205 495	213 556	7.0%	73.3%	218 931	229 878	243 211	4.4%	70.6%	
National Credit Regulator	57 931	63 691	68 845	66 727	4.8%	24.3%	69 577	73 056	77 293	5.0%	22.4%	
National Gambling Board	26 057	27 717	29 797	31 983	7.1%	10.9%	30 121	31 627	33 461	1.5%	9.9%	
National Consumer Tribunal	33 165	36 099	40 164	46 029	11.5%	14.7%	46 151	48 459	51 270	3.7%	15.0%	
National Consumer Commission	46 842	44 516	53 376	54 596	5.2%	18.8%	58 013	60 914	64 447	5.7%	18.6%	
Companies Tribunal	10 137	10 337	13 313	14 221	11.9%	4.5%	15 069	15 822	16 740	5.6%	4.8%	
Households												
Social benefits												
Current	42	189	682	114	39.5%	0.1%	–	–	–	-100.0%	–	
Employee social benefits	42	189	682	114	39.5%	0.1%	–	–	–	-100.0%	–	
Foreign governments and international organisations												
Current	3 362	4 214	4 355	4 679	11.6%	1.6%	4 927	5 173	5 473	5.4%	1.6%	
World Intellectual Property Organisation	3 362	4 214	4 355	4 679	11.6%	1.6%	4 927	5 173	5 473	5.4%	1.6%	

Personnel information

Table 34.15 Consumer and Corporate Regulation personnel numbers and cost by salary level¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Number of posts estimated for 31 March 2016		Number and cost ³ 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						
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2015/16 - 2018/19			
Consumer and Corporate Regulation		107	11	146	57.2	0.4	107	59.9	0.6	107	71.1	0.7	107	76.0	0.7	107	80.4	0.8	-	100.0%
Salary level																				
1 – 6	7	6	7	0.8	0.1	7	0.8	0.1	7	0.9	0.1	7	0.9	0.1	7	1.0	0.1	-	6.5%	
7 – 10	44	2	88	24.5	0.3	44	15.3	0.3	44	19.6	0.4	44	21.0	0.5	44	22.2	0.5	-	41.1%	
11 – 12	22	1	18	11.4	0.6	22	13.5	0.6	22	15.1	0.7	22	16.2	0.7	22	17.1	0.8	-	20.6%	
13 – 16	34	2	33	20.5	0.6	34	30.2	0.9	34	35.5	1.0	34	37.9	1.1	34	40.1	1.2	-	31.8%	
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(3.6)	-	-	(3.8)	-	-	-	-
Total	107	11	146	57.2	0.4	107	59.9	0.6	107	71.1	0.7	-	72.4	-	-	76.6	-	-	-	-

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 R7.4 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 6: Incentive Development and Administration

Programme purpose

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

Objectives

- Stimulate and facilitate the development of sustainable and competitive enterprises through the efficient provision of effective and accessible incentive measures that support national priorities, in accordance with government's 2014-2019 medium term strategic framework, over the medium term.
- Design, administer, monitor and evaluate a range of incentive programmes, based on the industrial policies and sector strategies developed by the department, in support of industrial development, on an ongoing basis.
- Administer the manufacturing incentives to encourage companies to innovate and invest in activities that will enhance their productivity and bolster competitiveness, by 2017/18.
- Administer the Special Economic Zones Fund through the provision of incentives for industrial infrastructure development to contribute to the accelerated growth of manufacturing and internationally traded services over the long term by:
 - attracting foreign direct investment
 - developing growth orientated domestic businesses, leading to increased employment, exports and regional development.

Subprogrammes

- *Broadening Participation Incentives* provides incentive programmes that promote broader participation in the mainstream economy of businesses owned by individuals from historically disadvantaged communities and marginalised regions.
- *Manufacturing Incentives* provides incentives to promote additional investment in the manufacturing sector. The manufacturing investment cluster comprises the following programmes and schemes: the manufacturing competitive enhancement programme, the capital projects feasibility programme, the automotive investment scheme, the export marketing and investment assistance scheme, the sector specific assistance scheme and the section 12I tax incentive scheme.

- *Services Investment Incentives* provides incentive programmes that promote increased investment and job creation in the services sector. The programmes include the business process services programme, and the film and television production incentive support programme for South African and foreign productions.
- *Infrastructure Investment Support* provides grants for two industrial infrastructure initiatives: the special economic zones and the critical infrastructure programme, which are aimed at enhancing infrastructure and industrial development, and increasing investment and exports of value added commodities.
- *Product and Systems Development* reviews, monitors and develops incentive programmes to support the industrial policy action plan, and develops sector strategies to address market failures.
- *Strategic Partnership and Customer Care* facilitates access to targeted enterprises by reviewing the success of incentive schemes and improving such schemes.

Expenditure trends and estimates

Table 34.16 Incentive Development and 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											
Broadening Participation Incentives	85 325	129 317	2 369	61 555	-10.3%	1.4%	65 010	68 333	72 296	5.5%	1.1%
Manufacturing Incentives	2 954 767	3 338 623	3 612 338	3 925 526	9.9%	67.5%	4 490 875	4 051 610	2 693 294	-11.8%	64.2%
Services Investment Incentives	427 027	564 364	728 118	838 718	25.2%	12.5%	615 254	646 560	684 061	-6.6%	11.8%
Infrastructure Investment Support	893 649	1 038 639	801 392	966 309	2.6%	18.1%	1 711 642	965 000	1 601 734	18.3%	22.2%
Product and Systems Development	12 701	13 000	14 985	15 942	7.9%	0.3%	18 192	19 387	20 512	8.8%	0.3%
Strategic Partnership and Customer Care	13 827	17 920	17 515	19 541	12.2%	0.3%	21 434	22 066	23 345	6.1%	0.4%
Total	4 387 296	5 101 863	5 176 717	5 827 591	9.9%	100.0%	6 922 407	5 772 956	5 095 242	-4.4%	100.0%
Change to 2015				31 952			368 214	403 692	1 367 568		
Budget estimate											
Economic classification											
Current payments	114 864	150 833	206 875	177 401	15.6%	3.2%	182 029	186 848	195 553	3.3%	3.1%
Compensation of employees	86 508	112 458	125 806	133 710	15.6%	2.2%	147 829	150 374	158 046	5.7%	2.5%
Goods and services	28 356	38 375	81 069	43 691	15.5%	0.9%	34 200	36 474	37 507	-5.0%	0.6%
of which:											
Administrative fees	247	66	25	72	-33.7%	-	108	133	141	25.1%	-
Advertising	15	17	-	-	-100.0%	-	-	-	-	-	-
Minor assets	16	19	8	40	35.7%	-	22	24	25	-14.5%	-
Bursaries: Employees	-	55	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	303	807	258	273	-3.4%	-	309	334	353	8.9%	-
Communication	567	509	571	547	-1.2%	-	603	647	684	7.7%	-
Consultants: Business and advisory services	8 240	14 963	62 191	17 035	27.4%	0.5%	11 080	12 229	12 496	-9.8%	0.2%
Legal services	1 394	2 683	4 071	2 840	26.8%	0.1%	3 394	3 564	3 771	9.9%	0.1%
Contractors	46	73	34	4 789	370.4%	-	60	60	63	-76.4%	-
Agency and support/outsourced services	58	-	-	41	-10.9%	-	45	47	50	6.8%	-
Entertainment	34	7	1	22	-13.5%	-	28	32	34	15.6%	-
Fleet services (including government motor transport)	48	99	81	144	44.2%	-	147	151	159	3.4%	-
Inventory: Other supplies	6	-	-	-	-100.0%	-	-	-	-	-	-
Consumable supplies	-	32	97	81	-	-	82	84	89	3.2%	-
Consumables: Stationery, printing and office supplies	1 203	1 264	1 121	1 717	12.6%	-	2 054	1 981	2 096	6.9%	-
Operating leases	773	792	765	815	1.8%	-	842	867	917	4.0%	-
Property payments	53	83	220	396	95.5%	-	100	103	109	-35.0%	-
Travel and subsistence	14 174	14 811	11 337	13 950	-0.5%	0.3%	14 288	14 872	15 096	2.7%	0.2%
Operating payments	82	356	180	577	91.6%	-	485	504	533	-2.6%	-
Venues and facilities	1 097	1 739	109	352	-31.5%	-	553	842	891	36.3%	-
Transfers and subsidies	4 270 033	4 943 541	4 969 072	5 645 939	9.8%	96.8%	6 728 408	5 573 508	4 886 358	-4.7%	96.7%
Foreign governments and international organisations	3 710	-	-	-	-100.0%	-	-	-	-	-	-
Public corporations and private enterprises	4 266 083	4 943 211	4 968 476	5 645 139	9.8%	96.7%	6 727 608	5 572 708	4 885 512	-4.7%	96.7%
Households	240	330	596	800	49.4%	-	800	800	846	1.9%	-

Table 34.16 Incentive Development and Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R thousand											
Payments for capital assets	2 399	7 457	770	4 251	21.0%	0.1%	11 970	12 600	13 331	46.4%	0.2%
Machinery and equipment	1 249	1 758	770	2 000	17.0%	–	2 000	2 100	2 222	3.6%	–
Software and other intangible assets	1 150	5 699	–	2 251	25.1%	–	9 970	10 500	11 109	70.3%	0.1%
Payments for financial assets	–	32	–	–	–	–	–	–	–	–	–
Total	4 387 296	5 101 863	5 176 717	5 827 591	9.9%	100.0%	6 922 407	5 772 956	5 095 242	-4.4%	100.0%
Proportion of total programme expenditure to vote expenditure	59.0%	61.3%	59.8%	61.4%	–	–	67.0%	62.1%	59.0%	–	–
Details of transfers and subsidies											
Households											
Other transfers to households											
Current	–	4	–	–	–	–	–	–	–	–	–
Gifts and donations	–	4	–	–	–	–	–	–	–	–	–
Households											
Social benefits											
Current	240	326	596	800	49.4%	–	800	800	846	1.9%	–
Employee social benefits	240	326	596	800	49.4%	–	800	800	846	1.9%	–
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Capital	749 876	438 195	–	–	-100.0%	5.8%	–	–	–	–	–
Coega Development Corporation	417 858	308 195	–	–	-100.0%	3.5%	–	–	–	–	–
East London Industrial Development Zone	150 000	100 000	–	–	-100.0%	1.2%	–	–	–	–	–
Richards Bay Industrial Development Zone	182 018	30 000	–	–	-100.0%	1.0%	–	–	–	–	–
Foreign governments and international organisations											
Current	3 710	–	–	–	-100.0%	–	–	–	–	–	–
United Nations Industrial Development Organisation incentive motivation	3 710	–	–	–	-100.0%	–	–	–	–	–	–
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	214 363	346 690	329 520	300 000	11.9%	5.8%	200 000	212 500	227 725	-8.8%	4.0%
Various institutions: Export market and investment assistance	182 000	273 818	329 520	300 000	18.1%	5.3%	200 000	212 500	227 725	-8.8%	4.0%
Broadening participation development incentives	32 363	72 872	–	–	-100.0%	0.5%	–	–	–	–	–
Capital	184 337	193 828	81 269	157 827	-5.0%	3.0%	350 892	263 437	278 716	20.9%	4.4%
Various institutions: Critical infrastructure programme	131 597	139 968	81 269	100 000	-8.7%	2.2%	290 000	199 500	211 071	28.3%	3.4%
Various institutions: Support programme for industrial innovation	52 740	53 860	–	57 827	3.1%	0.8%	60 892	63 937	67 645	5.4%	1.1%
Public corporations and private enterprises											
Private enterprises											
Private enterprises - subsidies on products and production											
Current	3 112 507	3 515 298	3 949 444	4 451 712	12.7%	73.3%	4 866 716	4 391 350	2 999 071	-12.3%	70.7%
Various institutions: Manufacturing development incentives	2 693 878	2 960 298	3 134 849	3 507 049	9.2%	60.0%	4 166 716	3 710 850	2 332 002	-12.7%	58.1%
Various institutions: Services sector development incentives	418 629	555 000	715 000	824 663	25.4%	12.3%	600 000	630 500	667 069	-6.8%	11.5%
Various institutions: Industrial development zones: Other	–	–	99 595	120 000	–	1.1%	100 000	50 000	–	-100.0%	1.1%
Capital	5 000	449 200	608 243	735 600	427.9%	8.8%	1 310 000	705 421	1 380 000	23.3%	17.5%
Various institutions: Special economic zones	5 000	449 200	608 243	735 600	427.9%	8.8%	1 310 000	705 421	1 380 000	23.3%	17.5%

Personnel information

Table 34.17 Incentive Development and Administration personnel numbers and cost by salary level¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Number of posts estimated for 31 March 2016		Number and cost ³ 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		Unit Cost	2015/16		Unit Cost	2016/17			2017/18			2018/19					2015/16 - 2018/19
Incentive Development and Administration		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	258	26	306	125.8	0.4	258	133.7	0.5	258	147.8	0.6	258	157.9	0.6	258	167.0	0.6	-	100.0%
1 – 6	19	7	26	4.3	0.2	19	3.1	0.2	19	3.4	0.2	19	3.6	0.2	19	3.8	0.2	-	7.4%
7 – 10	146	11	183	56.7	0.3	146	56.9	0.4	146	64.0	0.4	146	68.4	0.5	146	72.4	0.5	-	56.6%
11 – 12	56	4	58	31.4	0.5	56	36.8	0.7	56	42.0	0.8	56	44.9	0.8	56	47.5	0.8	-	21.7%
13 – 16	37	4	39	33.4	0.9	37	36.8	1.0	37	38.4	1.0	37	41.0	1.1	37	43.4	1.2	-	14.3%
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(7.5)	-	-	(9.0)	-	-	-
Total	258	26	306	125.8	0.4	258	133.7	0.5	258	147.8	0.6	-	150.4	-	-	158.0	-	-	-

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 R16.5 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 7: Trade Export South Africa

Programme purpose

Increase export capacity through an effectively managed network of foreign trade offices and strategies for targeted markets.

Objectives

- Promote South African value added goods and services abroad on an ongoing basis by:
 - broadening the export base
 - increasing market share in targeted high growth markets, especially in the BRICS group of countries, African countries, and other developing countries sustaining market share in traditional markets, on an ongoing basis.
- Launch the export strategy over the medium term in order to enhance South African export capabilities to address the burgeoning trade deficit by diversifying markets, sectors, and products.
- Manage a network of foreign offices that are responsible for promoting foreign direct investment and the export of South African goods, on an ongoing basis.

Subprogrammes

- African Bilateral Economic Development* facilitates bilateral African trade relations aimed at deepening regional integration.
- Export Promotion and Marketing* promotes exports of South African value added goods and services to increase market share in targeted high growth markets and to sustain market share in traditional markets.
- Trade Export South Africa Executive Management Unit* promotes trade, and administers and provides corporate support services to the department's foreign office network of 27 foreign economic representatives in 43 countries to enable South African businesses to access markets.
- Export Development and Support* manages the national exporter development programme, which is designed to contribute to positioning South Africa as a reliable trade partner and improve and expand the country's exporter base.

Expenditure trends and estimates

Table 34.18 Trade Export South Africa expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2012/13 - 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R thousand											
African Bilateral Economic Development	17 794	18 548	18 686	–	-100.0%	4.4%	21 167	22 546	23 148	–	4.8%
Export Promotion and Marketing	31 931	18 714	39 142	36 950	5.0%	10.1%	40 294	41 800	42 912	5.1%	11.6%
Trade Export South Africa Executive Management Unit	180 365	243 392	264 118	338 667	23.4%	81.4%	257 351	257 262	247 443	-9.9%	78.8%
Export Development and Support	7 833	25 994	7 692	11 145	12.5%	4.2%	17 727	17 778	20 121	21.8%	4.8%
Total	237 923	306 648	329 638	386 762	17.6%	100.0%	336 539	339 386	333 624	-4.8%	100.0%
Change to 2015 Budget estimate				22 688			(40 391)	(52 812)	(56 196)		
Economic classification											
Current payments	197 190	221 918	216 028	214 723	2.9%	67.4%	160 148	156 738	140 383	-13.2%	48.1%
Compensation of employees	128 222	135 062	147 717	168 309	9.5%	45.9%	112 103	107 917	91 077	-18.5%	34.3%
Goods and services	68 967	86 856	68 311	46 414	-12.4%	21.5%	48 045	48 821	49 306	2.0%	13.8%
of which:											
Administrative fees	386	487	533	133	-29.9%	0.1%	404	413	436	48.6%	0.1%
Advertising	348	521	142	2	-82.1%	0.1%	79	79	83	246.2%	–
Minor assets	303	78	351	58	-42.4%	0.1%	94	94	99	19.5%	–
Bursaries: Employees	–	–	–	–	–	–	26	27	27	–	–
Catering: Departmental activities	98	126	142	466	68.2%	0.1%	683	690	719	15.6%	0.2%
Communication	2 153	2 153	1 882	1 163	-18.6%	0.6%	1 071	1 109	1 173	0.3%	0.3%
Computer services	899	930	836	450	-20.6%	0.2%	577	586	620	11.3%	0.2%
Consultants: Business and advisory services	3 316	1 536	1 202	897	-35.3%	0.6%	2 152	2 199	2 326	37.4%	0.5%
Legal services	130	25	3	24	-43.1%	–	27.0	29	31	8.9%	–
Contractors	1 163	2 488	2 452	1 012	-4.5%	0.6%	949	910	964	-1.6%	0.3%
Agency and support/outourced services	8	43	547	–	-100.0%	–	–	–	–	–	–
Entertainment	1 142	1 433	1 325	684	-15.7%	0.4%	834	867	917	10.3%	0.2%
Fleet services (including government motor transport)	264	300	348	21	-57.0%	0.1%	27	28	29	11.4%	–
Inventory: Materials and supplies	40	–	–	–	-100.0%	–	–	–	–	–	–
Inventory: Other supplies	400	–	–	–	-100.0%	–	–	–	–	–	–
Consumable supplies	2	476	547	1 082	714.8%	0.2%	307	308	326	-33.0%	0.1%
Consumables: Stationery, printing and office supplies	1 588	1 223	945	1 493	-2.0%	0.4%	1 632	1 662	1 752	5.5%	0.5%
Operating leases	17 988	23 037	19 499	5 703	-31.8%	5.3%	6 842	7 221	6 475	4.3%	1.9%
Property payments	1 457	1 608	1 766	250	-44.4%	0.4%	310	317	335	10.2%	0.1%
Transport provided: Departmental activity	–	–	–	7	–	–	26	26	27	56.8%	–
Travel and subsistence	18 338	26 868	23 759	15 686	-5.1%	6.7%	14 380	13 885	13 961	-3.8%	4.1%
Training and development	59	49	37	500	103.9%	0.1%	–	–	–	-100.0%	–
Operating payments	9 404	18 068	7 697	10 531	3.8%	3.6%	9 718	11 708	12 387	5.6%	3.2%
Venues and facilities	9 481	5 407	4 298	6 252	-13.0%	2.0%	7 907	6 663	6 619	1.9%	2.0%
Interest and rent on land	1	–	–	–	-100.0%	–	–	–	–	–	–
Transfers and subsidies	37 273	83 205	110 519	168 120	65.2%	31.7%	174 338	180 555	191 026	4.3%	51.1%
Foreign governments and international organisations	12 338	9 800	–	2 632	-40.2%	2.0%	2 772	2 911	3 079	5.4%	0.8%
Public corporations and private enterprises	24 307	73 293	110 370	165 447	89.5%	29.6%	171 566	177 644	187 947	4.3%	50.3%
Households	628	112	149	41	-59.7%	0.1%	–	–	–	-100.0%	–
Payments for capital assets	3 459	1 523	1 951	3 919	4.2%	0.9%	2 053	2 093	2 215	-17.3%	0.7%
Machinery and equipment	3 459	1 523	1 951	3 919	4.2%	0.9%	2 053	2 093	2 215	-17.3%	0.7%
Payments for financial assets	1	2	1 140	–	-100.0%	0.1%	–	–	–	–	–
Total	237 923	306 648	329 638	386 762	17.6%	100.0%	336 539	339 386	333 624	-4.8%	100.0%
Proportion of total programme expenditure to vote expenditure	3.2%	3.7%	3.8%	4.1%	–	–	3.3%	3.7%	3.9%	–	–
Details of transfers and subsidies											
Households											
Other transfers to households											
Current	203	–	–	–	-100.0%	–	–	–	–	–	–
Gifts and donations	203	–	–	–	-100.0%	–	–	–	–	–	–
Social benefits											
Current	425	112	149	41	-54.1%	0.1%	–	–	–	-100.0%	–
Employee social benefits	52	58	102	41	-7.6%	–	–	–	–	-100.0%	–
Gifts and donations	316	7	–	–	-100.0%	–	–	–	–	–	–
Employees social benefits	57	47	47	–	-100.0%	–	–	–	–	–	–

Table 34.18 Trade Export South Africa 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			2015/16				2012/13 - 2015/16	2016/17	2017/18		
R thousand	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19	
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	24 307	73 293	110 370	165 447	89.5%	29.6%	171 566	177 644	187 947	4.3%	50.3%
Export Credit Insurance Corporation	24 307	73 293	110 370	165 447	89.5%	29.6%	171 566	177 644	187 947	4.3%	50.3%
Foreign governments and international organisations											
Current	12 338	9 800	–	2 632	-40.2%	2.0%	2 772	2 911	3 079	5.4%	0.8%
Export consultancy trust funds: International Bank for Reconstruction and Development (World Bank)	6 169	4 900	–	1 316	-40.2%	1.0%	1 386	1 456	1 540	5.4%	0.4%
Export consultancy trust funds: International Finance Corporation	6 169	4 900	–	1 316	-40.2%	1.0%	1 386	1 455	1 539	5.4%	0.4%

Personnel information

Table 34.19 Trade Export South Africa personnel numbers and cost by salary level¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Number of posts estimated for 31 March 2016		Number and cost ³ 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		Unit Cost	2015/16		Unit Cost	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			
Trade Export South Africa																			
Salary level	218	18	218	147.7	0.7	218	168.3	0.8	218	112.1	0.5	218	119.9	0.6	218	149.7	0.7	–	100.0%
1 – 6	19	13	18	4.3	0.2	19	2.5	0.1	19	2.7	0.1	19	2.9	0.2	19	3.1	0.2	–	8.7%
7 – 10	122	1	124	82.7	0.7	122	103.3	0.8	122	42.1	0.3	122	45.2	0.4	122	70.0	0.6	–	56.0%
11 – 12	43	3	44	31.0	0.7	43	30.4	0.7	43	32.7	0.8	43	34.9	0.8	43	36.9	0.9	–	19.7%
13 – 16	34	1	32	29.7	0.9	34	32.1	0.9	34	34.6	1.0	34	36.9	1.1	34	39.7	1.2	–	15.6%
Reduction	–	–	–	–	–	–	–	–	–	–	–	–	(12.0)	–	–	(58.6)	–	–	–
Total	218	18	218	147.7	0.7	218	168.3	0.8	218	112.1	0.5	–	107.9	–	–	91.1	–	–	–

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 R70.6 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 8: Investment South Africa

Programme purpose

Support foreign direct investment flows and domestic investment by providing a one-stop shop for investment promotion, investor facilitation and aftercare support for investors.

Objectives

- Increase the quality and quantum of South Africa's fixed investment over the medium term by undertaking various initiatives.
- Provide a dedicated service to all investors over the medium term by:
 - facilitating the entire investment value chain
 - developing an investment pipeline of possible projects through creating leads, marketing, project development, facilitation and aftercare.
- Provide specialist advisory services and policy advocacy to improve the investment climate by fast-tracking, unblocking and reducing red tape in government over the medium term.

Subprogrammes

- *Investment Promotion* facilitates the increase in the quality and quantity of foreign direct investment, and domestic and outward investment by providing investment attraction, targeted lead generation and recruitment support.
- *Investment and Inter-Departmental Clearing House* promotes and facilitates investment and provides support services to the investment and inter-departmental clearing house South Africa. This subprogramme also provides a specialist advisory service and fast tracks, unblocks and reduces red tape for investors.
- *Investment Support and After Care* provides specialist advisory services through research, information marketing, after care and policy advocacy to facilitate investment, retain and expand existing investment.

Expenditure trends and estimates

Table 34.20 Investment South Africa 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 (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13		2015/16	2016/17	2017/18	2018/19	2015/16
R thousand												
Investment Promotion	10 623	25 479	30 697	38 155	53.1%	70.8%	40 055	40 147	42 252	3.5%	82.0%	
Investment and Inter-Departmental Clearing House	18 395	6 487	7 120	9 863	-18.8%	28.2%	4 011	4 150	4 472	-23.2%	11.5%	
Investment Support and After Care	698	404	142	236	-30.3%	1.0%	4 011	4 151	4 471	166.6%	6.6%	
Total	29 716	32 370	37 959	48 254	17.5%	100.0%	48 077	48 448	51 195	2.0%	100.0%	
Change to 2015				-			(2 125)	(4 175)	(4 085)			
Budget estimate												
Economic classification												
Current payments	29 408	32 054	37 680	47 959	17.7%	99.2%	47 699	48 051	50 765	1.9%	99.2%	
Compensation of employees	12 857	22 419	26 552	32 705	36.5%	63.7%	31 020	30 267	32 030	-0.7%	64.3%	
Goods and services	16 551	9 635	11 128	15 254	-2.7%	35.4%	16 679	17 784	18 735	7.1%	34.9%	
of which:												
Administrative fees	74	104	318	70	-1.8%	0.4%	77	81	86	7.1%	0.2%	
Advertising	-	-	158	-	-	0.1%	2	2	2	-	-	
Minor assets	4	-	3	-	-100.0%	-	-	-	-	-	-	
Catering: Departmental activities	35	30	30	83	33.4%	0.1%	94	100	106	8.5%	0.2%	
Communication	98	142	163	159	17.5%	0.4%	175	182	193	6.7%	0.4%	
Consultants: Business and advisory services	242	335	620	315	9.2%	1.0%	353	371	393	7.7%	0.7%	
Contractors	6 516	-	13	4 681	-10.4%	7.6%	6 275	6 414	6 703	12.7%	12.3%	
Agency and support/outourced services	1	-	-	-	-100.0%	-	-	-	-	-	-	
Entertainment	2	359	51	101	269.6%	0.3%	101	101	1070	1.9%	0.2%	
Fleet services (including government motor transport)	2	5	-	11	76.5%	-	16	18	19	20.0%	-	
Consumable supplies	1	2	5	14	141.0%	-	15	16	17	6.7%	-	
Consumables: Stationery, printing and office supplies	232	110	79	249	2.4%	0.5%	292	309	327	9.5%	0.6%	
Operating leases	31	59	97	25	-6.9%	0.1%	29	30	20.0	-7.2%	0.1%	
Rental and hiring	-	-	-	-	-	-	-	-	12	-	-	
Property payments	9	9	1	120	10.1%	-	-	-	-	-100.0%	-	
Transport provided: Departmental activity	-	-	-	1	-	-	16	-	-	-100.0%	-	
Travel and subsistence	4 772	5 971	5 768	6 181	9.0%	15.3%	6 578	7 308	7 732	7.7%	14.2%	
Training and development	-	-	-	1 100	-	0.7%	-	-	-	-100.0%	0.6%	
Operating payments	506	694	901	597	5.7%	1.8%	656	684	724	6.6%	1.4%	
Venues and facilities	4 026	1 815	2 921	1 655	-25.6%	7.0%	2 000	2 168	2 294	11.5%	4.1%	
Transfers and subsidies	-	20	8	-	-	-	-	-	-	-	-	
Households	-	20	8	-	-	-	-	-	-	-	-	
Payments for capital assets	308	296	271	295	-1.4%	0.8%	378	397	430	13.4%	0.8%	
Machinery and equipment	308	296	271	295	-1.4%	0.8%	378	397	430	13.4%	0.8%	
Total	29 716	32 370	37 959	48 254	17.5%	100.0%	48 077	48 448	51 195	2.0%	100.0%	
Proportion of total programme expenditure to vote expenditure	0.4%	0.4%	0.4%	0.5%	-	-	0.5%	0.5%	0.6%	-	-	
Details of transfers and subsidies												
Households												
Social benefits												
Current	-	20	8	-	-	-	-	-	-	-	-	
Employee social benefits	-	20	8	-	-	-	-	-	-	-	-	

Personnel information

Table 34.21 Investment South Africa personnel numbers and cost by salary level¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Number of posts estimated for 31 March 2016		Number and cost ³ 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		Unit Cost	2015/16		Unit Cost	2016/17			2017/18			2018/19					2015/16 - 2018/19
Investment South Africa	Salary level	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
	53	5	54	26.6	0.5	53	32.7	0.6	53	31.0	0.6	53	33.1	0.6	53	35.0	0.7	-	100.0%
1 – 6	5	4	5	0.6	0.1	5	0.6	0.1	5	0.7	0.1	5	0.7	0.1	5	0.8	0.2	-	9.4%
7 – 10	26	-	26	8.5	0.3	26	10.7	0.4	26	10.6	0.4	26	12.3	0.5	26	13.0	0.5	-	49.1%
11 – 12	15	-	14	9.0	0.6	15	12.5	0.8	15	11.7	0.8	15	11.8	0.8	15	12.5	0.8	-	28.3%
13 – 16	7	1	9	8.4	0.9	7	8.8	1.3	7	8.1	1.2	7	8.3	1.2	7	8.7	1.2	-	13.2%
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(2.9)	-	-	(3.0)	-	-	-
Total	53	5	54	26.6	0.5	53	32.7	0.6	53	31.0	0.6	-	30.3	-	-	32.0	-	-	-

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 R5.9 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.

Entities

National Lotteries Commission

Mandate

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

Selected performance indicators

Table 34.22 National Lotteries Commission 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 operator ticket sales per year	Grant funding	Outcome 11: Create a better South Africa, a better Africa and a better World	R4.62bn	R4.9bn	R4.6bn	R4.4bn	R4.8bn	R5.6bn	R6.2bn
Value of National Lottery Distribution Trust Fund grant commitments per year	Grant funding		R1.65bn	R1.94bn	R1.1bn	R1.6bn	R1.5bn	R1.7bn	R1.9bn
Actual cash disbursed per year	Grant funding		R2.08bn	R1.86bn	R1.7bn	R1.8bn	R1.9bn	R2.2bn	R2.4bn
Value of contribution to the National Lottery Distribution Trust Fund per year	Grant funding		R1.6bn	R1.75bn	R1.54bn	R1.51bn	R1.66bn	R1.9bn	R2.11bn

Expenditure analysis

The National Lotteries Commission aims to ensure that funds raised through the national lottery are distributed equitably and expeditiously across South Africa to advance the social upliftment of communities in need. This is in line with the vision of the national development plan and outcome 13 (an inclusive and responsive social protection system) of government's 2014-2019 medium term strategic framework.

Disbursing funds to good causes forms the core of the commission's work. These funds are distributed according to approved lottery regulations, with charities receiving 47 per cent, sports and recreation activities 28 per cent, arts, culture and national heritage institutions 23 per cent, and 2 per cent going to miscellaneous activities. The commission receives almost all its revenue from a grant provided by the National Lottery Distribution Trust Fund, as approved by the Minister of Trade and Industry. It also receives fees for regulating other South African lotteries, and marginal amounts interest from banking institutions. Over the medium term,

the commission intends to increase cash disbursements from the National Lottery Distribution Trust Fund from R1.9 billion in 2016/17 to R2.4 billion in 2018/19, some of which will be directed towards infrastructure development.

The commission's focus over the medium term will be on increasing its provincial presence. The commission will continue establishing provincial offices in Free State, North West, Mpumalanga, Northern Cape, Western Cape and KwaZulu-Natal. Expenditure for this is in the administration programme, where spending is set to increase to R868.2 million or 60.7 per cent of the commission's total expenditure over the period, including for investigations in the provinces where offices are to be established, and capacity building initiatives to ensure compliance with the Lotteries Act (1997).

The number of personnel in the commission is expected to grow from 318 to 365 over the medium term. This additional capacity will also be used to assist in monitoring funds disbursed in the provincial networks. Expenditure on compensation of employees is thus expected to increase from R166 million in 2015/16 to R221.6 million in 2018/19, at an average annual rate of 10.1 per cent. The commission's increasing provincial presence also requires higher expenditure on goods and services, which is set to grow at an average annual rate of 12.9 per cent over the medium term, from R209.7 million in 2015/16 to R301.6 million in 2018/19, and is the key cost driver in administration over the period.

Programmes/objectives/activities

Table 34.23 National Lotteries 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				2015/16	2016/17	2017/18		
Administration	51 849	126 278	213 167	269 682	73.3%	61.6%	274 570	289 623	304 054	4.1%	60.7%
Grant funding	63 310	58 466	66 058	85 542	10.6%	31.0%	167 875	177 108	185 964	29.5%	31.9%
Compliance and regulation	10 717	16 517	17 669	26 462	35.2%	7.4%	36 542	38 552	40 480	15.2%	7.5%
Total	125 876	201 261	296 894	381 686	44.7%	100.0%	478 987	505 284	530 497	11.6%	100.0%

Statements of historical financial performance and position

Table 34.24 National Lotteries Commission statements of historical financial performance and position

Statement of financial performance									
R thousand	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Outcome/ Budget Average (%)
	Budget	2012/13	Budget	2013/14	Budget	2014/15			
Revenue									
Non-tax revenue	1 656	1 595	1 698	12 667	3 186	2 281	3 505	1 838	183.0%
Sale of goods and services other than capital assets	-	1 308	1 308	1 308	2 800	1 308	3 080	1 440	74.6%
of which:									
Administrative fees	-	1 308	1 308	1 308	2 800	1 308	3 080	1 440	74.6%
Other non-tax revenue	1 656	287	390	11 359	386	973	425	398	455.6%
Transfers received	160 723.0	124 281.0	174 471.0	188 594.0	358 126.0	294 613.0	370 978.0	379 848.0	92.8%
Total revenue	162 379	125 876	176 169	201 261	361 312	296 894	374 483	381 686	93.6%
Expenses									
Current expenses	162 379	125 876	176 169	201 261	295 026	296 894	381 600	381 686	99.1%
Compensation of employees	88 333	58 655	97 124	104 459	165 428	136 940	167 416	165 999	89.9%
Goods and services	71 791	64 896	76 745	94 020	125 398	154 075	208 229	209 729	108.4%
Depreciation	2 255	2 325	2 300	2 782	4 200	5 879	5 955	5 957	115.2%
Total expenses	162 379	125 876	176 169	201 261	295 026	296 894	381 600	381 686	99.1%
Surplus/(Deficit)	-	-	-	-	66 286	-	(7 117)	-	-
Statement of financial position									
Carrying value of assets	13 124	11 666	11 963	18 035	12 463	63 946	85 954	172 019	215.1%
Acquisition of assets	(5 750)	(6 123)	(1 626 627)	(8 582)	(1 327 771)	(51 130)	(88 349)	(112 845)	5.9%
Receivables and prepayments	3 200	6 537	3 200	5 280	3 200	10 892	2 424	2 178	207.0%
Cash and cash equivalents	6 762	12 689	4 835	26 003	3 027	12 456	47 237	9 964	98.8%
Total assets	23 086	30 892	19 998	49 318	18 690	87 294	135 615	184 161	178.2%

Table 34.24 National Lotteries Commission statements of historical financial performance and position

Statement of financial position	Budget		Audited outcome		Budget		Audited outcome		Budget estimate	Revised estimate	Outcome/ Budget Average (%)
	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16						
R thousand	5 262	2 806	1 498	1 498	190	20 190	7 848	20 000	300.7%		
Deferred income	15 018	15 963	18 500	21 612	18 500	56 564	125 355	152 040	138.8%		
Trade and other payables	-	3 724	-	26 208	-	10 540	-	12 121	-		
Provisions	2 806	8 399	-	-	-	-	2 412	-	161.0%		
Derivatives financial instruments	23 086	30 892	19 998	49 318	18 690	87 294	135 615	184 161	178.2%		
Total equity and liabilities											

Statements of estimates of financial performance and position**Table 34.25 National Lotteries Commission statements of estimates of financial performance and position**

Statement of financial performance	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
R thousand								
Revenue								
Non-tax revenue	1 838	4.8%	2.2%	2 903	2 920	2 937	16.9%	0.5%
Sale of goods and services other than capital assets	1 440	3.3%	0.6%	2 500	2 500	2 500	20.2%	0.5%
<i>of which:</i>								
Administrative fees	1 440	3.3%	0.6%	2 500	2 500	2 500	20.2%	0.5%
Other non-tax revenue	398	11.5%	1.6%	403	420	437	3.2%	0.1%
Transfers received	379 848	45.1%	97.8%	481 754	508 394	533 942	12.0%	99.5%
Total revenue	381 686	44.7%	100.0%	484 657	511 314	536 879	12.0%	100.0%
Expenses								
Current expenses	381 686	44.7%	100.0%	478 988	505 284	530 497	11.6%	205.8%
Compensation of employees	165 999	41.4%	47.0%	200 042	211 044	221 596	10.1%	42.2%
Goods and services	209 729	47.8%	51.3%	272 395	287 329	301 645	12.9%	56.4%
Depreciation	5 957	36.8%	1.7%	6 550	6 911	7 256	6.8%	1.4%
Total expenses	381 686	44.7%	100.0%	478 988	505 284	530 497	11.6%	100.0%
Surplus/(Deficit)	-	-	-	5 669	6 030	6 382	-	-
Statement of financial position								
Carrying value of assets	172 019	145.2%	60.2%	239 214	287 718	296 341	19.9%	95.0%
<i>of which:</i>								
Acquisition of assets	(112 845)	164.1%	-39.3%	(116 742)	(67 435)	(28 488)	-36.8%	-34.8%
Receivables and prepayments	2 178	-30.7%	11.4%	1 735	1 218	909	-25.3%	0.6%
Cash and cash equivalents	9 964	-7.7%	28.4%	11 458	10 314	11 860	6.0%	4.3%
Total assets	184 161	81.3%	100.0%	252 407	299 250	309 110	18.8%	100.0%
Deferred income	20 000	92.4%	11.5%	17 500	15 000	12 500	-14.5%	6.7%
Trade and other payables	152 040	112.0%	60.7%	220 968	268 220	278 175	22.3%	87.4%
Provisions	12 121	48.2%	21.0%	13 939	16 030	18 435	15.0%	5.9%
Total equity and liabilities	184 161	81.3%	100.0%	252 407	299 250	309 110	22.8%	100.0%

Personnel information**Table 34.26 National Lotteries Commission personnel numbers and cost by salary level¹**

Number of posts estimated for 31 March 2016		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)				
		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			
National Lotteries Commission		318	246	136.9	0.6	318	166.0	0.5	365	200.0	0.5	365	211.0	0.6	365	221.6	0.6	10.1%	100.0%
Salary level		318	246	136.9	0.6	318	166.0	0.5	365	200.0	0.5	365	211.0	0.6	365	221.6	0.6	10.1%	100.0%
1-6	56	56	33	3.3	0.1	56	6.5	0.1	56	7.0	0.1	56	7.6	0.1	56	8.2	0.1	8.3%	15.9%
7-10	174	174	142	67.6	0.5	174	72.0	0.4	246	120.6	0.5	246	126.2	0.5	246	130.0	0.5	21.8%	64.2%
11-12	24	24	21	16.7	0.8	24	19.0	0.8	24	22.3	0.9	24	24.3	1.0	24	26.3	1.1	11.5%	6.8%
13-16	60	60	46	41.7	0.9	60	59.1	1.0	35	39.8	1.1	35	41.9	1.2	35	45.1	1.3	-8.6%	11.9%
17-22	4	4	4	7.7	1.9	4	9.4	2.4	4	10.2	2.6	4	11.1	2.8	4	12.0	3.0	8.3%	1.1%

1. Rand million.

Companies and Intellectual Property Commission

Mandate

The Companies and Intellectual Property Commission was established in terms of section 185 of the Companies Act (2008) to register companies, close corporations, cooperatives, trademarks, patents, designs and copyright; and to enforce rules and regulations.

Selected performance indicators

Table 34.27 Companies and Intellectual Property Commission 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 website accessibility for online filings 24 hours a day and 7 days a week	Administration	Entity mandate	- ¹	92%	95%	95%	95%	95%	95%
Average number of days to register a company from the date of receipt of a complete application	Business regulations and reputation		- ¹	- ¹	- ¹	6	4	2	1
Average number of days to register a cooperative from the date of receipt of a complete application	Business regulations and reputation		- ¹	- ¹	- ¹	15	4	2	1
Percentage of companies with an active business status that have filed annual returns by the end of the reporting period (year to date)	Business regulations and reputation		- ¹	52%	50%	55%	60%	65%	70%
Average number of days to issue an application number for a trademark from the date of application	Business regulations and reputation		- ¹	- ¹	- ¹	3	3	3	3
Average number of days to issue an application number for a patent from date of application	Innovation and creativity promotion		- ¹	- ¹	- ¹	3	2	1	1
Average number of days to issue an application number for a design from date of application	Innovation and creativity promotion		- ¹	- ¹	- ¹	3	2	1	1
Average number of days to issue an application number for copyright in film from date of application	Innovation and creativity promotion		- ¹	- ¹	- ¹	2	2	1	1

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

Expenditure analysis

The Companies and Intellectual Property Commission protects intellectual property, enforces regulations and promotes good governance in terms of the Companies Act (2008). In support of the national development plan's vision of increasing the role of innovation, the commission encourages the registration of intellectual property. Outcome 4 (decent employment through inclusive economic growth) of government's 2014-2019 medium term strategic framework also supports the role of innovation in economic growth. The commission supports job creation through supporting entrepreneurial innovation. This work also contributes to a broader culture of innovation, which in turn contributes to strengthening the transformation of South Africa into an inclusive and equitable society.

The commission's overarching imperative over the medium term is to explore and develop innovative services to ensure the commission's ongoing responsiveness in a fast changing environment. This requires the commission to invest in personnel and technology. The commission has revised its organisational structure, and expects to increase the number of personnel from 444 in 2015/16 to 553 by 2018/19. The costs of this, as well as of acquiring ICT infrastructure, are budgeted for in the administration programme, which is the key cost driver over the medium term, constituting 77.7 per cent or R1.1 billion of total expected expenditure. Spending on goods and services in this programme is set to increase from R117.6 million in 2015/16 to R209.8 million in 2018/19, at an average annual rate of 21.3 per cent over the period. This is for acquiring ICT infrastructure, implementing educational and awareness strategies, and increasing the footprint of the commission nationally.

The commission aims to improve the ease of doing business in South Africa by providing efficient, integrated registrations, among its many other business related services. Over the medium term, there will be a drive to increase service delivery standards through a reduction in the average number of days taken to register a company or a cooperative to 1 day in 2018/19. Other efforts will include improving the ease of filing returns and maintaining an effective website.

The commission generates revenue mainly from the registration of companies, trademarks, patents and copyrights. Total revenue is projected to grow from R512.9 million in 2015/16 to R552.9 million in 2018/19, at an average annual rate of 2.5 per cent over the period, including interest income from accumulated funds invested in the South African Reserve Bank. Interest income from accumulated funds invested in the South African Reserve Bank is expected to decline over the medium term, as these funds are used for these projects, including a new building.

Programmes/objectives/activities

Table 34.28 Companies and Intellectual Property Commission 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	2016/17	2017/18		
R thousand	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Administration	174 082	191 905	255 074	302 747	20.3%	71.8%	335 593	346 383	372 953	7.2%	77.7%
Business regulations and reputation	85 603	86 831	30 865	40 403	-22.1%	19.7%	64 619	67 476	75 936	23.4%	14.0%
Innovation and creativity promotion	28 694	31 132	20 577	26 930	-2.1%	8.5%	37 745	39 318	41 790	15.8%	8.3%
Total	288 379	309 868	306 516	370 080	8.7%	100.0%	437 957	453 177	490 679	9.9%	100.0%

Statements of historical financial performance and position

Table 34.29 Companies and Intellectual Property Commission 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	2013/14	2013/14	2014/15	2014/15	2015/16	2015/16	2012/13 - 2015/16	
Revenue									
Non-tax revenue	669 894	396 672	435 914	455 611	438 444	508 330	466 463	512 946	93.2%
Sale of goods and services other than capital assets	429 024	329 846	339 225	379 636	393 444	413 344	423 963	470 446	100.5%
<i>of which:</i>									
Administrative fees	429 024	329 846	339 225	379 636	393 444	413 344	423 963	470 446	100.5%
Other non-tax revenue	240 870	66 826	96 689	75 975	45 000	94 986	42 500	42 500	65.9%
Transfers received	4 158	-	-	-	-	-	-	-	-
Total revenue	674 052	396 672	435 914	455 611	438 444	508 330	466 463	512 946	93.0%
Expenses									
Current expenses	674 052	288 379	435 914	309 868	438 444	306 516	370 080	370 080	66.5%
Compensation of employees	228 251	162 700	214 610	186 861	263 176	198 902	243 646	243 646	83.4%
Goods and services	397 900	120 808	212 304	119 646	173 268	98 127	117 634	117 634	50.6%
Depreciation	47 901	4 871	9 000	3 361	2 000	9 487	8 800	8 800	39.2%
Total expenses	674 052	288 379	435 914	309 868	438 444	306 516	370 080	370 080	66.5%
Surplus/(Deficit)	-	108 293	-	145 743	-	201 814	96 383	142 866	-
Statement of financial position									
Carrying value of assets	197 471	20 184	188 257	41 115	41 692	43 143	76 692	76 692	35.9%
Acquisition of assets	(230 000)	(11 025)	(7 000)	(27 349)	(9 325)	(12 402)	(35 000)	(23 129)	26.3%
Inventory	400	430	350	-	300	-	-	-	41.0%
Receivables and prepayments	14 673	8 455	40 000	7 902	3 500	8 901	2 000	2 000	45.3%
Cash and cash equivalents	840 485	1 240 474	939 101	1 386 805	1 282 097	1 565 589	1 382 456	1 382 456	125.5%
Total assets	1 053 029	1 269 588	1 167 708	1 435 822	1 327 589	1 617 633	1 461 148	1 461 148	115.5%
Accumulated surplus/(deficit)	1 010 171	1 152 935	1 081 918	1 298 678	1 217 649	1 500 492	1 313 392	1 313 392	113.9%
Trade and other payables	25 967	22 507	65 000	39 517	10 000	15 010	45 000	45 000	83.6%
Provisions	16 891	20 742	20 790	21 690	34 940	21 903	37 756	37 756	92.5%
Derivatives financial instruments	-	73 404	-	75 937	65 000	80 228	65 000	65 000	226.6%
Total equity and liabilities	1 053 029	1 269 588	1 167 708	1 435 822	1 327 589	1 617 633	1 461 148	1 461 148	115.5%

Statements of estimates of financial performance and position

Table 34.30 Companies and Intellectual Property Commission statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
					2015/16	2012/13 - 2015/16	2016/17		
R thousand									
Revenue									
Non-tax revenue		512 946	8.9%	100.0%	533 944	541 935	552 935	2.5%	100.0%
Sale of goods and services other than capital assets		470 446	12.6%	84.9%	488 944	494 335	501 935	2.2%	91.3%
<i>of which:</i>									
Administrative fees		470 446	12.6%	84.9%	488 944	494 335	501 935	2.2%	91.3%
Other non-tax revenue		42 500	-14.0%	15.1%	45 000	47 600	51 000	6.3%	8.7%
Total revenue		512 946	8.9%	100.0%	533 944	541 935	552 935	2.5%	100.0%
Expenses									
Current expenses		370 080	8.7%	100.0%	437 957	453 177	490 679	9.9%	114.9%
Compensation of employees		243 646	14.4%	61.9%	257 457	263 177	272 904	3.9%	59.6%
Goods and services		117 634	-0.9%	36.1%	176 000	185 000	209 775	21.3%	38.9%
Depreciation		8 800	21.8%	2.1%	4 500	5 000	8 000	-3.1%	1.5%
Total expenses		370 080	8.7%	100.0%	437 957	453 177	490 679	9.9%	100.0%
Surplus/(Deficit)		142 866	10%	-	95 987	88 758	62 256	-24.2%	-
Statement of financial position									
Carrying value of assets		76 692	56.0%	3.1%	391 692	418 034	437 059	78.6%	22.1%
<i>of which:</i>									
Acquisition of assets		(23 129)	28.0%	-1.3%	(25 000)	(175 000)	(129 000)	77.3%	-5.9%
Receivables and prepayments		2 000	-38.2%	0.5%	1 500	1 000	850	-24.8%	0.1%
Cash and cash equivalents		1 382 456	3.7%	96.4%	1 087 892	1 080 923	1 080 923	-7.9%	77.8%
Total assets		1 461 148	4.8%	100.0%	1 481 084	1 499 957	1 518 832	1.3%	100.0%
Accumulated surplus/(deficit)		1 313 392	4.4%	91.0%	1 330 788	1 342 026	1 353 264	1.0%	89.6%
Trade and other payables		45 000	26.0%	2.1%	45 000	50 000	55 000	6.9%	3.3%
Provisions		37 756	22.1%	1.8%	40 296	42 931	45 568	6.5%	2.8%
Derivatives financial instruments		65 000	-4.0%	5.1%	65 000	65 000	65 000	-	4.4%
Total equity and liabilities		1 461 148	4.8%	100.0%	1 481 084	1 499 957	1 518 832	14.4%	100.0%

Personnel information

Table 34.31 Companies and Intellectual Property Commission personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)				
		2014/15		Unit Cost	2015/16		Unit Cost	2016/17		2017/18		2018/19				Unit Cost			
Companies and Intellectual Property Commission		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	602	605	456	198.9	0.4	444	243.6	0.5	527	257.5	0.5	548	263.2	0.5	553	272.9	0.5	3.9%	100.0%
7 – 10	482	485	351	118.0	0.3	341	151.1	0.4	410	161.6	0.4	429	162.7	0.4	434	167.4	0.4	3.5%	77.8%
11 – 12	83	83	76	49.4	0.6	74	56.2	0.8	82	58.2	0.7	82	61.0	0.7	82	64.1	0.8	4.5%	15.5%
13 – 16	37	37	29	31.6	1.1	29	36.3	1.3	35	37.6	1.1	37	39.4	1.1	37	41.4	1.1	4.4%	6.7%

¹ Rand million.

Companies Tribunal

Mandate

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

Selected performance indicators

Table 34.32 Companies 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
Number of research reports produced per year	Administration	Entity mandate	- ¹	1	1	1	1	- ²	- ²
Number of seminars hosted per year	Administration		- ¹	- ¹	1	1	1	1	1
Number of media statements issued per year	Administration		- ¹	1	3	4	4	4	6
Number of participations in outreach and/or exhibition programmes per year	Administration		- ¹	5	3	7	8	8	8
Percentage of decisions and orders issued per year within 30 working days after the date of hearing	Adjudicate and resolve disputes in a credible and just manner		32%	80%	80%	85%	90%	90%	95%
Percentage of decisions and orders issued per year within 30 days after the date of allocation	Adjudicate and resolve disputes in a credible and just manner		- ¹	69%	90%	90%	90%	90%	95%
Percentage of cases finalised per year in terms of alternative dispute resolution after the date of hearing	Adjudicate and resolve disputes in a credible and just manner		- ¹	- ¹	40%	70%	75%	80%	85%

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

2. There are no targets as the tribunal will be implementing research recommendations from 2017/18 onwards.

Expenditure analysis

The Companies Tribunal has an adjudicative and regulatory role for companies as stipulated in the Companies Act (2008). The tribunal aims to create a fair regulatory environment so that business can take place in an equitable, ethical and socially responsible manner, aligned with Department of Trade and Industry's objective of promoting a professional, competitive and customer focused business environment. It is funded by transfers from the department.

The focus of the tribunal over the medium term will be on improving its service delivery and increasing public awareness of its activities.

The acquisition of ICT for a case management system will enable the commission to manage an envisaged increase in the number of cases brought before the tribunal. The case management system will improve accessibility to and interaction with tribunal members. The cost of the system is reflected in increasing expenditure on goods and services, from R7.3 million in 2015/16 to R9.9 million in 2018/19, at an average annual rate of 10.8 per cent over the medium term. The system will also enhance reporting through the generation of electronic reports.

Building the capacity of the tribunal's personnel to improve the commission's service delivery will result in expenditure increasing on compensation of employees, from R11.2 million in 2015/16 to R14.8 million in 2018/19, at an average annual rate of 9.6 per cent over the period. Compensation of employees remains a significant driver of the commission's expenditure, comprising an estimated 59 per cent of its total medium term budget.

Over the medium term, the tribunal expects to participate in 24 exhibitions and other outreach initiatives, host 3 seminars, and run marketing initiatives in the print and digital media, to increase public awareness of the tribunal's role and activities and how to access its services. The costs of these activities also drive the commission's increasing goods and services expenditure. Greater public awareness is expected, in turn, to increase the number of cases brought before the tribunal.

Programmes/objectives/activities

Table 34.33 Companies Tribunal expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate	Average growth rate (%)		Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19		
Administration	688	5 381	10 820	14 672	177.3%	61.0%	18 342	18 330	19 542	10.0%	79.4%	
Adjudicate and resolve disputes in a credible and just manner	2 518	2 837	2 939	4 037	17.0%	39.0%	4 348	4 777	5 242	9.1%	20.6%	
Total	3 206	8 218	13 759	18 709	80.0%	100.0%	22 690	23 107	24 784	9.8%	100.0%	

Statements of historical financial performance and position

Table 34.34 Companies Tribunal 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			
Revenue									
Non-tax revenue	–	248	–	990	350	1 539	800	4 488	631.7%
Other non-tax revenue	–	248	–	990	350	1 539	800	4 488	631.7%
Transfers received	–	10 137.0	10 337.0	10 337.0	13 313.0	13 313.0	14 221.0	14 221.0	126.8%
Total revenue	–	10 385	10 337	11 327	13 663	14 852	15 021	18 709	141.6%
Expenses									
Current expenses	–	3 206	20 255	8 218	13 243	13 759	15 621	18 709	89.4%
Compensation of employees	–	656	13 600	3 881	9 034	8 123	11 304	11 233	70.4%
Goods and services	–	2 548	6 655	4 334	4 207	5 613	4 235	7 284	131.0%
Depreciation	–	2	–	3	2	23	82	192	261.9%
Total expenses	–	3 206	20 255	8 218	13 243	13 759	15 621	18 709	89.4%
Surplus/(Deficit)	–	7 179	(9 918)	3 109	420	1 093	(600)	–	–
Statement of financial position									
Carrying value of assets	–	–	–	28	50	316	60	250	540.0%
Acquisition of assets	–	(2)	(45)	(29)	(70)	(115)	(59)	(19)	94.8%
Inventory	–	–	–	48	–	13	–	15	–
Receivables and prepayments	–	12	–	6	–	11	15	15	293.3%
Cash and cash equivalents	–	17 949	10 000	20 540	18 599	22 099	18 999	21 630	172.7%
Total assets	–	17 961	10 000	20 622	18 649	22 439	19 074	21 910	173.8%
Accumulated surplus/(deficit)	–	17 179	–	20 290	17 659	21 383	18 366	20 746	221.0%
Trade and other payables	–	153	–	26	890	98	45	501	83.2%
Provisions	–	629	–	306	100	958	663	663	335.0%
Total equity and liabilities	–	17 961	–	20 622	18 649	22 439	19 074	21 910	219.8%

Statements of estimates of financial performance and position

Table 34.35 Companies Tribunal 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		
Revenue									
Non-tax revenue	4 488	162.5%	11.4%	7 621	7 285	8 044	21.5%	30.4%	
Other non-tax revenue	4 488	162.5%	11.4%	7 621	7 285	8 044	21.5%	30.4%	
Transfers received	14 221	11.9%	88.6%	15 069	15 822	16 740	5.6%	69.6%	
Total revenue	18 709	21.7%	100.0%	22 690	23 107	24 784	9.8%	100.0%	
Expenses									
Current expenses	18 709	80.0%	100.0%	22 690	23 107	24 784	9.8%	–	
Compensation of employees	11 233	157.7%	46.7%	12 780	13 815	14 786	9.6%	59.0%	
Goods and services	7 284	41.9%	53.0%	9 808	9 191	9 898	10.8%	40.5%	
Depreciation	192	357.9%	0.3%	102	101	100	-19.5%	0.6%	
Total expenses	18 709	80.0%	100.0%	22 690	23 107	24 784	9.8%	100.0%	
Surplus/(Deficit)	–	-100%	–	–	–	–	–	–	

Table 34.35 Companies Tribunal statements of estimates of financial performance and position

Statement of financial position	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		
R thousand								
Carrying value of assets	250	–	0.7%	271	274	269	2.5%	4.2%
of which:								
Acquisition of assets	(19)	111.8%	-0.2%	(50)	(50)	(90)	67.9%	-1.1%
Inventory	15	–	0.1%	17	18	19	8.2%	0.3%
Receivables and prepayments	15	7.7%	0.1%	20	25	10	-12.6%	0.2%
Cash and cash equivalents	21 630	6.4%	99.2%	13 832	6 303	2 553	-50.9%	95.3%
Total assets	21 910	6.8%	100.0%	14 140	6 620	2 851	-49.3%	100.0%
Accumulated surplus/(deficit)	20 746	6.5%	96.0%	13 421	5 726	1 943	-54.6%	86.1%
Trade and other payables	501	48.5%	0.9%	55	92	100	-41.6%	1.9%
Provisions	663	1.8%	3.1%	664	802	808	6.8%	12.0%
Total equity and liabilities	21 910	6.8%	100.0%	14 140	6 620	2 851	-89.3%	100.0%

Personnel information

Table 34.36 Companies Tribunal personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)				
		2014/15	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19												
Companies Tribunal		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	18	23	16	8.1	0.5	18	11.2	0.6	18	12.8	0.7	18	13.8	0.8	19	14.8	0.8	9.6%	100.0%
1 – 6	2	–	1	0.0	0.0	2	0.1	0.0	2	0.1	0.1	2	0.1	0.1	3	0.2	0.1	37.4%	12.3%
7 – 10	8	14	8	2.2	0.3	8	4.0	0.5	8	4.5	0.6	8	4.9	0.6	8	5.5	0.7	11.7%	43.9%
11 – 12	5	6	5	3.8	0.8	5	3.8	0.8	5	4.2	0.8	5	4.6	0.9	5	4.7	0.9	7.6%	27.4%
13 – 16	3	3	2	2.1	1.1	3	3.4	1.1	3	3.9	1.3	3	4.2	1.4	3	4.4	1.5	8.5%	16.4%

1. Rand million.

Export Credit Insurance Corporation of South Africa

Mandate

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

Selected performance indicators

Table 34.37 Export Credit Insurance Corporation 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
Number of research projects to identify new opportunities per year	Increase product range	Outcome 4: Decent employment through inclusive economic growth	-1	-1	-2	2	2	2	2
Number of products developed and approved per year	Increase product range		-1	-1	-3	2	1	1	-4
Cost income ratio per year	Decrease cost to revenue ratio		0.13%	0.13%	0.24%	40%-35%	35%-30%	30%-25%	30%-25%
Value of projects approvals per year	Increase revenue		-1	-1	US\$432m	US\$250m	US\$350m	US\$450m	US\$550m
Percentage increase in basic own funds per year ⁵	Increase capital base		-1	-1	-1	10%	10%	10%	10%

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

2. The research project was launched in 2014/15.

3. Products were conceptualised and approved in 2014/15.

4. Products will be reviewed in 2018/19.

5. This indicator was reworded from 2014/15 to reflect percentages and not absolute values.

Expenditure analysis

The Export Credit Insurance Corporation of South Africa provides insurance solutions for exporters of South African capital goods and services in order to advance trade and economic development, in line with South Africa's industrial policy. This contributes to outcome 4 (decent employment through inclusive economic growth) of government's 2014-2019 medium term strategic framework and the national development plan's vision of expanding production and exports. A significant priority for the corporation remains supporting the potential growth in Africa for African infrastructure goods in the areas of transport, energy and water, among others, despite increased global competition in a constrained economic environment. Over the medium term, in response to the constrained economic environment, the corporation will focus on expanding trade, diversifying its products, and attracting more investment.

The corporation will explore existing relationships in the export value chain to evaluate where greater value can be extracted, and establish new relationships, particularly with the BRICS countries. It will increase the range of insurance solutions it provides to exporters by conducting research into new market opportunities and developing and testing insurance products. It will develop its business to attract investment from new and existing consumers. Spending on these activities grows from R8.2 million in 2015/16 to R9.3 million in 2018/19 within the increase product range programme.

The number of personnel in the corporation is expected to increase from 79 in 2015/16 to 89 in 2018/19 to accommodate the labour intensive work planned for the medium term. Spending on compensation of employees is expected to increase at an annual average rate of 18.1 per cent over the period from R53.2 million in 2015/16 to R87.7 million in 2018/19. Accounting for 11.5 per cent of the corporation's total expenditure, compensation of employees will be one of its main cost drivers.

The corporation's main source of revenue is insurance premiums and investment income, which is expected to increase from R1.1 billion in 2015/16 to R1.6 billion in 2018/19, due to the corporation's projected increasing provision of its insurance products. Further, the corporation anticipates an increase in the value of the projects it approves from US\$250 million in 2015/16 to USD\$550 million in 2018/19, which will contribute to the growth in revenue. The increased revenue will enable the corporation to grow its balance sheet, resulting in greater sustainability.

Programmes/objectives/activities

Table 34.38 Export Credit Insurance Corporation of South Africa 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	201 657	185 064	209 724	224 593	3.7%	23.3%	269 375	144 809	251 598	3.9%	33.6%
Improve knowledge and skills	3 386	4 604	6 320	7 412	29.8%	0.6%	10 271	10 265	11 098	14.4%	1.5%
Increase product range	4 211	4 752	5 184	8 165	24.7%	0.7%	9 059	8 609	9 255	4.3%	1.3%
Increase strategic partnerships	3 913	7 064	8 425	9 820	35.9%	0.9%	12 059	11 836	12 812	9.3%	1.8%
Improve business process	2 465	5 200	6 229	6 413	37.5%	0.6%	9 282	8 494	8 951	11.8%	1.3%
Improve communications and stakeholder management and improve stakeholder satisfaction	6 295	12 291	13 606	34 405	76.2%	2.3%	42 828	34 459	46 759	10.8%	5.9%
Improve business development	1 569	2 712	3 475	1 618	1.0%	0.2%	5 800	5 391	5 927	54.1%	0.7%
Decrease cost to revenue ratio	15 050	21 229	24 854	32 782	29.6%	2.8%	41 034	41 249	43 824	10.2%	6.0%
Increase revenue	38 193	93 139	133 205	194 526	72.1%	14.3%	210 366	216 891	232 445	6.1%	32.5%
Increase capital base	808 586	441 151	1 786 240	26 262	-68.1%	54.3%	16 875	110 320	343 540	135.6%	15.4%
Total	1 085 326	777 206	2 197 262	545 997	-20.5%	100.0%	626 949	592 324	966 210	21.0%	100.0%

Statements of historical financial performance and position

Table 34.39 Export Credit Insurance Corporation of South Africa statements of historical financial performance and position

Statement of financial performance									
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/Budget Average (%)
R thousand	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
Revenue									
Non-tax revenue	588 145	1 123 044	627 532	747 832	940 277	2 154 682	1 249 314	958 074	146.4%
Sale of goods and services other than capital assets	290 000	718 047	302 549	305 841	548 424	1 788 350	861 922	565 322	168.6%
<i>of which:</i>									
<i>Sales by market establishment</i>	290 000	718 047	302 549	305 841	548 424	1 788 350	861 922	565 322	168.6%
Other non-tax revenue	298 145	404 997	324 983	441 991	391 853	366 332	387 392	392 752	114.5%
Transfers received	97 616	24 307	110 293	73 293	–	110 370	–	165 447	179.6%
Total revenue	685 761	1 147 351	737 825	821 125	940 277	2 265 052	1 249 314	1 123 521	148.3%
Expenses									
Current expenses	313 404	859 361	424 052	518 860	525 222	1 877 168	155 957	155 957	240.5%
Compensation of employees	25 936	26 350	42 917	45 504	42 329	58 788	53 232	53 232	111.8%
Goods and services	286 868	832 793	379 699	472 719	481 763	1 817 027	99 526	99 526	258.2%
Depreciation	600	218	1 436	627	1 129	1 353	3 199	3 199	84.8%
Interest, dividends and rent on land	–	0	–	11	–	–	–	–	–
Transfers and subsidies	–	24 307	–	73 293	–	110 370	165 447	165 447	225.7%
Total expenses	415 245	1 085 325	531 868	777 206	641 437	2 197 262	545 997	545 997	215.8%
Surplus/(Deficit)	270 516	62 025	205 957	43 919	298 840	67 790	703 317	577 524	–
Statement of financial position									
Carrying value of assets	1 831	699	2 923	4 978	1 585	9 305	14 247	17 950	160.0%
<i>Acquisition of assets</i>	(1 831)	(143)	(7 000)	(4 436)	(9 325)	(4 815)	(3 190)	(13 214)	105.9%
Investments	1 652 154	2 180 082	2 696 240	4 993 017	3 759 121	2 582 548	6 476 329	6 726 826	113.0%
Receivables and prepayments	181 320	557 090	294 170	428 722	862 133	1 554 050	802 291	1 519 710	189.7%
Cash and cash equivalents	2 167 755	2 223 410	1 935 711	122 950	1 581 735	3 817 639	118 189	2 636	106.3%
Taxation	3 000	–	(26 528)	–	–	1 020	–	1 020	-8.7%
Total assets	4 006 060	4 961 281	4 902 516	5 549 667	6 204 575	7 964 563	7 411 056	8 268 143	118.7%
Accumulated surplus/(deficit)	2 647 588	1 800 433	2 730 226	2 162 537	2 418 825	1 318 290	260 855	552 738	72.4%
Capital and reserves	258 668	1 424 436	641 388	1 574 428	1 424 438	3 005 946	4 179 116	4 226 990	157.3%
Trade and other payables	5 905	13 551	151 985	20 498	15 226	31 842	32 172	35 415	49.3%
Taxation	20 633	101 845	19 216	59 124	121 374	38 350	73 598	38 350	101.2%
Provisions	1 073 266	1 621 016	1 359 701	1 733 080	2 224 711	3 570 135	2 865 314	3 414 650	137.4%
Total equity and liabilities	4 006 060	4 961 281	4 902 516	5 549 667	6 204 575	7 964 563	7 411 056	8 268 143	118.7%

Statements of estimates of financial performance and position

Table 34.40 Export Credit Insurance Corporation of South Africa 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	2017/18	2018/19	2015/16 - 2018/19	
Revenue								
Non-tax revenue	958 074	-5.2%	92.3%	1 148 061	787 047	1 425 230	14.2%	85.6%
Sale of goods and services other than capital assets	565 322	-7.7%	57.3%	801 328	446 985	836 610	14.0%	52.3%
<i>of which:</i>								
<i>Sales by market establishment</i>	565 322	-7.7%	57.3%	801 328	446 985	836 610	14.0%	52.3%
Other non-tax revenue	392 752	-1.0%	35.1%	346 733	340 062	588 620	14.4%	33.2%
Transfers received	165 447	89.5%	7.7%	171 566	177 644	187 947	4.3%	14.4%
Total revenue	1 123 521	-0.7%	100.0%	1 319 627	964 691	1 613 177	12.8%	100.0%
Expenses								
Current expenses	155 957	-43.4%	65.0%	186 008	269 871	526 664	50.0%	31.9%
Compensation of employees	53 232	26.4%	5.2%	85 712	79 734	87 666	18.1%	11.5%
Goods and services	99 526	-50.7%	59.6%	93 490	182 345	430 736	63.0%	27.1%
Depreciation	3 199	144.8%	0.2%	6 806	7 792	8 262	37.2%	1.0%
Transfers and subsidies	165 447	89.5%	11.7%	171 566	177 644	187 947	4.3%	26.8%
Total expenses	545 997	-20.5%	100.0%	626 949	592 324	966 210	21.0%	100.0%
Surplus/(Deficit)	577 524	110%	–	692 678	372 367	646 967	3.9%	–

Table 34.40 Export Credit Insurance Corporation of South Africa statements of estimates of financial performance and position

Statement of financial position	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		
R thousand								
Carrying value of assets	17 950	195.0%	0.1%	17 220	12 478	5 716	-31.7%	0.2%
of which:								
Acquisition of assets	(13 214)	352.1%	-0.1%	(6 076)	(3 050)	(1 500)	-51.6%	-0.1%
Investments	6 726 826	45.6%	61.9%	6 817 385	7 437 161	8 703 467	9.0%	85.3%
Receivables and prepayments	1 519 710	39.7%	14.2%	1 381 700	1 123 542	958 342	-14.2%	14.6%
Cash and cash equivalents	2 636	-89.4%	23.7%	2 213	1 783	1 593	-15.5%	0.0%
Taxation	1 020	-	0.0%	1 020	1 020	1 020	-	0.0%
Total assets	8 268 143	18.6%	100.0%	8 219 538	8 575 985	9 670 138	5.4%	100.0%
Accumulated surplus/(deficit)	552 738	-32.5%	24.6%	3 078 349	3 689 024	4 293 488	98.0%	32.9%
Capital and reserves	4 226 990	43.7%	36.5%	2 394 056	2 155 749	2 198 252	-19.6%	32.0%
Trade and other payables	35 415	37.7%	0.4%	40 938	30 649	34 497	-0.9%	0.4%
Taxation	38 350	-27.8%	1.0%	38 350	38 350	38 350	-	0.4%
Provisions	3 414 650	28.2%	37.5%	2 667 845	2 662 213	3 105 551	-3.1%	34.2%
Total equity and liabilities	8 268 143	18.6%	100.0%	8 219 538	8 575 985	9 670 137	74.5%	100.0%

Personnel information

Table 34.41 Export Credit Insurance Corporation of South Africa personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)				
		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19							
Export Credit Insurance Corporation 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	79	79	63	58.8	0.9	79	53.2	0.7	89	85.7	1.0	89	79.7	0.9	89	87.7	1.0	18.1%	100.0%
1 – 6	14	14	14	2.0	0.1	14	1.5	0.1	13	1.6	0.1	13	1.7	0.1	13	1.8	0.1	5.0%	15.4%
7 – 10	30	30	26	15.9	0.6	30	13.2	0.4	31	15.2	0.5	25	11.6	0.5	24	12.1	0.5	-2.8%	32.0%
11 – 12	18	18	13	15.0	1.2	18	13.3	0.7	23	24.0	1.0	23	18.8	0.8	21	18.0	0.9	10.5%	24.5%
13 – 16	15	15	7	13.7	2.0	15	19.8	1.3	19	33.5	1.8	22	30.1	1.4	24	34.1	1.4	19.9%	23.0%
17 – 22	2	2	3	12.2	4.1	2	5.4	2.7	3	11.5	3.8	6	17.5	2.9	7	21.7	3.1	58.7%	5.1%

1. Rand million.

National Consumer Commission

Mandate

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

Selected performance indicators

Table 34.42 National Consumer Commission 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 complaints referred or issued with non-referrals in a pre-defined period per year	Promote compliance with the Consumer Protection Act (2008)	Outcome 11: Create a better South Africa, a better Africa and a better world	47%	86%	0%	90%	90%	90%	95%
Percentage of requests for advice responded to in a pre-defined period per year	Promote compliance with the Consumer Protection Act (2008)		-1	-1	-1	95%	97%	97%	97%

Table 34.42 National Consumer Commission 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
Number of investigations conducted and reports with recommendations produced per year	Promote compliance with the Consumer Protection Act (2008)	Outcome 11: Create a better South Africa, a better Africa and a better world	-1	-1	18	12	12	12	12
Number of inspections conducted and reports with recommendations produced per year	Promote compliance with the Consumer Protection Act (2008)		-1	-1	34	22	22	22	22
Number of codes of good practice developed per year	Promote compliance with the Consumer Protection Act (2008)		-1	-1	1	1	1	-2	1
Number of consumer awareness initiatives conducted per year	Promote compliance with the Consumer Protection Act (2008)		12	17	13	18	24	24	24
Number of business compliance initiatives conducted in different provinces per year	Promote compliance with the Consumer Protection Act (2008)		-1	-1	6	12	12	12	12

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

2. There is no target in 2017/18 as the entity will be reviewing the development of codes of good practice.

Expenditure analysis

In its efforts to promote a fair, accessible and sustainable marketplace for consumer products and services, the National Consumer Commission will focus over the medium term on promoting compliance with the Consumer Protection Act (2008).

The commission will promote compliance with the Consumer Protection Act (2008) by conducting business compliance investigations and inspections on consumer products and services, and increasing awareness of the act for both consumers and businesses. The commission plans to undertake 36 investigations, 66 inspections, and 72 consumer awareness initiatives in all the provinces over the medium term at a total cost of R62.5 million over the period. Goods and services spending grows from R16.4 million in 2015/16 to R19.2 million in 2018/19, with advertising and travel for the awareness initiatives accounting for the bulk of this spending. This spending also includes developing codes of good practice for businesses to comply with the act.

Compensation of employees is expected to account for 68.4 per cent of total expenditure over the medium term, increasing from R38.8 million in 2015/16 to R45 million in 2018/19. The number of personnel is set to remain constant, at 83.

Programmes/objectives/activities

Table 34.43 National Consumer Commission 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	2016/17	2017/18		
R thousand					2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Administration	27 746	29 195	32 760	28 843	1.3%	60.7%	31 707	33 137	35 118	6.8%	52.8%
Promote compliance with the Consumer Protection Act (2008)	12 095	11 229	13 344	18 953	16.2%	28.0%	19 712	20 810	21 970	5.0%	33.4%
Be a well governed and capacitated organisation	4 838	4 492	5 338	7 800	17.3%	11.3%	8 200	8 662	9 147	5.5%	13.9%
Total	44 678	44 916	51 442	55 596	7.6%	100.0%	59 619	62 609	66 235	6.0%	100.0%

Statements of historical financial performance

Table 34.44 National Consumer Commission statements of historical financial performance

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			
Revenue									
Non-tax revenue		102	290	372		1 531	1 000	1 000	232.9%
Other non-tax revenue		102	290	372		1 531	1 000	1 000	232.9%
Transfers received	41 577.0	48 296.0	44 516.0	45 498.0	53 376.0	53 376.0	54 596.0	54 596.0	104.0%
Total revenue	41 577	48 398	44 806	45 870	53 376	54 907	55 596	55 596	104.8%
Expenses									
Current expenses	41 577	44 678	44 806	44 916	53 376	51 442	55 596	55 596	100.7%
Compensation of employees	22 547	22 991	24 107	28 045	32 338	32 605	38 787	38 787	103.9%
Goods and services	18 550	20 591	20 114	16 871	20 293	18 092	16 354	16 354	95.5%
Depreciation	480	1 070	584	-	745	745	455	455	100.3%
Interest, dividends and rent on land	-	27	-	-	-	-	-	-	-
Total expenses	41 577	44 678	44 806	44 916	53 376	51 442	55 596	55 596	100.7%
Surplus/(Deficit)	-	3 720	-	954	-	3 465	-	-	-

Statements of estimates of financial performance and position

Table 34.45 National Consumer Commission statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
					2015/16	2012/13 - 2015/16	2016/17		
R thousand									
Revenue									
Non-tax revenue		1 000	114.0%	1.4%	1 606	1 695	1 788	21.4%	2.5%
Other non-tax revenue		1 000	114.0%	1.4%	1 606	1 695	1 788	21.4%	2.5%
Transfers received		54 596	4.2%	98.6%	58 013	60 914	64 447	5.7%	97.5%
Total revenue		55 596	4.7%	100.0%	59 619	62 609	66 235	6.0%	100.0%
Expenses									
Current expenses		55 596	7.6%	100.0%	59 619	62 609	66 235	6.0%	128.1%
Compensation of employees		38 787	19.0%	61.8%	40 381	42 617	44 979	5.1%	68.4%
Goods and services		16 354	-7.4%	37.1%	17 390	18 037	19 188	5.5%	29.1%
Depreciation		455	-24.8%	1.2%	1 848	1 955	2 068	65.6%	2.5%
Total expenses		55 596	7.6%	100.0%	59 619	62 609	66 235	6.0%	100.0%
Surplus/(Deficit)		-	-100%	-	-	-	-	-	-
Statement of financial position									
Carrying value of assets		4 723	15.1%	31.7%	4 600	5 194	4 800	0.5%	34.1%
of which:									
Acquisition of assets		(3 800)	64.0%	-16.9%	(500)	(1 300)	(950)	-37.0%	-11.7%
Receivables and prepayments		84	-57.7%	5.8%	86	50	50	-15.9%	0.5%
Cash and cash equivalents		9 000	28.3%	62.6%	9 500	9 000	9 500	1.8%	65.4%
Total assets		13 807	17.7%	100.0%	14 186	14 244	14 350	1.3%	100.0%
Accumulated surplus/(deficit)		10 607	20.8%	73.5%	10 607	10 607	10 607	-	75.0%
Trade and other payables		1 600	2.1%	14.7%	1 400	1 200	1 000	-14.5%	9.2%
Provisions		900	3.4%	8.1%	1 100	1 200	1 300	13.0%	7.9%
Derivatives financial instruments		700	73.1%	3.8%	1 079	1 237	1 443	27.3%	7.9%
Total equity and liabilities		13 807	17.7%	100.0%	14 186	14 244	14 350	25.8%	100.0%

Personnel information

Table 34.46 National Consumer Commission personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)			
		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19						
National Consumer Commission		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	83	83	32.6	0.4	83	38.8	0.5	83	40.4	0.5	83	42.6	0.5	83	45.0	0.5	5.1%	100.0%
1 – 6	11	11	1.4	0.1	11	2.0	0.2	11	2.1	0.2	11	2.2	0.2	11	2.3	0.2	5.4%	13.3%
7 – 10	41	41	8.6	0.2	41	10.0	0.2	41	10.3	0.3	41	10.9	0.3	41	11.8	0.3	5.4%	49.4%
11 – 12	12	12	6.4	0.5	12	7.2	0.6	12	7.3	0.6	12	7.7	0.6	12	7.9	0.7	3.0%	14.5%
13 – 16	19	19	16.3	0.9	19	19.6	1.0	19	20.7	1.1	19	21.8	1.1	19	23.0	1.2	5.6%	22.9%

1. Rand million.

National Consumer Tribunal

Mandate

The National Consumer Tribunal was established in terms of the National Credit Act (2005) as an independent adjudicative entity. It is mandated to review decisions made by the National Credit Regulator and the National Consumer Commission, as well as to adjudicate on applications and referrals in terms of the National Credit Act (2005) and the Consumer Protection Act (2008). Various parties can bring cases before the tribunal, including the National Credit Regulator, the National Consumer Commission, consumers, credit providers, debt counsellors and credit bureaus. If the tribunal adjudicates on a matter of prohibited conduct, it may impose remedies and/or administrative penalties, as provided for in the acts.

Selected performance indicators

Table 34.47 National Consumer 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 decisions overturned on appeal or review per year	Adjudication	Outcome 4: Decent employment through inclusive economic growth	0%	3%	0%	5% or less	5% or less	5% or less	5% or less
Average number of days from the date of complete filing of debt re-arrangement agreement to date of issuing order to filing parties	Adjudication		-1	-1	-1	75 days	75 days	75 days	75 days
Average number of days from the date of close of pleadings of non-debt re-arrangement agreement to date of issuing of judgment to filing parties	Adjudication		-1	-1	-1	70 days	70 days	70 days	70 days

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

Expenditure analysis

Due to the increasing impact of the National Credit Act (2005), the tribunal projects a significant increase in the number of cases brought before it over the medium term, from 9 412 in 2014/15 to 37 950 in 2018/19. As a result, the tribunal's expenditure over the medium term will be focused on building its adjudicative and related administrative capabilities, including the continual improvement of ICT systems to provide the operational efficiencies the tribunal will require to manage the increase in cases effectively. The adjudication programme is expected to account for 45.5 per cent of expenditure over the medium term, reaching R33.4 million by 2018/19 from R22.3 million in 2015/16, reflecting average annual growth of 14.4 per cent over the period.

Further, the tribunal has adopted an approach that uses motion courts as well as established ICT interventions and the case management system for speedier and more cost effective adjudication processes, including for remote adjudications. These gains in operational efficiency will be supported over the medium term by increasing spending on goods and services, at an average annual rate of 8.8 per cent, from R25.8 million in 2015/16 to R33.2 million in 2018/19. Spending on ICT infrastructure and the case management system is estimated at R2.4 million over the medium term. Compensation of employees remains a significant driver of expenditure over the period, comprising an estimated R90.5 million or 51.6 per cent of the tribunal's total expenditure for the tribunal's 463 personnel. The tribunal will keep the number of personnel constant over the medium term as it is building operational efficiency to deal with the increase in cases.

Revenue for the tribunal's operational expenditure comes from transfers from the Department of Trade and Industry, amounting to R46 million in 2015/16 and increasing to a projected R51.3 million in 2018/19. Other sources of revenue include filing fees and interest income, which amount to R5.5 million in 2015/16 and are anticipated to increase to R9.9 million by 2018/19. Revenue is projected to grow at an average annual rate of 7.7 per cent over the medium term due to the anticipated increase in the tribunal's caseload and thus in filing fees.

Programmes/objectives/activities

Table 34.48 National Consumer Tribunal expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
Administration	–	–	22 550	27 889	–	28.3%	29 498	30 651	32 658	5.4%	54.1%
Adjudication	31 729	38 940	16 798	21 943	-11.6%	71.7%	21 743	26 747	33 395	15.0%	45.9%
Total	31 729	38 940	39 348	49 831	16.2%	100.0%	51 241	57 398	66 053	9.8%	100.0%

Statements of historical financial performance

Table 34.49 National Consumer Tribunal statements of historical financial performance

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
Revenue									
Non-tax revenue	770	1 043	795	1 378	5 725	1 953	6 802	6 802	79.3%
Sale of goods and services other than capital assets	120	397	255	528	648	903	1 260	1 260	135.3%
<i>of which:</i>									
Administrative fees	120	397	255	528	648	903	1 260	1 260	135.3%
Other non-tax revenue	650	646	540	850	5 077	1 050	5 542	5 542	68.5%
Transfers received	33 035	33 165	36 099	36 099	40 164	40 164	43 029	43 029	100.1%
Total revenue	33 805	34 208	36 894	37 477	45 889	42 117	49 831	49 831	98.3%
Expenses									
Current expenses	33 805	31 729	36 894	38 940	43 039	39 348	49 831	49 831	97.7%
Compensation of employees	13 825	13 746	23 079	18 460	23 038	20 178	26 065	26 065	91.2%
Goods and services	17 514	17 367	13 511	20 135	19 292	18 354	22 936	22 936	107.6%
Depreciation	2 424	547	249	300	614	763	730	730	58.3%
Interest, dividends and rent on land	42	69	55	45	95	53	100	100	91.4%
Total expenses	33 805	31 729	36 894	38 940	43 039	39 348	49 831	49 831	97.7%
Surplus/(Deficit)	–	2 479	–	(1 463)	2 850	2 769	–	–	–

Statements of estimates of financial performance and position

Table 34.50 National Consumer Tribunal statements of estimates of financial performance and position

Statement of financial performance	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2015/16	2012/13 - 2015/16	2016/17		
R thousand								
Revenue								
Non-tax revenue	6 802	86.8%	6.3%	5 090	8 939	14 783	29.5%	15.4%
Sale of goods and services other than capital assets	1 260	47.0%	1.8%	2 710	3 795	4 933	57.6%	5.5%
<i>of which:</i>								
Administrative fees	1 260	47.0%	1.8%	2 710	3 795	4 933	57.6%	5.5%
Other non-tax revenue	5 542	104.7%	4.4%	2 380	5 144	9 850	21.1%	9.9%
Transfers received	43 029	9.1%	93.7%	46 151	48 459	51 270	6.0%	84.6%
Total revenue	49 831	13.4%	100.0%	51 241	57 398	66 053	9.8%	100.0%
Expenses								
Current expenses	49 831	16.2%	100.0%	51 241	57 398	66 053	9.8%	145.1%
Compensation of employees	26 065	23.8%	48.6%	28 398	30 123	32 028	7.1%	52.2%
Goods and services	22 936	9.7%	49.8%	21 631	26 540	33 167	13.1%	46.2%
Depreciation	730	10.1%	1.5%	1 212	735	858	5.5%	1.6%
Interest, dividends and rent on land	100.0	13.2%	0.2%	–	–	–	-100.0%	0.1%
Total expenses	49 831	16.2%	100.0%	51 241	57 398	66 053	9.8%	100.0%
Surplus/(Deficit)	–	-100%	–	–	–	–	–	–
Statement of financial position								
Carrying value of assets	3 428	32.9%	22.3%	3 928	4 203	4 705	11.1%	39.0%
<i>of which:</i>								
Acquisition of assets	(730)	79.1%	-7.3%	(1 212)	(735)	(858)	5.5%	-8.5%
Inventory	32	-24.7%	0.5%	34	35	40	7.7%	0.3%
Receivables and prepayments	32	19.0%	0.7%	34	35	40	7.7%	0.3%
Cash and cash equivalents	6 249	-10.3%	76.5%	6 249	6 249	6 249	–	60.3%
Total assets	9 741	-1.6%	100.0%	10 245	10 522	11 034	4.2%	100.0%

Table 34.50 National Consumer Tribunal statements of estimates of financial performance and position

Statement of financial position	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				
R thousand										
Accumulated surplus/(deficit)	4 517	-8.9%	50.1%	4 682	4 381	4 608	0.7%	43.9%		
Finance lease	255	-0.1%	2.5%	269	283	300	5.6%	2.7%		
Trade and other payables	1 690	-11.6%	26.1%	1 783	1 872	1 981	5.4%	17.6%		
Provisions	3 279	28.7%	21.3%	3 511	3 986	4 145	8.1%	35.8%		
Total equity and liabilities	9 741	-1.5%	100.0%	10 245	10 522	11 034	19.8%	100.0%		

Personnel information

Table 34.51 National Consumer Tribunal personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)				
		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
National Consumer Tribunal		42	20.2	0.5	42	26.4	0.6	43	28.4	0.7	43	30.1	0.7	43	32.0	0.7	6.7%	100.0%	
Salary level	42	42	42	20.2	0.5	42	26.4	0.6	43	28.4	0.7	43	30.1	0.7	43	32.0	0.7	6.7%	100.0%
1 – 6	8	8	8	3.2	0.4	8	3.5	0.4	8	3.7	0.5	8	3.6	0.5	8	3.9	0.5	3.3%	18.7%
7 – 10	21	21	21	4.6	0.2	21	7.0	0.3	19	6.4	0.3	19	6.8	0.4	19	7.3	0.4	1.1%	45.6%
11 – 12	6	6	6	2.6	0.4	6	4.9	0.8	8	5.4	0.7	8	5.8	0.7	8	6.2	0.8	8.5%	17.5%
13 – 16	7	7	7	9.8	1.4	7	10.9	1.6	8	12.9	1.6	8	13.9	1.7	8	14.7	1.8	10.3%	18.1%

1. Rand million.

National Credit Regulator

Mandate

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

Selected performance indicators

Table 34.52 National Credit Regulator 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
Number of workshops conducted per year on affordability assessment regulations (appropriate enforcement action taken where necessary)	Promote increased access to credit through responsible credit granting	Entity mandate	-1	-1	3	9	9	9	9
Number of provinces visited per year to monitor compliance (appropriate enforcement action taken where necessary)	Promote increased access to credit through responsible credit granting		-1	-1	-1	9	9	9	9
Number of investigations conducted per year to enforce regulations (appropriate action taken where necessary)	Promote increased access to credit through responsible credit granting		-1	-1	-1	10	20	25	30
Number of credit providers investigated per year (enforcement action taken where necessary)	Protect consumers from abuse and unfair practices in the consumer credit market and address over-indebtedness		-1	-1	-1	20	60	70	80
Number of credit bureaus investigated per year (appropriate enforcement action taken where necessary)	Continually enhance consumer credit market regulatory framework		2	2	2	2	3	4	5

Table 34.52 National Credit Regulator 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
Number of credit bureau audit reports reviewed per year (appropriate corrective action taken where necessary)	Continually enhance consumer credit market regulatory framework	Entity mandate	-1	-1	-1	14	14	14	14
Number of workshops conducted with relevant stakeholders per year	Ensure effective implementation of the National Credit Amendment Act (2014)		-1	-1	30	40	50	55	60
Number of multimedia awareness campaigns (radio/television/interviews/print) conducted per year	Ensure effective implementation of the National Credit Amendment Act (2014)		-1	-1	18	30	50	55	60
Number of outreach programmes and exhibitions (mall activations/outside broadcast/road shows/imbizos) per year	Ensure effective implementation of the National Credit Amendment Act (2014)		-1	-1	5	8	11	15	18
Number of raids conducted per year (appropriate enforcement action taken where necessary)	Ensure effective implementation of the National Credit Amendment Act (2014)		-1	-1	2	3	4	4	4

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

Expenditure analysis

The National Credit Regulator promotes a credit market that is fair, transparent and accessible to consumers, and contributes to South Africa's socioeconomic development. The regulator promotes responsible credit granting and protects consumers from abuse and unfair practices.

The National Credit Amendment Act (2014) introduced new affordability regulations, interest rate regulations, new debt regulations, and credit life insurance caps, and prohibited collection on prescribed debt. Over the medium term, the regulator will focus on its statutory requirements to enforce the new amendments by conducting compliance inspections and investigations, and taking appropriate enforcement action where applicable. The number of credit providers inspected and investigated is expected to total 210 over the medium term.

The regulator thus requires increased human capacity, and personnel numbers are expected to increase from 167 in 2016/17 to 174 in 2018/19. Compensation of employees will thus remain a significant driver of the regulator's expenditure over the medium term, comprising an estimated 61.2 per cent (R249.1 million) of total expenditure. The increase in personnel over the medium term will also enable the regulator to improve its complaints resolution and consumer education activities. The regulator aims to address over-indebtedness and increase the accuracy and quality of credit bureau information.

The regulator derives its revenue mainly from transfers from the Department of Trade and Industry, which are projected to increase from R66.7 million in 2015/16 to R77.3 million by 2018/19. Other sources of revenue include interest earned on short term investments, royalties earned on the national loans register, and fees from registrants. The amended act requires alternative dispute resolution agents and payment distribution agents to register with the regulator and the total number of registrations is expected to increase from 6 300 in 2015/16 to 7 400 in 2018/19, driving revenue growth of approximately 3.1 per cent over the period.

Programmes/objectives/activities

Table 34.53 National Credit Regulator expenditure trends and estimates by programme/objective/activity

	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		
R thousand											
Administration	54 481	34 635	45 456	47 591	-4.4%	38.8%	49 414	51 286	52 991	3.6%	38.8%
Promote increased access to credit through responsible credit granting	12 457	18 597	4 902	6 731	-18.6%	9.1%	5 461	5 675	5 637	-5.7%	4.5%
Protect consumers from abuse and unfair practices in the consumer credit market and address over-indebtedness	25 083	39 593	29 871	30 237	6.4%	26.3%	31 192	30 703	33 418	3.4%	24.2%
Continually enhance consumer credit market regulatory framework	17 257	28 195	14 697	16 016	-2.5%	16.1%	16 260	17 014	17 543	3.1%	12.9%
Ensure effective implementation of the National Credit Amendment Act (2014)	-	-	22 495	24 204	-	9.6%	24 857	26 040	27 020	3.7%	19.7%
Total	109 278	121 020	117 421	124 779	4.5%	100.0%	127 184	130 718	136 609	3.1%	100.0%

Statements of historical financial performance and position

Table 34.54 National Credit Regulator statements of historical financial performance and position

Statement of financial performance									
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/Budget Average (%)
R thousand	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
Revenue									
Non-tax revenue	56 455	38 075	57 062	34 286	47 041	34 454	48 663	58 051	78.8%
Sale of goods and services other than capital assets	31 960	30 520	33 708	30 465	44 041	31 202	45 363	55 051	94.9%
<i>of which:</i>									
Administrative fees	31 960	30 520	33 708	30 465	44 041	31 202	45 363	55 051	94.9%
Other non-tax revenue	24 495	7 555	23 354	3 821	3 000	3 252	3 300	3 000	32.6%
Transfers received	54 690	55 431	60 691	60 691	63 845	68 845	65 727	66 726	102.8%
Total revenue	111 145	93 506	117 753	94 977	110 886	103 299	114 390	124 778	91.7%
Expenses									
Current expenses	111 145	109 278	117 753	121 020	110 886	117 421	124 778	124 778	101.7%
Compensation of employees	55 236	54 339	55 846	57 497	57 522	68 155	69 302	69 302	104.8%
Goods and services	53 759	52 127	58 598	63 523	48 031	44 454	50 275	50 275	99.9%
Depreciation	2 146	2 805	3 300	–	5 333	4 808	5 197	5 197	80.2%
Interest, dividends and rent on land	4	7	9	–	–	4	4	4	88.4%
Total expenses	111 145	109 278	117 753	121 020	110 886	117 421	124 778	124 778	101.7%
Surplus/(Deficit)	–	(15 772)	–	(26 043)	–	(14 122)	(10 388)	–	–
Statement of financial position									
Carrying value of assets	11 924	19 761	21 924	21 621	37 982	21 895	50 345	22 990	70.6%
Acquisition of assets	(3 979)	(14 735)	(4 000)	(5 949)	(9 150)	(4 318)	(23 598)	(23 598)	119.3%
Investments	–	–	–	–	–	5	–	–	–
Receivables and prepayments	339	8 062	440	3 907	5 014	1 100	170	850	233.4%
Cash and cash equivalents	58 620	42 629	41 907	38 495	26 275	35 994	46 000	46 000	94.4%
Total assets	70 883	70 452	64 271	64 023	69 271	58 994	96 515	69 840	87.5%
Accumulated surplus/(deficit)	35 598.0	50 714.0	30 000.0	24 671.0	55 061.0	10 549.0	83 710.0	4 748.0	44.4%
Finance lease	369	55	–	28	40	37	19	27	34.5%
Deferred income	24 990	5 547	19 884	–	–	–	–	–	12.4%
Trade and other payables	7 107	9 510	5 999	8 275	5 800	10 393	4 500	8 529	156.8%
Provisions	2 819	4 286	7 968	6 982	7 950	4 039	8 086	4 988	75.7%
Derivatives financial instruments	–	150	420	24 067	420	33 976	200	51 547	10 551.9%
Total equity and liabilities	70 883	70 452	64 271	64 023	69 271	58 994	96 515	69 839	87.5%

Statements of estimates of financial performance and position

Table 34.55 National Credit Regulator 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	2017/18	2018/19	2015/16 - 2018/19		
Revenue									
Non-tax revenue	58 051	15.1%	39.2%	57 607	57 662	59 316	0.7%	44.8%	
Sale of goods and services other than capital assets	55 051	21.7%	34.8%	55 107	55 162	56 816	1.1%	42.8%	
<i>of which:</i>									
Administrative fees	55 051	21.7%	34.8%	55 107	55 162	56 816	1.1%	42.8%	
Other non-tax revenue	3 000	-26.5%	4.4%	2 500	2 500	2 500	-5.9%	2.0%	
Transfers received	66 727	6.4%	60.8%	69 577	73 056	77 293	5.0%	55.2%	
Total revenue	124 778	10.1%	100.0%	127 184	130 718	136 609	3.1%	100.0%	
Expenses									
Current expenses	124 778	4.5%	100.0%	127 184	130 718	136 609	3.1%	112.9%	
Compensation of employees	69 302	8.4%	52.7%	76 827	82 941	89 332	8.8%	61.2%	
Goods and services	50 275	-1.2%	44.6%	44 895	42 042	41 256	-6.4%	34.5%	
Depreciation	5 197	22.8%	2.7%	5 457	5 730	6 017	5.0%	4.3%	
Interest, dividends and rent on land	4	-15.7%	0.0%	4	5	5	5.0%	0.0%	
Total expenses	124 778	4.5%	100.0%	127 184	130 718	136 609	3.1%	100.0%	
Surplus/(Deficit)	–	-100%	–	–	–	–	–	–	
Statement of financial position									
Carrying value of assets	22 990	5.2%	33.0%	24 139	25 346	26 614	5.0%	32.2%	
<i>of which:</i>									
Acquisition of assets	(23 598)	17.0%	-17.8%	(13 700)	(7 060)	(3 300)	-48.1%	-16.3%	
Receivables and prepayments	850	-52.8%	5.2%	750	650	550	-13.5%	0.9%	
Cash and cash equivalents	46 000	2.6%	61.9%	48 300	53 251	58 709	8.5%	66.9%	
Total assets	69 840	-0.3%	100.0%	73 189	79 247	85 872	7.1%	100.0%	

Table 34.55 National Credit Regulator statements of estimates of financial performance and position

Statement of financial position	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		
R thousand								
Accumulated surplus/(deficit)	4 748	-54.6%	33.8%	7 122	10 683	16 025	50.0%	12.2%
Finance lease	27	-20.6%	0.1%	34	40	43	16.2%	0.0%
Trade and other payables	8 529	-3.6%	14.1%	8 557	8 359	8 161	-1.5%	11.0%
Provisions	4 988	5.2%	7.7%	5 287	5 605	5 923	5.9%	7.1%
Derivatives financial instruments	51 547	600.4%	42.3%	52 189	54 561	55 721	2.6%	69.7%
Total equity and liabilities	69 839	-0.3%	100.0%	73 189	79 247	85 872	73.2%	100.0%

Personnel information

Table 34.56 National Credit Regulator personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)				
		2014/15			2015/16			2016/17		2017/18		2018/19				2015/16 - 2018/19			
National Credit Regulator		Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost			
Salary level	165	165	182	68.2	0.4	164	69.3	0.4	167	76.8	0.5	174	82.9	0.5	174	89.3	0.5	8.8%	100.0%
1 – 6	36	36	49	6.2	0.1	35	5.3	0.2	36	5.5	0.2	42	6.0	0.1	42	6.5	0.2	7.1%	22.8%
7 – 10	104	104	106	38.5	0.4	104	39.2	0.4	106	44.6	0.4	107	48.1	0.4	107	51.8	0.5	9.8%	62.5%
11 – 12	19	19	21	14.8	0.7	19	14.8	0.8	20	17.6	0.9	20	19.0	1.0	20	20.5	1.0	11.5%	11.6%
13 – 16	5	5	5	6.0	1.2	5	7.4	1.5	4	6.6	1.7	4	7.1	1.8	4	7.7	1.9	1.5%	2.5%
17 – 22	1	1	1	2.7	2.7	1	2.7	2.7	1	2.5	2.5	1	2.7	2.7	1	2.9	2.9	1.7%	0.6%

1. Rand million.

National Empowerment Fund

Mandate

The National Empowerment Fund was established in terms of the National Empowerment Fund Act (1998) to promote and facilitate black economic equality and economic transformation. In providing financial and non-financial support to black businesses and structuring accessible retail savings products for black people, the fund is mandated to implement the empowerment codes of good practice for BEE. The fund has 5 core divisions: SMMEs, rural development, venture capital, corporate finance, and women empowerment funds.

Selected performance indicators

Table 34.57 National Empowerment Fund 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 approvals by uMnotho Fund per year	Fund management	Outcome 4: Decent employment through inclusive economic growth	R561m	R153m	R244m	R300m	R391m	R505m	R560m
Value of approvals by iMbewu Fund per year	Fund management		R379m	R60m	R181m	R199m	R259m	R340m	R372m
Value of approvals by rural and community development per year	Fund management		R148m	R4m	R33m	R86m	R112m	R140m	R160m
Value of approvals by Strategic Projects Fund per year	Fund management		R245m	R193m	R166m	R75m	R75m	R75m	R75m
Amount spent on non-financial support per year	Fund management		R11.1m	R7m	R9m	R15m	R16m	R17m	R18m
Value of approvals by Women Empowerment Fund per year	Fund management		- ¹	- ¹	R271m	R220m	R279m	R354m	R389m
Job opportunities supported per year	Fund management		15 555	3 621	33 783	4 252	5 074	6 055	8 389

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

Expenditure analysis

The national development plan envisages a significant increase in employment and the broader participation of historically disadvantaged groups in the economy, and this is supported by outcome 4 (decent employment through inclusive economic growth) of government's 2014-2019 medium term strategic framework. The National Empowerment Fund promotes and facilitates black participation in the economy through providing financial and non-financial support to black owned enterprises, including through co-funding from the private sector, institutional investors, and local commercial banks. The fund thus contributes to transformation and inclusive growth, and job creation.

Over the medium term, the National Empowerment Fund will focus on promoting industries that create employment. These industries include mineral and resource beneficiation, infrastructure, green or renewable energy, manufacturing, agro-processing, business process services, and tourism.

The fund will increase its planned funding approvals in its uMnotho, iMbewu and strategic projects funds from R574 million in 2015/16 to more than R1 billion in 2018/19. The uMnotho Fund is designed to improve access to BEE capital. The iMbewu Fund supports black entrepreneurs to start new businesses and existing black owned enterprises with expansion capital. The Strategic Projects Fund aims to increase the participation of black people in projects in their early stages. The fund will also contribute to the creation of an integrated rural economy and the development of agriculture and agro-processing in rural areas through its rural and community development fund, which has targeted R412 million in approvals over the medium term to fund agriculture and agro-processing projects, as well as tourism projects.

The fund's commitment to the empowerment of women is reflected in the women empowerment fund, which was established in 2014/15 to provide black women's enterprises with financial and non-financial support. In 2014/15, the women empowerment fund approved loans totalling R271 million and disbursed R191 million. Approvals are expected to reach R389 million by 2018/19. Through this funding, which is focused on industries that create employment, the fund expects to support 19 518 job opportunities over the medium term.

The number of personnel the fund employs is expected to increase from 183 in 2015/16 to 195 in 2018/19 to provide the necessary professional skills in fields such as commerce, finance, law and engineering. Compensation of employees, at a projected R642.8 million, comprises 43.9 per cent of the fund's total spending over the medium term. The fund's non-financial services include investor education, mentorship, entrepreneurship development, and governance training, for which R51 million has been targeted over the medium term.

The fund generates its revenue from interest on investments and loans, dividend income from a portfolio of shares, and interest on cash at banks. Revenue is projected to grow to R529.9 million in 2018/19 from R433.5 million in 2015/16, reflecting growth of 6.9 per cent on a compounded basis, and driven mainly by the fund's growing investment portfolio.

Programmes/objectives/activities

Table 34.58 National Empowerment Fund 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		
R thousand											
Administration	533 404	352 078	565 281	428 449	-7.0%	100.0%	461 684	482 757	506 940	5.8%	100.0%
Total	533 404	352 078	565 281	428 449	-7.0%	100.0%	461 684	482 757	506 940	5.8%	100.0%

Statements of historical financial performance and position

Table 34.59 National Empowerment Fund statements of historical financial performance and position

Statement of financial performance									
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/Budget Average (%)
R thousand	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
Revenue									
Non-tax revenue	473 000	655 211	436 084	946 163	419 100	437 069	441 558	433 477	139.7%
Other non-tax revenue	473 000	655 211	436 084	946 163	419 100	437 069	441 558	433 477	139.7%
Total revenue	473 000	655 211	436 084	946 163	419 100	437 069	441 558	433 477	139.7%
Expenses									
Current expenses	347 152	533 404	375 501	352 078	403 559	565 281	428 449	428 449	120.9%
Compensation of employees	123 726	131 396	145 969	135 826	159 956	137 463	183 273	183 273	95.9%
Goods and services	216 426	397 083	222 603	212 641	240 640	425 327	241 949	241 949	138.6%
Depreciation	7 000	4 925	6 930	3 611	2 963	2 491	3 227	3 227	70.8%
Total expenses	347 152	533 404	375 501	352 078	403 559	565 281	428 449	428 449	120.9%
Surplus/(Deficit)	125 848	121 807	60 583	594 085	15 541	(128 212)	13 109	5 028	-
Statement of financial position									
Carrying value of assets	8 465	7 697	8 999	4 979	8 799	3 256	11 609	7 529	61.9%
Acquisition of assets	(4 628)	(3 706)	(3 500)	(673)	(3 500)	(1 053)	(7 500)	(7 500)	67.6%
Investments	1 639 267	2 181 828	1 827 933	3 034 074	2 198 428	2 791 061	3 343 034	2 860 735	120.6%
Loans	1 979 949	1 418 805	2 881 072	1 449 542	3 075 750	1 610 719	2 397 748	1 813 634	60.9%
Receivables and prepayments	5 629	116 201	-	70 079	103 802	47 640	106 890	110 783	159.3%
Cash and cash equivalents	1 901 251	1 689 062	655 739	1 480 032	94 836	1 467 447	195 917	1 113 495	201.9%
Non-current assets held for sale	-	8 100	-	8 100	8 100	2 066	-	-	225.5%
Total assets	5 534 561	5 421 693	5 373 743	6 046 806	5 489 715	5 922 189	6 055 198	5 906 176	103.8%
Accumulated surplus/(deficit)	1 738 363	2 904 036	1 613 822	3 504 299	2 971 284	3 376 087	3 536 767	3 387 745	133.6%
Capital and reserves	3 765 625	2 468 431	3 749 921	2 468 431	2 468 431	2 468 431	2 468 431	2 468 431	79.3%
Trade and other payables	30 573	49 226	10 000	56 363	50 000	63 105	50 000	50 000	155.6%
Derivatives financial instruments	-	-	-	17 713	-	14 565	-	-	-
Total equity and liabilities	5 534 561	5 421 693	5 373 743	6 046 806	5 489 715	5 922 188	6 055 198	5 906 176	103.8%

Statements of estimates of financial performance and position

Table 34.60 National Empowerment Fund 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	2017/18	2018/19	2015/16 - 2018/19 (%)	(%)	
Revenue									
Non-tax revenue	433 477	-12.9%	100.0%	467 411	499 888	529 861	6.9%	100.0%	
Other non-tax revenue	433 477	-12.9%	100.0%	467 411	499 888	529 861	6.9%	100.0%	
Total revenue	433 477	-12.9%	100.0%	467 411	499 888	529 861	6.9%	100.0%	
Expenses									
Current expenses	428 449	-7.0%	100.0%	461 684	482 757	506 940	5.8%	116.0%	
Compensation of employees	183 273	11.7%	32.6%	201 262	212 702	228 826	7.7%	43.9%	
Goods and services	241 949	-15.2%	66.6%	256 513	265 519	273 139	4.1%	55.2%	
Depreciation	3 227	-13.1%	0.8%	3 909	4 536	4 975	15.5%	0.9%	
Total expenses	428 449	-7.0%	100.0%	461 684	482 757	506 940	5.8%	100.0%	
Surplus/(Deficit)	5 028	-65%	-	5 727	17 131	22 921	65.8%	-	
Statement of financial position									
Carrying value of assets	7 529	-0.7%	0.1%	9 121	10 584	11 609	15.5%	0.2%	
of which:									
Acquisition of assets	(7 500)	26.5%	-0.1%	(5 500)	(6 000)	(6 000)	-7.2%	-0.1%	
Investments	2 860 735	9.5%	46.5%	3 052 077	3 288 845	3 564 545	7.6%	53.9%	
Loans	1 813 634	8.5%	27.0%	2 208 557	2 771 055	3 503 334	24.5%	43.4%	
Receivables and prepayments	110 783	-1.6%	1.5%	144 396	190 376	248 849	31.0%	2.9%	
Cash and cash equivalents	1 113 495	-13.0%	24.8%	497 753	(331 826)	(1 376 382)	-207.3%	-0.4%	
Total assets	5 906 176	2.9%	100.0%	5 911 904	5 929 034	5 951 955	0.3%	100.0%	
Accumulated surplus/(deficit)	3 387 745	5.3%	56.5%	3 393 473	3 410 603	3 433 524	0.4%	57.5%	
Capital and reserves	2 468 431	-	42.5%	2 468 431	2 468 431	2 468 431	-	41.7%	
Trade and other payables	50 000	0.5%	0.9%	50 000	50 000	50 000	-	0.8%	
Total equity and liabilities	5 906 176	2.9%	100.0%	5 911 904	5 929 034	5 951 955	0.4%	100.0%	

Personnel information

Table 34.61 National Empowerment Fund personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number			
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/Total: Average (%)		
		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				
National Empowerment Fund		183	183	152	137.5	0.9	183	183.3	1.0	195	201.3	1.0	195	212.7	1.1	195	228.8	1.2	7.7%	100.0%
Salary level	183	183	152	137.5	0.9	183	183.3	1.0	195	201.3	1.0	195	212.7	1.1	195	228.8	1.2	7.7%	100.0%	
1 – 6	11	11	11	2.3	0.2	11	2.7	0.2	11	2.8	0.3	11	3.0	0.3	11	3.2	0.3	6.4%	5.7%	
7 – 10	75	75	67	37.5	0.6	75	48.6	0.6	83	53.4	0.6	83	56.8	0.7	83	59.2	0.7	6.9%	42.2%	
11 – 12	71	71	48	49.7	1.0	71	76.8	1.1	74	84.7	1.1	74	89.8	1.2	74	100.1	1.4	9.3%	38.2%	
13 – 16	24	24	24	39.7	1.7	24	46.3	1.9	25	50.8	2.0	25	53.1	2.1	25	55.5	2.2	6.2%	12.9%	
17 – 22	2	2	2	8.2	4.1	2	9.0	4.5	2	9.5	4.8	2	10.0	5.0	2	10.8	5.4	6.1%	1.0%	

1. Rand million.

National Gambling Board

Mandate

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

Selected performance indicators

Table 34.62 National Gambling Board 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
Number of research reports on the impact of gambling produced and presented to the accounting authority per year	Stakeholder and liaison		- ¹	- ¹	1	1	1	1	1
Number of consolidated three tier compliance evaluation assessment reports produced per year	Compliance monitoring		- ¹	- ¹	9	9	9	9	9
Number of reports on the intervention and support provided to regulators and law enforcement agencies per year	Compliance monitoring	Entity mandate	- ¹	- ¹	8	8	8	8	8
Number of reports on illegal gambling produced per year as part of the development and rollout of the illegal gambling operator register	Compliance monitoring		- ¹	- ¹	4	4	4	4	4

1. No historical data is available as these indicators were introduced in 2014/15.

Expenditure analysis

The National Gambling Board promotes regulatory functions and job creation within the South African gambling industry, and its strategic goals are aligned with the strategic objectives of the Department of Trade and Industry, as informed by outcome 4 (decent employment through inclusive economic growth), outcome 11 (create a better South Africa, a better Africa and a better world) and outcome 12 (an efficient, effective and development orientated public service) of government's 2014-2019 medium term strategic framework. The focus of the board over the medium term will be on facilitating economic transformation, and creating a fair regulatory environment that promotes equitable and socially responsible behaviour.

Over the medium term, the board's focus will continue to be on strengthening its regulatory compliance oversight of gambling behaviour in all provinces through evaluating the issuance of national licences by licensing authorities; conducting research on the socioeconomic impact of gambling; and eradicating illegal gambling operations. The board will continue to monitor market share and behaviour in the sector, and issue

reports on trends in the market and gambling behaviour patterns. These reports will be used as a guide to inform policy on gambling related matters affecting the country. These activities are catered for in the compliance monitoring programme, which accounts for an estimated 55.3 per cent (R258 million) of expenditure over the medium term.

A service provider has been appointed to conduct research on the socioeconomic impact of illegal gambling, and propose interventions to intensify the board's efforts to eradicate such activities in the country. The board is further developing a national illegal gambling operator register with the aim of maintaining current data on illegal gambling operators, which will be blacklisted and not be eligible to obtain operator licences in the future. The board will also conduct 1 educational and public awareness campaign each year over the medium term to educate the public about the dangers of irresponsible gambling, and this remains a key focus of the board through its stakeholder and liaison programme, which accounts for an expected R26.7 million, or 11.5 per cent of expenditure over the medium term.

Total expenditure in 2018/19 is thus expected to increase significantly to R155.3 million, driven mainly by spending on goods and services, which accounts for 67.5 per cent of total expenditure over the medium term. This is largely attributed to the operations of the national central electronic monitoring system, which manages and monitors the limited payout machine industry in South Africa. To increase the capacity of the compliance unit, which is central to driving the board's mandate, the number of personnel is set to increase from 22 in 2015/16 to 27 over the medium term. As a result, expenditure on compensation of employees over the medium term is set to grow by 33 per cent, from R11.4 million in 2015/16 to R26.7 million in 2018/19.

The board derives its revenue mainly from transfers from the Department of Trade and Industry, as well as from the national central electronic monitoring system, which charges a fee to manage and monitor limited payout machines. Total revenue is expected to increase by 56.6 per cent over the medium term, reaching an estimated R156.7 million by 2018/19 from R40.8 million in 2015/16. The increase is due to the revised revenue model for the national central electronic monitoring system. The ending of the current contract for the system in December 2016 will pave the way for a new contract with a revised revenue model to allow for monitoring fees to accrue to the board from limited payout machines. The board will use its increased revenue to develop a register of illegal gambling operators. Through the register, the board will become a central repository of all gambling operations in the country, and collaborate with law enforcement agencies to provide them with information that aims to eradicate illegal gambling activities.

Programmes/objectives/activities

Table 34.63 National Gambling Board 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	15 431	19 245	18 944	20 964	10.8%	55.9%	21 200	22 172	22 922	3.0%	33.2%
Stakeholder and liaison	10 271	8 066	6 133	5 669	-18.0%	22.8%	8 254	8 952	9 475	18.7%	11.5%
Compliance monitoring	6 828	6 343	3 954	12 402	22.0%	21.3%	13 053	122 076	122 917	114.8%	55.3%
Total	32 530	33 654	29 031	39 035	6.3%	100.0%	42 507	153 200	155 314	58.5%	100.0%

Statements of historical financial performance and position

Table 34.64 National Gambling Board 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
Revenue									
Non-tax revenue	385	1 642	430	2 279	2 703	2 608	2 629	8 789	249.2%
Other non-tax revenue	385	1 642	430	2 279	2 703	2 608	2 629	8 789	249.2%
Transfers received	25 900	26 057	27 717	27 717	29 797	29 797	31 483	31 983	100.6%
Total revenue	26 285	27 699	28 147	29 996	32 500	32 405	34 112	40 772	108.1%

Table 34.64 National Gambling Board statements of historical financial performance and position

Statement of financial performance									
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget Average (%)
	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
Expenses									
Current expenses	26 285	32 530	28 147	33 654	27 502	29 031	34 358	39 035	115.4%
Compensation of employees	13 133	10 807	15 224	11 352	12 296	12 060	15 412	11 346	81.3%
Goods and services	12 116	20 954	12 773	20 203	14 356	15 031	16 734	25 477	145.9%
Depreciation	1 036	769	150	2 099	850	1 940	2 212	2 212	165.3%
Total expenses	26 285	32 530	28 147	33 654	27 502	29 031	34 358	39 035	115.4%
Surplus/(Deficit)	-	(4 831)	-	(3 658)	4 998	3 374	(246)	1 737	-
Statement of financial position									
Carrying value of assets	4 038	16 147	5 000	14 253	15 250	12 907	16 104	13 681	141.1%
Acquisition of assets	(3 670)	-	-	(22)	-	(442)	-	(1 642)	57.4%
Inventory	156	22	100	31	120	20	127	21	18.7%
Receivables and prepayments	145	584	150	574	150	1 371	158	1 453	660.0%
Cash and cash equivalents	5 250	740	4 680	31	2 100	9 216	2 218	9 769	138.7%
Total assets	9 589	17 499	9 930	14 889	17 620	23 514	18 607	24 925	145.0%
Accumulated surplus/(deficit)	4 477	9 221	3 780	5 709	8 620	9 082	9 103	9 627	129.5%
Borrowings	-	-	-	79	-	-	-	-	-
Finance lease	-	-	-	5 725	-	-	-	-	-
Trade and other payables	1 953	7 218	5 650	2 660	6 500	13 514	6 864	14 325	179.9%
Taxation	193	-	-	-	-	-	-	-	-
Provisions	2 966	1 060	500	716	2 500	918	2 640	973	42.6%
Total equity and liabilities	9 589	17 499	9 930	14 889	17 620	23 514	18 607	24 925	145.0%

Statements of estimates of financial performance and position**Table 34.65 National Gambling Board 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	
Revenue								
Non-tax revenue	8 789	74.9%	10.8%	13 572	122 872	123 197	141.1%	52.7%
Other non-tax revenue	8 789	74.9%	10.8%	13 572	122 872	123 197	141.1%	52.7%
Transfers received	31 983	7.1%	89.2%	30 121	31 627	33 461	1.5%	47.3%
Total revenue	40 772	13.8%	100.0%	43 693	154 499	156 658	56.6%	100.0%
Expenses								
Current expenses	39 035	6.3%	100.0%	42 507	153 200	155 314	58.5%	341.7%
Compensation of employees	11 346	1.6%	34.4%	22 933	24 749	26 711	33.0%	29.1%
Goods and services	25 477	6.7%	60.4%	17 362	126 239	126 391	70.6%	67.5%
Depreciation	2 212	42.2%	5.2%	2 212	2 212	2 212	-	3.4%
Total expenses	39 035	6.3%	100.0%	42 507	153 200	155 314	58.5%	100.0%
Surplus/(Deficit)	1 737	-171%	-	1 186	1 299	1 344	-8.2%	-
Statement of financial position								
Carrying value of assets	13 681.4	-5.4%	74.4%	14 502	15 372	16 295	6.0%	54.9%
of which:								
Acquisition of assets	(1 642)	-	-2.2%	(50)	-	-	-100.0%	-1.7%
Inventory	21	-1.2%	0.1%	22	24	25	6.0%	0.1%
Receivables and prepayments	1 453	35.5%	4.7%	1 540	1 633	1 731	6.0%	5.8%
Cash and cash equivalents	9 769	136.3%	20.7%	10 355	10 976	11 635	6.0%	39.2%
Total assets	24 925	12.5%	100.0%	26 420	28 006	29 686	6.0%	100.0%
Accumulated surplus/(deficit)	9 627	1.4%	42.1%	10 205	10 817	11 466	6.0%	38.6%
Trade and other payables	14 325	25.7%	43.5%	15 184	16 095	17 061	6.0%	57.5%
Provisions	973	-2.8%	4.7%	1 031	1 093	1 159	6.0%	3.9%
Total equity and liabilities	24 925	12.5%	100.0%	26 420	28 006	29 686	18.0%	100.0%

Personnel information

Table 34.66 National Gambling Board personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)				
		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						
National Gambling Board																			
Salary level	22	22	21	12.1	0.6	22	11.3	0.5	27	22.9	0.8	27	24.7	0.9	27	26.7	1.0	33.0%	100.0%
1 – 6	4	4	3	0.6	0.2	4	0.7	0.2	1	0.2	0.2	–	–	–	–	–	–	-100.0%	5.5%
7 – 10	8	8	6	2.2	0.4	8	2.8	0.4	10	4.3	0.4	11	4.9	0.4	10	4.6	0.5	17.6%	37.8%
11 – 12	5	5	5	3.8	0.8	5	2.8	0.6	6	4.5	0.8	6	4.9	0.8	7	6.0	0.9	29.0%	23.3%
13 – 16	5	5	7	5.4	0.8	5	5.0	1.0	10	13.8	1.4	9	12.4	1.4	9	13.4	1.5	39.0%	31.6%
17 – 22	–	–	–	–	–	–	–	–	–	–	–	1	2.5	2.5	1	2.7	2.7	–	1.9%

¹ Rand million.

National Metrology Institute of South Africa

Mandate

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

Selected performance indicators

Table 34.67 National Metrology Institute 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
Number of gazetted national measurement standards per year	Keep, maintain and disseminate national measurements	Outcome 11: Create a better South Africa, a better Africa and a better world	5	50	52	53	54	55	58
Number of improved and new national measurement standards and secondary standards, reference materials and methods	Keep, maintain and disseminate national measurements		5	10	13	15	15	17	21
Number of calibration and measurement capability claims, as published in the key comparison database, per year	Keep, maintain and disseminate national measurements		365	382	411	411	417	425	425
Value of income generated per year through calibration, services, sales, consultation, research grants and donor projects	Keep, maintain and disseminate national measurements		R12m	R10m	R0.8m	R10m	R10m	R11m	R12.1m
Number of referenced and/or peer reviewed papers, manuscripts, articles, applications or technical notes, or book chapters accepted for publication in peer reviewed journals, books or appropriate media per year	Keep, maintain and disseminate national measurements	Outcome 5: A skilled and capable workforce to support an inclusive growth path	21	18	20	21	24	25	26
Number of industry and/or regional metrologists trained in accurate measurement per year	Keep, maintain and disseminate national measurements		12	49	55	58	59	63	67

Expenditure analysis

The work of the National Metrology Institute ensures that South Africa complies with measurement standards so that locally produced products are accepted internationally. This allows for the acceptance of export products in international markets, ranging from commodities and food products to manufactured goods. Linking the national measurement system and ensuring its comparability with trading partners' systems is important for

domestic economic growth, productivity and investment opportunities, in line with the goals of the Department of Trade and Industry. In addition, metrology is a vital ingredient in safeguarding the populace against contaminated and dangerous foodstuffs, manufactured products not meeting local specifications, contaminated water and other environmental hazards, and inaccurate health measurements for dosages. The institute services more than 1 300 accredited laboratories in South Africa, and provides measurement assistance to more than 400 industrial companies to ensure compliance with global standards.

The institute's recapitalisation project will continue to renew and modernise its infrastructure and equipment over the medium term in order to align its systems with the international measurement system. Modern and appropriate infrastructure will ensure that the institute remains relevant in an environment of rapid technological advances, that it redefines some of the base units of the International System of Units and that it removes technical barriers to trade. Capital expenditure for these priorities accounts for the most significant portion of expenditure, constituting an average of 48 per cent of the funds allocated to the institute over the medium term.

In its continued efforts to maintain measurement standards, the institute will participate in the consultative forums of the International Committee for Weights and Measures, and increase the number of gazetted national measurement standards (which underpin the South African measurement system) per year from 53 in 2015/16 to 58 in 2018/19. Accordingly, expenditure on goods and services is expected to account for 39.9 per cent (R178.5 million) of expenditure over the medium term.

The institute will continue to invest significantly in the skills development of employees while building a pool of talent to address future skills needs through conducting training, and ensuring the requisite skills are attracted and retained. Furthermore, the institute plans to provide small, medium and micro enterprises (SMMEs) with appropriate technology and skills transfer through training, assistance with measurements, and the provision of guides to improve measurement practices, and thereby assist them to increase their competitiveness. It is projected that 59 SMMEs will be assisted in 2016/17, increasing to 67 in 2018/19.

The successful execution of the institute's mandate relies on a competent and sustainable workforce. To ensure that it is equipped to meet stringent local and international measurement requirements, the number of personnel in the institute is expected to grow from 145 in 2015/16 to 165 in 2018/19. Expenditure on compensation of employees is thus expected to increase at an average annual rate of 6.3 per cent, from R79.8 million in 2015/16 to R95.8 million in 2018/19.

Programmes/objectives/activities

Table 34.68 National Metrology Institute of South Africa expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
Administration	33 226	46 404	59 090	53 934	17.5%	44.8%	57 709	61 749	66 071	7.0%	41.4%
Keep, maintain and disseminate national measurements	51 067	52 783	54 173	77 727	15.0%	55.2%	80 051	87 432	93 310	6.3%	58.6%
Total	84 293	99 187	113 263	131 661	16.0%	100.0%	137 760	149 181	159 381	6.6%	100.0%

Statements of historical financial performance and position

Table 34.69 National Metrology Institute of South Africa statements of historical financial performance and position

Statement of financial performance									
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget Average (%)
	2012/13	2013/14	2013/14	2014/15	2014/15	2015/16	2015/16	2012/13 - 2015/16	
Revenue									
Non-tax revenue	11 690	10 435	11 861	14 009	11 813	18 754	10 107	22 285	144.0%
Sale of goods and services other than capital assets	-	7 879	-	10 083	8 667	9 803	6 646	9 135	241.0%
of which:									
Sales by market establishment	-	7 879	-	10 083	8 667	9 803	6 646	9 135	241.0%
Other non-tax revenue	11 690	2 556	11 861	3 926	3 146	8 951	3 461	13 150	94.8%
Transfers received	76 521	82 233	145 942	145 942	202 565	202 565	250 895	250 895	100.8%
Total revenue	88 211	92 668	157 803	159 951	214 378	221 319	261 002	273 180	103.6%

Table 34.69 National Metrology Institute of South Africa statements of historical financial performance and position

Statement of financial performance									
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget Average (%)
R thousand	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
Expenses									
Current expenses	88 211	84 293	157 803	99 187	214 378	113 263	131 661	131 661	72.4%
Compensation of employees	47 529	48 187	64 039	50 534	71 510	58 808	79 774	79 774	90.3%
Goods and services	25 022	27 363	71 141	37 881	121 871	45 119	51 887	51 887	60.1%
Depreciation	15 660	8 743	22 623	10 772	20 997	9 336	-	-	48.7%
Total expenses	88 211	84 293	157 803	99 187	214 378	113 263	131 661	131 661	72.4%
Surplus/(Deficit)	-	8 375	-	60 764	-	108 056	129 341	141 519	-
Statement of financial position									
Carrying value of assets	64 980	70 223	80 455	76 435	97 723	103 763	112 526	112 526	102.0%
Acquisition of assets	(9 000)	(17 823)	(1 626 627)	(16 709)	(1 327 771)	(29 121)	(39 868)	(140 546)	6.8%
Receivables and prepayments	844	2 654	574	4 062	382	3 111	420	420	461.6%
Cash and cash equivalents	10 407	39 247	11 118	95 054	15 319	190 549	16 851	16 851	636.4%
Total assets	76 231	112 124	92 147	175 551	113 424	297 423	129 797	129 797	173.7%
Accumulated surplus/(deficit)	68 501.0	105 531.0	90 296.0	167 069.0	111 921.0	283 871.0	128 144.0	125 897.0	171.1%
Deferred income	-	157	-	129	-	-	-	-	-
Trade and other payables	7 730	3 787	1 851	6 496	1 503	13 552	1 653	1 653	200.1%
Provisions	-	2 649	-	1 857	-	-	-	2 247	-
Total equity and liabilities	76 231	112 124	92 147	175 551	113 424	297 423	129 797	129 797	173.7%

Statements of estimates of financial performance and position

Table 34.70 National Metrology Institute of South Africa 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	2017/18	2018/19	(%)	(%)	
Revenue									
Non-tax revenue	22 285	28.8%	9.2%	16 274	17 413	18 632	-5.8%	6.9%	
Sale of goods and services other than capital assets	9 135	5.1%	5.6%	9 774	10 458	11 190	7.0%	3.8%	
<i>of which:</i>									
<i>Sales by market establishment</i>	9 135	5.1%	5.6%	9 774	10 458	11 190	7.0%	3.8%	
Other non-tax revenue	13 150	72.6%	3.5%	6 500	6 955	7 442	-17.3%	3.2%	
Transfers received	250 895	45.0%	90.8%	264 193	252 803	235 731	-2.1%	93.1%	
Total revenue	273 180	43.4%	100.0%	280 467	270 216	254 363	-2.4%	100.0%	
Expenses									
Current expenses	131 661	16.0%	100.0%	137 760	149 181	159 381	6.6%	124.6%	
Compensation of employees	79 774	18.3%	55.2%	82 241	89 776	95 818	6.3%	60.1%	
Goods and services	51 887	23.8%	37.5%	55 519	59 405	63 563	7.0%	39.9%	
Total expenses	131 661	16.0%	100.0%	137 760	149 181	159 381	6.6%	100.0%	
Surplus/(Deficit)	141 519	157%	-	142 707	121 035	94 982	-12.4%	-	
Statement of financial position									
Carrying value of assets	112 526	17.0%	56.9%	129 390	148 782	163 660	13.3%	87.3%	
<i>of which:</i>									
Acquisition of assets	(140 546)	99.0%	-35.9%	(150 384)	(160 911)	(172 175)	7.0%	-99.2%	
Receivables and prepayments	420	-45.9%	1.5%	462	508	559	10.0%	0.3%	
Cash and cash equivalents	16 851	-24.6%	41.5%	18 536	20 390	22 429	10.0%	12.4%	
Total assets	129 797	5.0%	100.0%	148 388	169 680	186 648	12.9%	100.0%	
Accumulated surplus/(deficit)	125 897	6.1%	95.4%	144 098	164 961	181 457	13.0%	97.1%	
Trade and other payables	1 653.0	-24.1%	3.2%	1 818	2 000	2 200	10.0%	1.2%	
Provisions	2 247	-5.3%	1.3%	2 472	2 719	2 991	10.0%	1.7%	
Total equity and liabilities	129 797	5.0%	100.0%	148 388	169 680	186 648	33.0%	100.0%	

Personnel information

Table 34.71 National Metrology Institute of South Africa personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number			
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/Total: Average (%)		
		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				
National Metrology Institute of South Africa		145	145	127	58.8	0.5	145	79.8	0.6	155	82.2	0.5	160	89.8	0.6	165	95.8	0.6	6.3%	100.0%
Salary level		145		127	58.8	0.5	145	79.8	0.6	155	82.2	0.5	160	89.8	0.6	165	95.8	0.6	6.3%	100.0%
1 – 6	17	17		9	2.8	0.3	17	5.1	0.3	20	5.1	0.3	20	5.1	0.3	20	7.1	0.4	11.7%	12.3%
7 – 10	77	77		67	24.3	0.4	79	34.8	0.4	84	36.2	0.4	84	41.8	0.5	89	46.4	0.5	10.1%	53.8%
11 – 12	44	44		44	17.0	0.4	44	23.3	0.5	44	24.3	0.6	47	25.3	0.5	47	25.3	0.5	2.8%	29.1%
13 – 16	7	7		7	14.7	2.1	5	16.6	3.3	7	16.7	2.4	9	17.6	2.0	9	17.0	1.9	0.8%	4.8%

1. Rand million.

National Regulator for Compulsory Specifications

Mandate

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

Selected performance indicators

Table 34.72 National Regulator for Compulsory Specifications 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
Number of inspections performed in accordance with compulsory specifications and procedures	Strategic goal 2: Maximise compliance with all specifications and technical regulations	Outcome 10: Protect and enhance our environmental assets and natural resources	17 161	20 954	18 601	17 910	20 361	22 242	23 033
Number of new, amended and withdrawn compulsory specifications/technical regulations submitted for approval by the board per year	Strategic goal 1: Develop, maintain and administer compulsory specifications and technical regulations		12	12	8	8	12	12	12

Expenditure analysis

The national development plan and the industrial policy action plan envisage industrial development and economic growth. In line with this, the focus of the National Regulator for Compulsory Specifications over the medium term will be on developing and amending compulsory specifications in support of the industrial policy action plan. The regulator also seeks to play a strategic role in contributing to an enabling environment in which regulatory activities support and promote access to export markets. This involves maintaining and improving standards related to the compulsory specifications for products or services for health, safety or environmental protection requirements; and ensuring compliance with technical measurements and regulations through the Legal Metrology Act (2014), which protects consumers and the environment against inaccurate metrology measures while promoting fair trade and industrial competitiveness domestically.

Over the medium term, the regulator will focus on maximising compliance with specifications and technical regulations. This will entail reviewing and updating existing compulsory specifications and technical regulations; developing new compulsory specifications and technical regulations as informed by industrial policy; certifying that products traded in South Africa have met all requirements and passed the mandatory tests or laws; issuing health guarantees for products destined for foreign markets; and conducting surveillance

inspections to ensure that products on the market comply with the minimum requirements. These activities are expected to account for 61 per cent (R733.7 million) of the regulator's total expenditure over the medium term.

The regulator expects to conduct 65 636 inspections over the medium term. The regulator has increased its operational and staff capacity in order to increase the number of inspections of imported products at key ports of entry (Cape Town, Port Elizabeth, East London and Durban), and improve the effectiveness of border monitoring. As a result, the number of personnel is expected to increase from 318 in 2015/16 to 324 in 2018/19, although the regulator will work towards managing expenditure on compensation of employees while increasing operational efficacy. Nonetheless, compensation of employees is still expected to remain a key driver of the regulator's expenditure over the medium term, increasing from R254.8 million in 2015/16 to R305.6 million in 2018/19.

The regulator derives 28.2 per cent (R350.4 million) of its revenue over the medium term through transfers from the Department of Trade and Industry. The bulk of its revenue comes from levies. This amount is expected to grow by 3.1 per cent over the medium term to reach R290.4 million in 2018/19, due to improved levy collection through additional regulatory activity and enforcement, and the provision made for a levy increase.

Programmes/objectives/activities

Table 34.73 National Regulator for Compulsory Specifications 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	2016/17	2017/18		
R thousand											
Administration	58 705	41 231	34 584	65 714	3.8%	18.5%	45 221	57 368	63 185	-1.3%	15.0%
Strategic goal 2: Maximise compliance with all specifications and technical regulations	119 747	154 776	184 368	212 940	21.2%	60.6%	229 472	245 190	258 998	6.7%	61.0%
Strategic goal 1: Develop, maintain and administer compulsory specifications and technical regulations	8 437	8 133	8 727	14 799	20.6%	3.6%	15 174	16 091	17 040	4.8%	4.1%
Strategic goal 3: Inform and educate National Regulator for Compulsory Specifications stakeholders on the mandate of the regulator	6 721	7 583	4 640	8 033	6.1%	2.5%	9 387	9 944	10 531	9.4%	2.4%
Strategic goal 4: Ensure an optimally capacitated institution	30 495	34 236	46 195	54 902	21.7%	14.9%	75 193	68 394	72 429	9.7%	17.5%
Total	224 105	245 959	278 514	356 388	16.7%	100.0%	374 447	396 987	422 183	5.8%	100.0%

Statements of historical financial performance and position

Table 34.74 National Regulator for Compulsory Specifications 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									
Revenue									
Non-tax revenue	151 940	182 054	168 276	187 842	204 024	221 192	223 786	264 951.5	114.4%
Sale of goods and services other than capital assets	147 815	171 570	162 913	177 757	192 792	210 169	203 654	223 866.5	110.8%
of which:									
Sales by market establishment	147 815	171 570	162 913	177 757	192 792	210 169	203 654	223 866.5	110.8%
Other non-tax revenue	4 125	10 484	5 363	10 085	11 232	11 022	20 132	41 085.0	177.9%
Transfers received	78 115	79 684	103 000	103 000	109 734	109 734	116 112	91 732.0	94.4%
Total revenue	230 055	261 738	271 276	290 842	313 758	330 926	339 898	356 683.5	107.4%
Expenses									
Current expenses	230 055	224 105	271 276	245 959	313 414	278 514	356 388	356 388.1	94.4%
Compensation of employees	152 092	147 775	181 902	178 279	218 252	217 186	254 842	254 841.9	98.9%
Goods and services	72 025	74 032	85 472	64 971	91 137	58 635	97 521	97 521.2	85.3%
Depreciation	5 808	2 269	3 902	2 697	4 025	2 693	4 025	4 025.0	65.8%
Interest, dividends and rent on land	130	29	1	12	-	-	-	-	31.3%
Total expenses	230 055	224 105	271 276	245 959	313 414	278 514	356 388	356 388.1	94.4%
Surplus/(Deficit)	-	37 633	-	44 883	344	52 412	(16 490)	295.0	-

Table 34.74 National Regulator for Compulsory Specifications statements of historical financial performance and position

Statement of financial position		Budget		Audited outcome		Budget estimate		Revised estimate		Outcome/ Budget Average (%)
R thousand	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16					
Carrying value of assets	23 606	19 553	19 441	19 308	60 766	17 791	64 872	44 166.0	59.8%	
<i>Acquisition of assets</i>	(11 185)	(2 438)	(22 158)	(2 458)	(27 021)	(1 274)	(30 400)	(30 400.0)	40.3%	
Investments	20 000	325	101 879	328	325	328	328	328.0	1.1%	
Receivables and prepayments	9 108	10 973	7 126	14 210	10 405	23 643	11 030	11 029.5	158.9%	
Cash and cash equivalents	28 467	119 412	8 329	150 943	82 183	206 669	115 359	188 181.0	283.9%	
Total assets	81 182	150 263	136 775	184 789	153 680	248 431	191 589	243 704.5	146.9%	
Accumulated surplus/(deficit)	31 100	87 085	87 411	129 834	87 456	182 246	130 528	182 541.0	172.9%	
Finance lease	17	116	-	42	-	-	-	-	929.4%	
Trade and other payables	19 298	26 511	24 613	22 249	31 898	20 238	25 477	25 580.5	93.4%	
Provisions	30 767	36 551	24 751	32 664	34 326	45 947	35 583	35 583.3	120.2%	
Total equity and liabilities	81 182	150 263	136 775	184 789	153 680	248 431	191 589	243 704.7	146.9%	

Statements of estimates of financial performance and position**Table 34.75 National Regulator for Compulsory Specifications statements of estimates of financial performance and position**

Statement of financial performance		Average growth rate (%)	Expen- diture/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expen- diture/ Total: Average (%)
R thousand	Revised estimate 2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Revenue								
Non-tax revenue	264 951	13.3%	68.8%	288 185	272 045	290 388	3.1%	71.8%
Sale of goods and services other than capital assets	223 866	9.3%	63.2%	236 383	250 911	265 966	5.9%	62.7%
<i>of which:</i>								
<i>Sales by market establishment</i>	223 866	9.3%	63.2%	236 383	250 911	265 966	5.9%	62.7%
Other non-tax revenue	41 085	57.7%	5.6%	51 801	21 134	24 422	-15.9%	9.1%
Transfers received	91 732	4.8%	31.2%	86 418	128 245	135 683	13.9%	28.2%
Total revenue	356 683	10.9%	100.0%	374 603	400 290	426 071	6.1%	100.0%
Expenses								
Current expenses	356 388	16.7%	100.0%	374 447	396 987	422 183	5.8%	146.4%
Compensation of employees	254 842	19.9%	72.0%	272 924	288 546	305 626	6.2%	72.4%
Goods and services	97 521	9.6%	27.0%	97 095	103 241	110 862	4.4%	26.4%
Depreciation	4 025	21.1%	1.1%	4 428	5 200	5 694	12.3%	1.2%
Total expenses	356 388	16.7%	100.0%	374 447	396 987	422 183	5.8%	100.0%
Surplus/(Deficit)	295	-80%	-	156	3 303	3 888	136.2%	-
Statement of financial position								
Carrying value of assets	44 166	31.2%	12.2%	167 670	203 018	197 324	64.7%	60.3%
<i>of which:</i>								
<i>Acquisition of assets</i>	(30 400)	131.9%	-4.0%	(86 268)	(40 548)	3 500	-148.6%	-15.4%
Investments	328	0.3%	0.2%	328	328	328	-	0.1%
Receivables and prepayments	11 030	0.2%	7.3%	11 691	12 393	13 260	6.3%	4.8%
Cash and cash equivalents	188 181	16.4%	80.4%	68 738	41 414	46 873	-37.1%	34.8%
Total assets	243 705	17.5%	100.0%	248 427	257 153	257 785	1.9%	100.0%
Accumulated surplus/(deficit)	182 541	28.0%	69.1%	182 697	186 000	189 888	1.3%	73.6%
Trade and other payables	25 580	-1.2%	12.1%	28 012	31 171	29 450	4.8%	11.3%
Provisions	35 583	-0.9%	18.8%	37 718	39 981	38 447	2.6%	15.1%
Total equity and liabilities	243 705	17.5%	100.0%	248 427	257 153	257 785	8.7%	100.0%

Personnel information

Table 34.76 National Regulator for Compulsory Specifications personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016			Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number	
Number of funded posts	Number of posts on approved establishment	318	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/Total: Average (%)
			2014/15			2015/16			2016/17			2017/18			2018/19				
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
National Regulator for Compulsory Specifications		318	301	217.2	0.7	318	254.8	0.8	330	272.9	0.8	330	288.5	0.9	324	305.6	0.9	6.2%	100.0%
Salary level																			
1 – 6	7	7	7	1.8	0.3	7	2.2	0.3	13	2.9	0.2	13	3.0	0.2	7	2.6	0.4	6.2%	3.1%
7 – 10	161	161	157	89.4	0.6	161	102.6	0.6	162	109.2	0.7	162	116.0	0.7	162	123.0	0.8	6.2%	49.7%
11 – 12	133	133	123	109.3	0.9	133	127.1	1.0	137	136.1	1.0	137	143.5	1.0	137	152.5	1.1	6.3%	41.8%
13 – 16	16	16	13	14.9	1.1	16	20.8	1.3	17	22.5	1.3	17	23.5	1.4	17	24.9	1.5	6.2%	5.1%
17 – 22	1	1	1	1.8	1.8	1	2.2	2.2	1	2.2	2.2	1	2.5	2.5	1	2.6	2.6	6.2%	0.3%

1. Rand million.

South African Bureau of Standards

Mandate

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

Selected performance indicators

Table 34.77 South African Bureau of Standards 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
Certification revenue generated per year	Conformity assessment	Outcome 4: Decent employment through inclusive economic growth	R244 945	R275 730	R310 799	R337 903	R398 721	R430 620	R482 295
Test and services revenue generated per year	Conformity assessment		R218 935	R217 993	R220 944	R179 140	R198 724	R209 558	R226 322
Number of new certificates issued against a new scheme per year	Conformity assessment		-1	-1	2	3	5	7	9
Number of SMMEs and entrepreneurs developed per year	Conformity assessment		20	45	45	50	55	60	65
Standard sales revenue generated per year	Development of South African national standards		R21 945	R23 043	R25 588	R37 200	R37 420	R38 917	R39 695
Percentage of completion per year on the alignment of the standardisation programme with industrial policy action plan sectors	Development of South African national standards		-1	-1	-1	25%	50%	75%	90%

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

Expenditure analysis

The South African Bureau of Standards aims to work diligently to maintain and enhance South Africa's manufacturing role by providing conformity assessment and standardisation services to protect the integrity of the South African market and its consumers from products that do not meet set standards. The bureau's increased focus on industrial policy action plan priority sectors in relation to the importance of manufacturing has resulted in new home grown manufacturing standards; 2 new certification services to guarantee the effectiveness, validity, quality, and safety of products; and a strong stance on any threats to the illegal use of the bureau's mark scheme, which assures that manufacturing standards have been observed.

Over the medium term, the bureau's focus will be on developing relevant standards that promote access to international markets, and ensuring compliance to standards to protect local industry from low quality imports. This is expected to increase South Africa's role among emerging economies, and improve trade within Africa. Guaranteeing the quality of all products produced for the priority sectors of the industrial policy action plan will ensure that these products can be exported, and thus contribute to economic growth. Accordingly, the bureau intends to align its standardisation programme with priority sectors in the industrial policy action plan by 90 per cent by 2018/19.

Over the medium term, the bureau will upgrade laboratory equipment and ICT infrastructure, and optimise its new laboratory building to ensure that functional requirements are met, operational efficiency is improved, and legislative requirements are maintained. As a result, expenditure on goods and services is expected to grow by 8.8 per cent, from R287.2 million in 2015/16 to R370.4 million in 2018/19, with operational efficiency gains expected through improved ICT infrastructure and the automation of certification processes.

The bureau derives most of its revenue from fees for certification, testing, and training services, and it is expected to grow by 10.5 per cent over the medium term, from R554.2 million in 2015/16 to R748.3 million in 2018/19. This is a result of the bureau driving its business development capacity through innovation, business development, the leveraging of expertise in specialised sectors, and initiatives to improve revenue generation.

Programmes/objectives/activities

Table 34.78 South African Bureau of Standards expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
Conformity assessment	407 156	569 715	618 413	669 760	18.0%	72.7%	731 842	796 012	851 921	8.3%	77.0%
Development of South African national standards	271 435	171 524	184 721	200 058	-9.7%	27.3%	218 602	237 770	254 470	8.3%	23.0%
Total	678 591	741 239	803 134	869 818	8.6%	100.0%	950 444	1 033 782	1 106 391	8.3%	100.0%

Statements of historical financial performance and position

Table 34.79 South African Bureau of Standards 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 (%) 2012/13 - 2015/16
	Budget	2012/13	Budget	2013/14	Budget	2014/15	2015/16		
Revenue									
Non-tax revenue	587 379	535 692	611 408	571 171	646 239	615 263	596 349	591 043	94.7%
Sale of goods and services other than capital assets	572 791	485 824	571 671	516 766	631 161	557 331	584 949	554 243	89.6%
<i>of which:</i>									
<i>Sales by market establishment</i>	572 791	485 824	571 671	516 766	631 161	557 331	584 949	554 243	89.6%
Other non-tax revenue	14 588	49 868	39 737	54 405	15 078	57 932	11 400	36 800	246.3%
Transfers received	188 759	169 942	214 962	191 392	227 023	220 077	263 213	227 339	90.5%
Total revenue	776 138	705 634	826 370	762 963	873 262	835 340	859 562	869 819	95.2%
Expenses									
Current expenses	746 179	678 591	799 396	741 239	866 586	802 645	914 144	869 818	93.0%
Compensation of employees	419 762	389 647	469 029	434 522	509 229	471 840	557 353	529 983	93.4%
Goods and services	268 052	251 402	285 304	264 497	311 916	282 864	291 943	287 232	93.8%
Depreciation	58 365	36 696	45 063	42 188	45 441	47 941	64 848	52 603	84.0%
Interest, dividends and rent on land	-	846	-	32	-	-	-	-	-
Transfers and subsidies	8 638	-	9 156	-	-	-	-	-	-
Total expenses	754 817	678 591	808 552	741 239	866 586	803 134	914 144	869 818	92.5%
Surplus/(Deficit)	21 321	27 043	17 818	21 724	6 676	32 206	(54 583)	-	-
Statement of financial position									
Carrying value of assets	573 212	356 614	721 101	369 911	670 252	385 827	485 046	486 210	65.3%
<i>Acquisition of assets</i>	(176 135)	(73 392)	(199 137)	(57 502)	(203 765)	(203 565)	(152 986)	(152 986)	66.6%
Investments	310 687	336 072	163 526	305 054	266 857	395 898	356 220	331 604	124.7%
Inventory	1 000	1 092	1 000	1 939	1 227	1 964	2 178	2 178	132.7%
Receivables and prepayments	90 172	96 460	86 810	117 707	129 112	139 092	150 253	164 633	113.5%
Cash and cash equivalents	60 713	274 338	52 737	283 458	76 006	200 107	146 039	127 171	263.8%
Taxation	23 905	20 460	22 732	20 860	22 000	20 371	20 860	20 371	91.7%
Total assets	1 059 689	1 086 203	1 047 906	1 098 929	1 165 454	1 143 259	1 160 596	1 132 167	100.6%

Table 34.79 South African Bureau of Standards statements of historical financial performance and position

Statement of financial position	Budget		Audited outcome		Budget		Audited outcome		Outcome/ Budget Average (%)
	2012/13	2013/14	2014/15	2015/16	Budget estimate	Revised estimate	2012/13 - 2015/16		
R thousand									
Accumulated surplus/(deficit)	419 095	439 574	440 989	462 461	458 972	494 666	465 952	494 523	106.0%
Capital and reserves	104 734	80 423	86 309	98 438	116 347	120 973	120 855	138 930	102.5%
Capital reserve fund	302 553	306 194	272 280	293 786	291 617	286 120	283 358	274 996	101.0%
Trade and other payables	130 217	141 760	143 239	127 207	191 838	122 967	171 350	109 098	78.7%
Taxation	-	3 139	-	5 365	-	7 215	-	-	-
Provisions	103 090	114 966	105 090	111 529	98 127	111 175	119 081	114 620	106.3%
Derivatives financial instruments	-	147	-	143	8 553	143	-	-	5.1%
Total equity and liabilities	1 059 689	1 086 203	1 047 907	1 098 929	1 165 454	1 143 259	1 160 596	1 132 167	100.6%

Statements of estimates of financial performance and position**Table 34.80 South African Bureau of Standards 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		
R thousand								
Revenue								
Non-tax revenue	591 043	3.3%	73.1%	664 185	704 363	769 334	9.2%	68.9%
Sale of goods and services other than capital assets	554 243	4.5%	66.8%	634 865	679 095	748 312	10.5%	66.0%
<i>of which:</i>								
<i>Sales by market establishment</i>	554 243	4.5%	66.8%	634 865	679 095	748 312	10.5%	66.0%
Other non-tax revenue	36 800	-9.6%	6.3%	29 320	25 268	21 022	-17.0%	2.9%
Transfers received	227 339	10.2%	25.4%	219 235	287 568	282 485	7.5%	25.6%
Total revenue	869 819	7.2%	100.0%	950 445	1 033 782	1 106 391	8.3%	100.0%
Expenses								
Current expenses	869 818	8.6%	100.0%	950 444	1 033 782	1 106 391	8.3%	125.1%
Compensation of employees	529 983	10.8%	58.9%	574 766	620 748	670 409	8.1%	60.5%
Goods and services	287 232	4.5%	35.2%	320 452	352 285	370 373	8.8%	33.6%
Depreciation	52 603	12.8%	5.8%	55 226	60 749	65 609	7.6%	5.9%
Total expenses	869 818	8.6%	100.0%	950 444	1 033 782	1 106 391	8.3%	100.0%
Surplus/(Deficit)	-	-100%	-	-	-	-	-	-
Statement of financial position								
Carrying value of assets	486 210	10.9%	35.8%	602 860	689 645	841 761	20.1%	53.0%
<i>of which:</i>								
<i>Acquisition of assets</i>	(152 986)	27.7%	-10.8%	(171 876)	(147 533)	(217 724)	12.5%	-14.0%
Investments	331 604	-0.4%	30.7%	188 414	134 585	113 722	-30.0%	16.2%
Inventory	2 178	25.9%	0.2%	2 309	2 448	2 595	6.0%	0.2%
Receivables and prepayments	164 633	19.5%	11.6%	197 560	246 950	308 688	23.3%	18.5%
Cash and cash equivalents	127 171	-22.6%	19.9%	125 791	127 097	130 392	0.8%	10.5%
Taxation	20 371	-0.1%	1.8%	20 371	20 371	20 371	-	1.7%
Total assets	1 132 167	1.4%	100.0%	1 137 305	1 221 096	1 417 529	7.8%	100.0%
Accumulated surplus/(deficit)	494 523	4.0%	42.4%	494 523	494 523	494 523	-	40.6%
Capital and reserves	138 930	20.0%	9.8%	147 510	153 681	160 118	4.8%	12.3%
Capital reserve fund	274 996	-3.5%	26.1%	264 622	254 248	243 874	-3.9%	21.4%
Trade and other payables	109 098	-8.4%	11.3%	114 313	200 487	398 927	54.1%	16.1%
Provisions	114 620	-0.1%	10.1%	116 337	118 157	120 089	1.6%	9.6%
Total equity and liabilities	1 132 167	1.4%	100.0%	1 137 305	1 221 096	1 417 529	56.5%	100.0%

Personnel information

Table 34.81 South African Bureau of Standards personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016			Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number	
Number of funded posts	Number of posts on approved establishment		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)			
			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
South African Bureau of Standards	156	1 173	1 017	471.8	0.5	1 172	530.0	0.5	1 173	574.8	0.5	1 173	620.7	0.5	1 173	670.4	0.6	8.1%	100.0%
Salary level																			
1 – 6	20	248	228	32.3	0.1	248	35.2	0.1	248	38.6	0.2	248	41.7	0.2	248	45.0	0.2	8.5%	21.1%
7 – 10	124	758	634	280.7	0.4	758	312.3	0.4	758	338.8	0.4	758	365.9	0.5	758	395.1	0.5	8.2%	64.6%
11 – 12	10	125	115	99.0	0.9	125	114.0	0.9	125	123.4	1.0	125	133.3	1.1	125	144.0	1.2	8.1%	10.7%
13 – 16	1	39	38	54.2	1.4	39	60.2	1.5	39	65.0	1.7	39	70.2	1.8	39	75.8	1.9	8.0%	3.3%
17 – 22	1	3	2	5.7	2.9	2	8.2	4.1	3	9.0	3.0	3	9.7	3.2	3	10.5	3.5	8.4%	0.2%

1. Rand million.

South African National Accreditation System

Mandate

The South African National Accreditation System was established in terms of the Accreditation for Conformity Assessment, Calibration and Good Laboratory Practice Act (2006). It is mandated to accredit or monitor good laboratory practice and ensure compliance with the official standards; promote accreditation as a means of facilitating international trade to enhance South Africa's economic performance and bring about economic transformation; promote the competence and equivalence of accredited bodies; and promote the competence and equivalence of good laboratory practice facilities, in line with the act.

Selected performance indicators

Table 34.82 South African National Accreditation System 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
The total number of registrations of previously disadvantaged assessors per year	Provision of accreditation services	Outcome 12: An efficient, effective and development oriented public service	72	76	139	90	250	270	290
Total number of reassessments of accredited organisations in the fields of testing, inspection, calibration, certification bodies and other conformity assessment services per year	Provision of accreditation services	Outcome 11: Create a better South Africa, a better Africa and a better world	- ¹	- ¹	1 429	1 199	1 431	1 485	1 577
Percentage of inputs provided into the international accreditation requirements of the International Laboratory Accreditation Cooperation and the International Accreditation Forum per year	Corporate services	Outcome 4: Decent employment through inclusive economic growth	100%	95%	95%	95%	95%	95%	95%

1. No historical data is available as this indicator was introduced in 2014/15.

Expenditure analysis

The South African National Accreditation System is responsible for the accreditation of calibration, testing and verification laboratories; certification bodies; inspection bodies; and ratings agencies, among others. The focus of the organisation over the medium term will be on the growth, maintenance and support of accreditation services in order to contribute to industrial development and the protection of health and the environment, and the improvement of safety standards. By adhering to global standards, and aligning its own standards with those of its global partners if required, the organisation will also focus on promoting the acceptance of accredited results among its global partners to advance South Africa's exports. This will support economic development and regional integration efforts in line with the national development plan and the industrial policy action plan.

In support of the Department of Trade and Industry's industrial development priorities, over the medium term the organisation will roll out and finalise accreditation programmes for the information security management

system, the information technology service management system, and energy performance certificates for public buildings. The institution will also work with other industry bodies, including the Medicines Control Council, the South African Bureau of Standards, the National Metrology Institute of South Africa, and the National Regulator for Compulsory Specifications, to support industrial development through the alignment of its operational activities with theirs. Expenditure over the medium term is largely in the provision of accreditation services programme, accounting for 52.2 per cent (R141.8 million) of total estimated expenditure.

To deliver on its mandate more efficiently and grow its client base, the organisation will continue to roll out its restructuring and capacity building project. This process requires resources in the form of trained employees and assessors, ICT infrastructure, and office space, which is set to drive an increase in expenditure from R84.3 million in 2015/16 to an expected R95.2 million in 2018/19. This is expected to result in increased capacity and better functioning, accredited infrastructure that is able to meet the growing expectations of industry, government and stakeholders. In line with this, the number of accredited organisations that meet the system's requirements for accreditation is expected to increase from 1 199 in 2015/16 to 1 577 in 2018/19. The system will also contribute to regional and international integration by participating in a range of compulsory forums and will aim to influence international accreditation requirements by providing input into industry documents and voting on accreditation matters. These activities are undertaken through the administration programme, which has an allocation of R109.7 million over the MTEF period.

To provide for well equipped employees and assessors to support the accreditation function within the country and on the continent, expenditure on compensation of employees will remain a key cost driver, accounting for an expected 51.1 per cent (R142.8 million) of total expenditure over the medium term as the number of personnel is set to grow from 76 in 2015/16 to 80 2018/19. Furthermore, to diversify the pool of external assessors and contribute to an inclusive economy, the number of registrations of previously disadvantaged accreditation assessors is expected to increase from 90 in 2015/16 to 290 in 2018/19.

Revenue is largely derived from fees charged to accredited facilities, fees received from new applications, and income received from training courses. It is expected to grow from R84.8 million in 2015/16 to R 95.8 million in 2018/19, at an average annual rate of 4.1 per cent. Revenue growth is driven by the inclusion of industrial policy action plan programmes for priority sectors, and this is expected to continue over the medium term. The system expects to derive 30.5 per cent (R84.4 million) of its revenue over the medium term from transfers from the department.

Programmes/objectives/activities

Table 34.83 South African National Accreditation System 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	16 128	17 224	28 205	31 383	24.8%	32.5%	34 843	35 555	39 340	7.8%	39.0%
Provision of accreditation services	26 397	30 694	36 845	46 446	20.7%	49.4%	47 306	46 626	47 871	1.0%	52.2%
International, regional and national responsibilities	1 851	2 096	-	-	-100.0%	1.6%	-	-	-	-	-
New programme development projects and related activities	3 259	3 109	3 351	3 836	5.6%	4.9%	3 836	3 108	3 851	0.1%	4.1%
Restructuring/Capacity building	7 417	9 888	-	-	-100.0%	6.9%	-	-	-	-	-
Knowledge transfer	844	1 254	-	-	-100.0%	0.8%	-	-	-	-	-
Marketing/Corporate services	2 306	2 536	3 301	3 166	11.1%	4.0%	4 925	4 581	4 736	14.4%	4.8%
Total	58 202	66 801	71 702	84 831	13.4%	100.0%	90 910	89 870	95 798	4.1%	100.0%

Statements of historical financial performance and position

Table 34.84 South African National Accreditation System statements of historical financial performance and position

Statement of financial performance									
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/Budget Average (%)
R thousand	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
Revenue									
Non-tax revenue	39 685	39 611	43 574	47 541	46 719	50 038	47 840	58 806	110.2%
Sale of goods and services other than capital assets	32 454	33 041	35 169	38 057	38 425	40 051	41 572	41 366	103.3%
<i>of which:</i>									
Administrative fees	32 454	33 041	35 169	38 057	38 425	40 051	41 572	41 366	103.3%
Other non-tax revenue	7 231	6 570	8 405	9 484	8 294	9 987	6 268	17 440	144.0%
Transfers received	30 327	30 676	33 473	33 473	35 712	35 712	37 652	26 025	91.8%
Total revenue	70 012	70 287	77 047	81 014	82 431	85 750	85 492	84 831	102.2%
Expenses									
Current expenses	68 657	57 749	76 570	66 324	81 928	71 200	84 301	84 301	89.8%
Compensation of employees	32 427	27 127	34 676	32 079	40 979	37 164	42 064	42 064	92.2%
Goods and services	35 585	29 914	40 916	33 411	40 125	33 054	41 427	41 427	87.2%
Depreciation	429	392	729	585	528	686	531	531	99.0%
Interest, dividends and rent on land	216	316	249	249	296	296	279	279	109.6%
Transfers and subsidies	455	453	–	477	503	502	530	530	131.9%
Total expenses	69 112	58 202	76 570	66 801	82 431	71 702	84 831	84 831	90.0%
Surplus/(Deficit)	900	12 085	477	14 213	–	14 048	661	–	–
Statement of financial position									
Carrying value of assets	52 478	2 466	2 668	3 741	63 355	4 947	70 955	71 016	43.4%
Acquisition of assets	(50 500)	(867)	(1 092)	(1 865)	(60 228)	(1 903)	(66 600)	(66 600)	39.9%
Receivables and prepayments	1 500	1 351	1 550	2 426	1 750	1 254	1 700	1 809	105.2%
Cash and cash equivalents	15 516	60 134	43 822	72 667	112	89 187	5 658	23 381	376.9%
Total assets	69 494	63 951	48 040	78 834	65 217	95 388	78 313	96 206	128.1%
Accumulated surplus/(deficit)	23 263	40 326	33 268	55 774	41 986	69 822	57 788	77 920	156.0%
Capital reserve fund	–	10 000	–	8 098	8 098	8 098	8 098	–	161.7%
Finance lease	31 000	2 157	713	2 090	1 986	1 987	1 840	1 840	22.7%
Deferred income	3 550	2 361	3 000	2 759	3 000	5 724	2 500	5 000	131.5%
Trade and other payables	10 081	7 805	9 560	8 579	8 647	8 224	6 507	9 896	99.2%
Provisions	1 600	1 302	1 500	1 534	1 500	1 533	1 580	1 550	95.8%
Total equity and liabilities	69 494	63 951	48 040	78 834	65 217	95 388	78 313	96 206	128.1%

Statements of estimates of financial performance and position

Table 34.85 South African National Accreditation System 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	2017/18	2018/19	2015/16 - 2018/19	
Revenue								
Non-tax revenue	58 806	14.1%	60.7%	68 702	59 557	63 970	2.8%	69.5%
Sale of goods and services other than capital assets	41 366	7.8%	47.4%	46 559	50 389	54 712	9.8%	53.3%
<i>of which:</i>								
Administrative fees	41 366	7.8%	47.4%	46 559	50 389	54 712	9.8%	53.3%
Other non-tax revenue	17 440	38.5%	13.3%	22 143	9 168	9 258	-19.0%	16.2%
Transfers received	26 025	-5.3%	39.3%	22 208	30 313	31 828	6.9%	30.5%
Total revenue	84 831	6.5%	100.0%	90 910	89 870	95 798	4.1%	100.0%
Expenses								
Current expenses	84 301	13.4%	99.3%	90 347	89 274	95 168	4.1%	124.6%
Compensation of employees	42 064	15.7%	49.0%	45 971	46 557	50 249	6.1%	51.1%
Goods and services	41 427	11.5%	49.1%	43 167	41 438	43 566	1.7%	47.0%
Depreciation	531	10.6%	0.8%	1 209	1 279	1 353	36.6%	1.2%
Interest, dividends and rent on land	279	-4.1%	0.4%	–	–	–	-100.0%	0.1%
Transfers and subsidies	530	5.4%	0.7%	563	596	630	5.9%	0.6%
Total expenses	84 831	13.4%	100.0%	90 910	89 870	95 798	4.1%	100.0%
Surplus/(Deficit)	–	-100%	–	–	–	–	–	–

Table 34.85 South African National Accreditation System statements of estimates of financial performance and position

Statement of financial position	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		
R thousand								
Carrying value of assets	71 016	206.5%	21.9%	71 007	70 578	69 925	-0.5%	74.3%
of which:								
Acquisition of assets	(66 600)	325.1%	-18.7%	(1 200)	(850)	(700)	-78.1%	-18.0%
Receivables and prepayments	1 809	10.2%	2.1%	1 200	1 200	1 200	-12.8%	1.4%
Cash and cash equivalents	23 381	-27.0%	76.0%	22 938	22 890	23 000	-0.5%	24.3%
Total assets	96 206	14.6%	100.0%	95 145	94 668	94 125	-0.7%	100.0%
Accumulated surplus/(deficit)	77 920	24.6%	72.0%	77 920	77 920	77 920	-	82.0%
Finance lease	1 840	-5.2%	2.5%	1 642	1 380	1 046	-17.2%	1.6%
Deferred income	5 000	28.4%	4.6%	5 000	5 000	5 000	-	5.3%
Trade and other payables	9 896	8.2%	10.5%	9 133	8 918	8 709	-4.2%	9.6%
Provisions	1 550	6.0%	1.8%	1 450	1 450	1 450	-2.2%	1.6%
Total equity and liabilities	96 206	14.6%	100.0%	95 145	94 668	94 125	-23.5%	100.0%

Personnel information

Table 34.86 South African National Accreditation System personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)				
		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19							
Salary level		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
85	85	75	37.2	0.5	76	42.1	0.6	80	46.0	0.6	80	46.6	0.6	80	50.2	0.6	6.1%	100.0%	
1-6	4	4	4	0.4	0.1	4	0.6	0.1	4	0.7	0.2	4	0.7	0.2	4	0.7	0.2	7.7%	5.1%
7-10	59	59	50	16.8	0.3	50	20.7	0.4	54	21.1	0.4	54	21.3	0.4	54	23.0	0.4	3.7%	67.1%
11-12	14	14	14	10.2	0.7	14	11.5	0.8	14	13.2	0.9	14	13.3	1.0	14	14.4	1.0	7.8%	17.7%
13-16	8	8	7	9.7	1.4	8	9.3	1.2	8	11.1	1.4	8	11.2	1.4	8	12.1	1.5	9.1%	10.1%

1. Rand million.

Additional tables

Table 34.A Summary of departmental public private partnership projects

Project description: Partnership campus R thousand	Project annual unitary fee at time of contract	Budgeted expenditure	Medium-term expenditure estimate		
		2015/16	2016/17	2017/18	2018/19
Projects signed in terms of Treasury Regulation 16	–	192 701	209 691	220 266	225 716
Public private partnership unitary charge ¹	–	192 701	209 691	220 266	225 716
<i>Of which:</i>					
Services provided by the operator	–	192 701	209 691	220 266	225 716
Total	–	192 701	209 691	220 266	225 716

1. Only payments that have received Treasury approval.

Disclosure notes for projects signed in terms of Treasury Regulation 16

Project name	Department of Trade and Industry public private partnership campus
Brief description	Department of Trade and Industry public private partnership campus Meintjies Street, Pretoria. Design, construct and provide facility management services over period of 25 years
Date public private partnership agreement was signed	01-Aug-03
Duration of public private partnership agreement	25 years
Variations and amendments to public private partnership agreement	Variation orders as per allowed schedules, but no formal amendment to date was signed on the public private partnership agreement
Cost implications of variations and amendments	Costed per each variation order. Strategic space strategy will inform over the medium term the quantum of variation orders to be executed.
Significant contingent fiscal obligations including termination payments, guarantees, warranties and indemnities and maximum estimated value of such liabilities	

Table 34.B Summary of departmental public private partnership projects

Project description: Phavis fleet services R thousand	Project annual unitary fee at time of contract	Budgeted expenditure	Medium-term expenditure estimate		
		2015/16	2016/17	2017/18	2018/19
Projects signed in terms of Treasury Regulation 16	–	5 500	5 503	5 770	6 104
Public private partnership unitary charge ¹	–	5 500	5 503	5 770	6 104
<i>Of which:</i>					
Services provided by the operator	–	5 500	5 503	5 770	6 104
Total	–	5 500	5 503	5 770	6 104

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

Disclosure notes for projects signed in terms of Treasury Regulation 16

Project name	Phavis fleet services
Brief description	Disclosure notes for this project can be viewed in the public private partnership annexure table of the Department of Transport chapter

Table 34.C Summary of expenditure on infrastructure

Project name R thousand	Service delivery outputs	Current project stage	Total project cost	Audited outcome		Adjusted appropriation 2015/16	Medium-term expenditure estimate	
				2012/13	2013/14		2014/15	2016/17
Infrastructure transfers to other spheres, agencies and departments								
Mega projects (total project cost of at least R1 billion over the project life cycle)								
Coega Development Corporation	Infrastructure developments to enable investment in the zone	Various	5 689 043	417 858	308 195	-	-	-
East London Industrial Development Zone	Infrastructure developments to enable investment in the zone	Various	1 817 535	150 000	100 000	-	-	-
Critical infrastructure programme	Infrastructure projects supporting investment in mining, tourism, manufacturing and services	Various	1 473 171	131 597	139 968	100 000	290 000	199 500
Special economic zones: investment incentives	Infrastructure development zone	Feasibility	3 719 450	5 000	449 200	735 600	1 310 000	705 421
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)								
Richards Bay Industrial Development Zone	Infrastructure developments to enable investment in the zone	Various	672 018	182 018	30 000	-	-	-
Centurion Aerospace Village	Aerospace industry infrastructure	Construction	407 279	15 000	15 800	17 517	18 445	19 367
South African Bureau of Standards	Technical industrial infrastructure in the form of testing facilities	Construction	315 420	48 000	-	-	-	-
Industrial Development Zone: Other	Infrastructure development zone	Feasibility	-	-	-	120 000	50 000	50 000
Total			14 093 916	949 473	1 043 163	973 117	1 668 445	974 288

Table 34.D Summary of donor funding

Donor	Project	Programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome		Estimate 2015/16	Medium-term expenditure estimate	
							2012/13	2013/14		2014/15	2016/17
European Union	Sector wide enterprise employment and equity programme	Industrial Development	2004 -2009	477 286	Public corporations and private enterprises	Increase employment and facilitate greater social and economic equity and integration	15 264	17 320	919	-	-
European Union	4 departmental projects implemented for employment creation and sector policy support to the economic cluster's programme of action	Special Economic Zones and Economic Transformation	2009-2013	551 214	Public corporations and private enterprises	Create long term sustainable employment and contribute to the national target of halving unemployment and poverty by 2014	22 950	4 063	30 809	-	-
United Kingdom Department of International Development	3 departmental projects implemented for employment creation and sector policy support to the economic cluster's programme of action	Special Economic Zones and Economic Transformation	2009 - 2013	56 772	Public corporations and private enterprises	Create long term sustainable employment and contribute to the national target of halving unemployment and poverty by 2014	42 051	-	-	-	-

Table 34.D Summary of donor funding

Donor R thousand	Project	Programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate 2015/16	Medium-term expenditure estimate	
							2012/13	2013/14	2014/15		2016/17	2017/18
Foreign In kind	Economic growth supported	Industrial Development	2008-2012	191 982	Departmental agencies and accounts	Provide technical support to financial and private sectors for increased competitiveness. Support department's regulatory policy, its research and legislative review process, and its participation in a technical evaluation	22 000	-	-	-	-	-
Local In cash	Monyella	Industrial Development	2012-2015	217 300	Departmental agencies and accounts	Promote employer led skills development, which leads to employment in the business process service sector	-	46 321	16 600	71 000	77 000	-
Total				1 494 554			102 265	67 704	48 328	71 000	77 000	-

2016 BUDGET

ESTIMATES OF NATIONAL EXPENDITURE

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national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA