

20 YEARS OF FREEDOM



BUDGET 2014 ESTIMATES OF NATIONAL EXPENDITURE

VOTE 36 TRADE AND INDUSTRY



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



Estimates of National Expenditure

2014

National Treasury

Republic of South Africa

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The Estimates of National Expenditure 2014 e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za.

Compared to the abridged version of the Estimates of National Expenditure, which includes all national government budget votes, in respect of individual votes these e-publications contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are also included containing information on the main and adjusted appropriation, with revised spending estimates for the current financial year, on skills training, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of service delivery is also included, where appropriate.



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

UNION BUILDINGS, PRETORIA, 10 MAY 1994



national treasury

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Foreword

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

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

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

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

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

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



Lungisa Fuzile
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

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

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

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

Trade and Industry

**National Treasury
Republic of South Africa**



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Vote 36

Trade and Industry

Budget summary

R million	2014/15				2015/16	2016/17
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	706.9	694.5	2.5	10.0	730.7	770.0
International Trade and Economic Development	147.2	102.5	43.8	0.9	154.8	163.8
Broadening Participation	1 005.8	105.8	899.3	0.7	1 060.2	1 118.1
Industrial Development	1 796.8	129.0	1 667.0	0.8	2 078.5	2 192.5
Consumer and Corporate Regulation	277.3	72.0	205.0	0.3	286.9	300.8
Incentive Development and Administration	5 540.3	190.0	5 340.2	10.0	6 246.5	7 050.8
Trade and Investment South Africa	360.7	242.6	116.7	1.5	370.1	387.6
Total expenditure estimates	9 835.0	1 536.4	8 274.5	24.1	10 927.7	11 983.5
Executive authority	Minister of Trade and Industry					
Accounting officer	Director General of Trade and Industry					
Website address	www.thedti.gov.za					

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

Aim

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

Mandate

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

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

Strategic goals

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

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

growth

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

Programme purposes

Programme 1: Administration

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

Programme 2: International Trade and Economic Development

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

Programme 3: Broadening Participation

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

Programme 4: Industrial Development

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

Programme 5: Consumer and Corporate Regulation

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

Programme 6: Incentive Development and Administration

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

Programme 7: Trade and Investment South Africa

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

Selected performance indicators

Table 36.1 Trade and Industry

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

Table 36.1 Trade and Industry

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

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

The national development plan

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

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

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

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

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

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

Expenditure estimates

Table 36.2 Trade and Industry

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

Table 36.2 Trade and Industry

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

Personnel information

Table 36.3 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014		Number and cost ² of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Trade and Industry																			
Salary level	1 715	290	1 553	671.6	0.4	1 715	818.3	0.5	1 731	916.9	0.5	1 731	980.9	0.6	1 731	1 033.9	0.6	0.3%	100.0%
1 – 6	251	96	234	88.8	0.4	242	92.7	0.4	250	123.4	0.5	250	137.8	0.6	250	137.5	0.5	1.1%	14.4%
7 – 10	767	130	671	156.8	0.2	785	250.1	0.3	782	264.7	0.3	782	285.4	0.4	782	303.2	0.4	-0.1%	45.3%
11 – 12	402	43	386	206.8	0.5	408	239.2	0.6	410	255.2	0.6	410	272.2	0.7	410	289.7	0.7	0.2%	23.7%
13 – 16	295	21	262	193.4	0.7	280	236.3	0.8	289	273.6	0.9	289	285.6	1.0	289	303.6	1.1	1.1%	16.6%
Other	–	–	–	25.7	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

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

2. Rand million.

Expenditure trends

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

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

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

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

Infrastructure spending

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

Mega project: Industrial development zones

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

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

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

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

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

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

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

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

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

Large project: Critical infrastructure development programme

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

Departmental receipts

Table 36.4 Receipts

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

Programme 1: Administration

Expenditure estimates

Table 36.5 Administration

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

Economic classification

	2010/11	2011/12	2012/13	2013/14	15.5%	91.8%	694 459	712 779	751 214	1.7%	98.0%
Current payments	464 233	571 614	589 873	715 172	15.5%	91.8%	694 459	712 779	751 214	1.7%	98.0%
Compensation of employees	151 610	178 056	203 099	251 002	18.3%	30.7%	280 949	287 783	307 907	7.0%	38.4%
Goods and services	312 348	393 485	386 288	464 170	14.1%	61.0%	413 510	424 996	443 307	-1.5%	59.5%
of which:											
Administration fees	2 281	5 743	3 408	5 984	37.9%	0.7%	6 382	6 307	6 654	3.6%	0.9%
Advertising	10 833	29 632	25 578	32 356	44.0%	3.9%	28 093	29 724	30 998	-1.4%	4.1%
Assets less than the capitalisation threshold	369	131	306	351	-1.7%	–	478	404	422	6.3%	0.1%
Audit costs: External	8 641	8 591	9 099	13 079	14.8%	1.5%	15 580	11 535	9 297	-10.8%	1.7%
Bursaries: Employees	1 353	2 398	2 326	2 100	15.8%	0.3%	1 585	1 540	1 622	-8.2%	0.2%
Catering: Departmental activities	1 235	2 184	2 182	3 374	39.8%	0.4%	1 115	2 630	2 848	-5.5%	0.3%
Communication	7 100	6 633	5 965	7 819	3.3%	1.1%	9 553	9 577	10 272	9.5%	1.3%
Computer services	12 276	16 631	16 256	15 303	7.6%	2.4%	14 798	17 337	18 238	6.0%	2.2%
Consultants and professional services: Business and advisory services	15 038	16 022	9 602	20 454	10.8%	2.4%	24 591	26 757	26 983	9.7%	3.4%
Consultants and professional services: Legal costs	5 541	10 043	6 006	5 096	-2.8%	1.0%	5 046	5 769	6 191	6.7%	0.8%
Contractors	4 982	16 346	19 139	20 602	60.5%	2.4%	9 392	8 017	9 127	-23.8%	1.6%
Agency and support / outsourced services	2 800	2 451	147	2 435	-4.5%	0.3%	2 632	3 340	3 517	13.0%	0.4%
Entertainment	16	43	108	364	183.4%	–	267	310	363	-0.1%	–
Fleet services (including government motor transport)	43	75	35	395	109.4%	–	447	471	520	9.6%	0.1%
Inventory: Clothing material and accessories	–	–	–	60	–	–	42	41	43	-10.5%	–
Inventory: Fuel, oil and gas	–	–	1	260	–	–	267	284	344	9.8%	–
Inventory: Learner and teacher support material	90	–	–	–	-100.0%	–	–	–	–	–	–
Inventory: Materials and supplies	537	413	381	320	-15.8%	0.1%	521	498	503	16.3%	0.1%
Inventory: Medical supplies	–	2	–	–	–	–	–	–	–	–	–
Inventory: Medicine	55	32	–	–	-100.0%	–	–	–	–	–	–
Medsas inventory interface	–	–	–	159	–	–	–	–	–	-100.0%	–
Inventory: Other supplies	298	710	150	284	-1.6%	0.1%	1 007	68	236	-6.0%	0.1%
Consumable supplies	–	–	–	1 045	–	–	1 885	1 733	1 366	9.3%	0.2%
Consumable: Stationery, printing and office supplies	7 579	8 827	5 625	6 401	-5.5%	1.1%	6 693	7 111	7 290	4.4%	0.9%
Operating leases	175 304	182 361	198 980	233 312	10.0%	31.0%	186 965	191 047	200 746	-4.9%	27.7%
Property payments	15 431	19 335	11 213	9 855	-13.9%	2.2%	19 144	25 113	26 391	38.9%	2.7%
Travel and subsistence	17 173	28 289	30 297	32 434	23.6%	4.2%	34 335	37 249	38 837	6.2%	4.9%
Training and development	8 717	15 970	15 529	14 204	17.7%	2.1%	11 181	12 380	13 129	-2.6%	1.7%
Operating payments	8 084	9 583	8 242	12 774	16.5%	1.5%	16 160	16 335	17 467	11.0%	2.1%
Venues and facilities	6 572	11 040	15 713	23 350	52.6%	2.2%	15 351	9 419	9 914	-24.8%	2.0%
Interest and rent on land	275	73	486	–	-100.0%	–	–	–	–	–	–
Transfers and subsidies	3 549	7 012	4 021	2 721	-8.5%	0.7%	2 474	2 423	2 551	-2.1%	0.3%
Public corporations and private enterprises	2 600	4 630	650	680	-36.0%	0.3%	724	760	800	5.6%	0.1%
Households	949	2 382	3 371	2 041	29.1%	0.3%	1 750	1 663	1 751	-5.0%	0.2%
Payments for capital assets	9 923	25 974	31 106	8 036	-6.8%	2.9%	10 013	15 470	16 249	26.5%	1.7%
Machinery and equipment	7 653	13 522	28 495	7 221	-1.9%	2.2%	6 802	15 242	16 008	30.4%	1.5%
Software and other intangible assets	2 270	12 452	2 611	815	-28.9%	0.7%	3 211	228	241	-33.4%	0.2%
Payments for financial assets	2 284	34 775	80 426	–	-100.0%	4.6%	–	–	–	–	–
Total	479 989	639 375	705 426	725 929	14.8%	100.0%	706 946	730 672	770 014	2.0%	100.0%
Proportion of total programme expenditure to vote expenditure	8.3%	9.4%	8.5%	7.6%			7.2%	6.7%	6.4%		

Table 36.5 Administration

Details of transfers and subsidies		Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
		2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand												
Households												
Other transfers to households												
Current												
	703	2 153	2 839	1 900	39.3%	0.3%	1 750	1 663	1 751	-2.7%	0.2%	
Bursaries for non-employees	-	1 652	2 584	1 900	-	0.2%	1 590	1 663	1 751	-2.7%	0.2%	
Gifts and donations	144	245	215	-	-100.0%	-	160	-	-	-	-	
Employee social benefits	-	256	40	-	-	-	-	-	-	-	-	
Bursaries for non-employees	559	-	-	-	-100.0%	-	-	-	-	-	-	
Households												
Social benefits												
Current												
	246	229	532	141	-16.9%	-	-	-	-	-100.0%	-	
Gifts and donations	246	-	-	-	-100.0%	-	-	-	-	-	-	
Employee social benefits	-	229	532	141	-	-	-	-	-	-100.0%	-	
Public corporations and private enterprises												
Public corporations												
Other transfers to public corporations												
Current												
	2 600	4 630	650	680	-36.0%	0.3%	724	760	800	5.6%	0.1%	
Industrial Development Corporation: Fund for research into industrial development, growth and equity	2 600	4 630	650	680	-36.0%	0.3%	724	760	800	5.6%	0.1%	

Personnel information

Table 36.6 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014		Number and cost ² of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost	Unit Cost
Administration		595	203.1	0.4	595	251.0	0.4	595	280.9	0.5	595	287.8	0.5	595	307.9	0.5	-	100.0%	
Salary level	595	115																	
1 – 6	167	56	165	17.5	0.1	167	30.1	0.2	167	31.3	0.2	167	32.0	0.2	167	34.2	0.2	-	28.1%
7 – 10	230	39	221	47.4	0.2	230	85.7	0.4	230	91.4	0.4	230	93.7	0.4	230	100.4	0.4	-	38.7%
11 – 12	124	13	130	64.0	0.5	124	70.6	0.6	124	77.9	0.6	124	79.9	0.6	124	85.1	0.7	-	20.8%
13 – 16	74	7	62	48.5	0.8	74	64.7	0.9	74	80.4	1.1	74	82.2	1.1	74	88.2	1.2	-	12.4%
Other	-	-	-	25.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

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

2. Rand million.

Expenditure trends

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

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

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

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

Programme 2: International Trade and Economic Development

Objectives

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

Subprogrammes

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

Expenditure estimates

Table 36.7 International Trade and Economic Development

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
International Trade Development	63 595	72 892	81 898	90 640	12.5%	60.1%	91 190	95 194	101 804	3.9%	62.4%
African Economic Development	43 354	60 028	50 807	50 998	5.6%	39.9%	56 007	59 618	61 976	6.7%	37.6%
Total	106 949	132 920	132 705	141 638	9.8%	100.0%	147 197	154 812	163 780	5.0%	100.0%
Change to 2013 Budget estimate				3 000			(3 536)	(2 060)	-		

Expenditure estimates

Table 36.7 International Trade and Economic Development

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand	75 772	98 903	96 652	104 535	11.3%	73.1%	102 548	112 607	119 338	4.5%	72.3%
Current payments											
Compensation of employees	53 459	63 539	71 842	75 652	12.3%	51.4%	81 996	84 974	90 583	6.2%	54.9%
Goods and services	22 313	35 364	24 810	28 883	9.0%	21.7%	20 552	27 633	28 755	-0.1%	17.4%
of which:											
Administration fees	1	24	6	20	171.4%	-	20	12	3	-46.9%	-
Advertising	208	522	-	-	-100.0%	0.1%	-	-	(21)	-	-
Assets less than the capitalisation threshold	15	41	7	20	10.1%	-	20	22	25	7.7%	-
Catering: Departmental activities	83	158	103	377	65.6%	0.1%	408	405	436	5.0%	0.3%
Communication	876	1 028	1 657	1 165	10.0%	0.9%	1 098	1 363	1 456	7.7%	0.8%
Computer services	-	-	-	43	-	-	-	37	39	-3.2%	-
Consultants and professional services: Business and advisory services	894	495	871	1 165	9.2%	0.7%	633	1 909	2 016	20.1%	0.9%
Consultants and professional services: Laboratory services	-	-	-	-	-	-	-	-	(1)	-	-
Contractors	81	1 078	105	53	-13.2%	0.3%	50	321	347	87.1%	0.1%
Agency and support / outsourced services	58	-	-	-	-100.0%	-	-	-	-	-	-
Entertainment	8	7	6	37	66.6%	-	33	36	39	1.8%	-
Fleet services (including government motor transport)	1	5	2	-	-100.0%	-	-	-	-	-	-
Inventory: Materials and supplies	1	3	-	-	-100.0%	-	-	-	-	-	-
Inventory: Other supplies	2	-	198	-	-100.0%	-	-	-	-	-	-
Consumable supplies	-	-	-	48	-	-	8	35	(334)	-290.9%	-
Consumable: Stationery, printing and office supplies	424	746	594	850	26.1%	0.5%	784	949	1 016	6.1%	0.6%
Operating leases	77	75	116	36	-22.4%	0.1%	-	180	185	72.6%	0.1%
Property payments	30	19	46	180	81.7%	0.1%	4	19	6	-67.8%	-
Travel and subsistence	14 645	24 510	18 635	19 884	10.7%	15.1%	16 743	20 068	21 128	2.0%	12.8%
Training and development	-	-	35	-	-	-	-	-	-	-	-
Operating payments	144	434	141	410	41.7%	0.2%	126	487	575	11.9%	0.3%
Venues and facilities	992	4 916	995	4 445	64.9%	2.2%	475	1 640	1 776	-26.3%	1.4%
Rental and hiring	-	-	-	150	-	-	150	150	150	-	0.1%
Transfers and subsidies	30 636	33 310	35 571	36 583	6.1%	26.5%	43 768	41 409	43 604	6.0%	27.2%
Foreign governments and international organisations	10 832	12 360	13 145	15 243	12.1%	10.0%	19 277	15 791	16 629	2.9%	11.0%
Public corporations and private enterprises	19 747	20 840	22 298	21 292	2.5%	16.4%	24 491	25 618	26 975	8.2%	16.2%
Households	57	110	128	48	-5.6%	0.1%	-	-	-	-100.0%	-
Payments for capital assets	541	707	482	520	-1.3%	0.4%	881	796	838	17.2%	0.5%
Machinery and equipment	541	707	482	520	-1.3%	0.4%	881	759	799	15.4%	0.5%
Software and other intangible assets	-	-	-	-	-	-	-	37	39	-	-
Total	106 949	132 920	132 705	141 638	9.8%	100.0%	147 197	154 812	163 780	5.0%	100.0%
Proportion of total programme expenditure to vote expenditure	1.8%	2.0%	1.6%	1.5%			1.5%	1.4%	1.4%		

Details of transfers and subsidies

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

Table 36.7 International Trade and Economic Development

Details of transfers and subsidies		Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
		2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand												
Council for Geosciences		-	-	-	1 000	-	0.2%	1 030	-	-	-100.0%	0.3%
Comprehensive Nuclear Test-Ban Treaty Organisation		-	-	-	-	-	-	3 150	-	-	-	0.5%
Households												
Social benefits												
Current		57	25	84	48	-5.6%	-	-	-	-	-100.0%	-
Employee social benefits		57	25	84	48	-5.6%	-	-	-	-	-100.0%	-
Public corporations and private enterprises												
Public corporations												
Other transfers to public corporations												
Current		18 747	19 846	20 898	19 437	1.2%	15.3%	23 373	24 460	25 756	9.8%	15.3%
Development Bank of Southern Africa: Regional spatial development initiative		16 500	17 500	18 500	16 605	0.2%	13.4%	20 689	21 663	22 811	11.2%	13.5%
Protechnik Laboratories		2 247	2 346	2 398	2 832	8.0%	1.9%	2 684	2 797	2 945	1.3%	1.9%
Capital		1 000	994	1 400	1 855	22.9%	1.0%	1 118	1 158	1 219	-13.1%	0.9%
Protechnik Laboratories		1 000	994	1 400	1 855	22.9%	1.0%	1 118	1 158	1 219	-13.1%	0.9%

Personnel information

Table 36.8 Details of approved establishment and personnel numbers according to salary level¹

Salary level	Number of posts estimated for 31 March 2014		Number and cost ² of personnel posts filled / planned for on funded establishment															Number	
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)
			2012/13			2013/14			2014/15			2015/16			2016/17				
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
International Trade and Economic Development	151	1	152	71.8	0.5	151	75.7	0.5	151	82.0	0.5	151	85.0	0.6	151	90.6	0.6	-	100.0%
1-6	1	-	1	0.2	0.2	1	0.1	0.1	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	-	9.0%
7-10	68	1	69	18.7	0.3	68	17.7	0.3	68	19.4	0.3	68	20.2	0.3	68	21.4	0.3	-	35.1%
11-12	47	-	47	25.9	0.6	47	27.6	0.6	47	29.4	0.6	47	31.0	0.7	47	32.8	0.7	-	28.4%
13-16	35	-	35	27.0	0.8	35	30.3	0.9	35	33.0	0.9	35	33.6	1.0	35	36.2	1.0	-	27.6%

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

2. Rand million.

Expenditure trends

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

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

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

Programme 3: Broadening Participation

Objectives

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

Subprogrammes

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

Expenditure estimates

Table 36.9 Broadening Participation

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand												
Enterprise Development	732 170	816 799	846 191	930 444	8.3%	91.7%	902 464	947 290	999 420	2.4%	90.1%	
Equity and Empowerment	39 547	35 970	32 898	39 573	-	4.1%	52 853	58 522	63 458	17.0%	5.1%	
Regional Economic Development	26 360	34 744	50 604	40 290	15.2%	4.2%	50 460	54 361	55 187	11.1%	4.8%	
Total	798 077	887 513	929 693	1 010 307	8.2%	100.0%	1 005 777	1 060 173	1 118 065	3.4%	100.0%	
Change to 2013 Budget estimate				42 000			1 824	5 316	-			

Economic classification

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

Details of transfers and subsidies

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

Table 36.9 Broadening Participation

Details of transfers and subsidies				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
Audited outcome							2010/11 - 2013/14				
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	
Small Enterprise Development Agency: Technology programme	76 000	120 000	153 000	123 295	17.5%	13.0%	126 368	132 181	139 187	4.1%	12.4%
National Research Foundation: Technology and human resources for industry programme	151 000	155 000	157 000	161 630	2.3%	17.2%	165 573	174 649	183 905	4.4%	16.3%
National Productivity Institute: Workplace Challenge	11 500	9 500	8 200	13 651	5.9%	1.2%	9 170	8 094	8 523	-14.5%	0.9%
Independent Regulatory Board of Auditors	-	750	1 500	-	-	0.1%	-	-	-	-	-
Non-profit institutions											
Current	10 300	3 125	7 900	8 335	-6.8%	0.8%	16 320	16 726	19 125	31.9%	1.4%
South African Women Entrepreneurs Network	10 300	3 125	7 900	8 335	-6.8%	0.8%	16 320	16 726	19 125	31.9%	1.4%
Higher education institutions											
Current	-	-	10 000	12 831	-	0.6%	15 748	12 471	13 132	0.8%	1.3%
University of Johannesburg: Capacity building programme for economic development	-	-	10 000	12 830	-	0.6%	15 747	12 471	13 132	0.8%	1.3%
Wits Business School: Centre for entrepreneurship	-	-	-	1	-	-	1	-	-	-100.0%	-
Households											
Social benefits											
Current	-	115	145	-	-	-	-	-	-	-	-
Employee social benefit	-	115	145	-	-	-	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	10 500	10 700	-	1 000	-54.3%	0.6%	11 190	11 251	11 847	128.0%	0.8%
Industrial Development Corporation: Isivande women's fund	10 500	10 700	-	1 000	-54.3%	0.6%	11 190	11 251	11 847	128.0%	0.8%
Capital	74 500	64 790	57 740	53 861	-10.2%	6.9%	55 153	57 827	60 892	4.2%	5.4%
Industrial Development Corporation: Support Programme for Industrial Innovation	74 500	59 789	52 740	53 860	-10.2%	6.6%	55 152	57 827	60 892	4.2%	5.4%
Industrial Development Corporation: Technology venture capital	-	5 001	5 000	1	-	0.3%	1	-	-	-100.0%	-
Public corporations and private enterprises											
Public corporations											
Public corporations - subsidies on products and production											
Current	-	3 000	2 000	1 501	-	0.2%	1 501	1 572	1 655	3.3%	0.1%
Council for Scientific and Industrial Research: Fibre and textile centre of excellence	-	3 000	2 000	1 501	-	0.2%	1 501	1 572	1 655	3.3%	0.1%

Personnel information

Table 36.10 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014		Number and cost ² of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost	Unit Cost
Broadening Participation																			
Salary Level	134	18	133	57.5	0.4	134	74.2	0.6	134	75.2	0.6	134	90.6	0.7	134	94.5	0.7	-	100.0%
1 - 6	12	6	9	0.7	0.1	12	2.4	0.2	12	2.4	0.2	12	2.5	0.2	12	2.2	0.2	-	9.0%
7 - 10	47	3	33	7.8	0.2	47	18.7	0.4	47	16.5	0.4	47	20.3	0.4	47	20.4	0.4	-	35.1%
11 - 12	38	5	38	27.8	0.7	38	29.5	0.8	38	28.7	0.8	38	31.2	0.8	38	33.0	0.9	-	28.4%
13 - 16	37	4	53	21.3	0.4	37	23.7	0.6	37	27.6	0.7	37	36.6	1.0	37	38.9	1.1	-	27.6%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on: broadening economic participation and employment by financing the development of small enterprises, promoting entrepreneurship and small enterprise development, and giving effect to the provisions of the amended Co-operatives Act (2005); and implementing policies,

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

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

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

Subprogramme: Enterprise Development

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

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

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

Expenditure estimates

Table 36.11 Enterprise Development

Economic classification	Audited outcome			Adjusted appropriation 2013/14	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2010/11	2011/12	2012/13		Average	Expenditure/total:	2014/15	2015/16	2016/17	2013/14 -	2016/17
R thousand					2010/11 -	2013/14					
Current payments	17 451	22 559	26 286	50 920	42.9%	3.5%	46 191	45 261	49 583	-0.9%	5.1%
Compensation of employees	10 690	12 886	16 757	39 041	54.0%	2.4%	39 499	41 552	44 314	4.3%	4.3%
Goods and services	6 761	9 673	9 529	11 879	20.7%	1.1%	6 692	3 709	5 269	-23.7%	0.7%
of which:											
Administration fees	115	22	-	79	-11.8%	-	10	59	64	-6.8%	-
Advertising	73	-	-	486	88.1%	-	-	15	16	-68.0%	-
Assets less than the capitalisation threshold	-	9	-	23	-	-	4	1	5	-39.9%	-

Table 36.11 Enterprise Development

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)		
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16			2016/17	2013/14 - 2016/17
	R thousand						2013/14	2014/15	2015/16			2016/17	2013/14 - 2016/17
Catering: Departmental activities	53	60	160	370	91.1%	-	161	182	194	-19.4%	-		
Communication	71	84	111	209	43.3%	-	237	235	245	5.4%	-		
Computer services	-	-	-	500	-	-	-	-	-	-100.0%	-		
Consultants and professional services: Business and advisory services	3 728	5 510	992	1 327	-29.1%	0.3%	1 879	380	564	-24.8%	0.1%		
Consultants and professional services: Legal costs	-	-	-	500	-	-	-	-	-	-100.0%	-		
Contractors	-	51	457	1 149	-	-	-	-	-	-100.0%	-		
Entertainment	1	-	-	10	115.4%	-	10	6	4	-26.3%	-		
Fleet services (including government motor transport)	-	1	10	-	-	-	-	-	-	-	-		
Inventory: Other supplies	2	-	2	-	-100.0%	-	-	-	-	-	-		
Consumable: Stationery, printing and office supplies	334	187	148	584	20.5%	-	466	427	393	-12.4%	-		
Operating leases	37	56	61	148	58.7%	-	150	150	158	2.2%	-		
Travel and subsistence	2 056	3 206	6 214	5 168	36.0%	0.5%	2 798	1 946	3 301	-13.9%	0.3%		
Training and development	-	-	-	54	-	-	-	308	-	-100.0%	-		
Operating payments	37	18	910	512	140.1%	-	294	-	325	-14.1%	-		
Venues and facilities	254	469	464	760	44.1%	0.1%	683	-	-	-100.0%	-		
Transfers and subsidies	714 621	793 957	819 786	879 309	7.2%	96.5%	856 047	901 793	949 588	2.6%	94.9%		
Departmental agencies and accounts	640 121	726 014	759 770	823 947	8.8%	88.7%	799 393	842 394	887 041	2.5%	88.7%		
Public corporations and private enterprises	74 500	67 790	59 740	55 362	-9.4%	7.7%	56 654	59 399	62 547	4.2%	6.2%		
Households	-	153	276	-	-	-	-	-	-	-	-		
Payments for capital assets	98	283	119	215	29.9%	-	226	236	249	5.0%	-		
Machinery and equipment	98	283	119	215	29.9%	-	226	236	249	5.0%	-		
Total	732 170	816 799	846 191	930 444	8.3%	100.0%	902 464	947 290	999 420	2.4%	100.0%		
Proportion of total subprogramme expenditure to programme expenditure	91.7%	92.0%	91.0%	92.1%			89.7%	89.4%	89.4%				

Personnel information

Table 36.12 Details of approved establishment and personnel numbers according to salary level¹

Enterprise Development	Number of posts estimated for 31 March 2014		Number and cost ² of personnel posts filled / planned for on funded establishment															Number	
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
Salary Level	62	9	52	16.8	0.3	62	39.0	0.63	62	39.5	0.6	63	41.6	0.7	63	44.3	0.7	0.5%	100.0%
1 - 6	4	4	-	0.4	-	4	0.4	0.1	4	0.4	0.1	4	0.4	0.1	4	0.5	0.1	-	6.4%
7 - 10	23	1	22	5.5	0.3	24	5.9	0.2	24	6.3	0.3	24	6.6	0.3	24	6.9	0.3	-	38.4%
11 - 12	17	2	15	9.1	0.6	16	9.7	0.6	16	10.3	0.7	16	10.9	0.7	16	11.5	0.7	-	25.6%
13 - 16	18	2	15	14.3	1.0	18	15.2	0.9	18	16.2	0.9	19	17.1	0.9	19	18.0	1.0	1.8%	29.6%
Other	-	-	-	(12.5)	-	-	7.9	-	-	6.3	-	-	6.5	-	-	7.4	-	-	-

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

2. Rand million.

Expenditure trends

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

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

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

Programme 4: Industrial Development

Objectives

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

Subprogrammes

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

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

Expenditure estimates

Table 36.13 Industrial Development

Subprogramme	Audited outcome			Adjusted appropriation 2013/14	Average growth rate (%) 2010/11 - 2013/14	Expenditure/total: Average (%) 2010/11 - 2013/14	Medium-term expenditure estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand											
Industrial Competitiveness	534 452	479 327	476 772	560 673	1.6%	36.4%	657 302	745 737	788 635	12.0%	35.8%
Customised Sector Programmes	638 177	849 344	1 044 318	1 055 551	18.3%	63.6%	1 139 522	1 332 768	1 403 912	10.0%	64.2%
Total	1 172 629	1 328 671	1 521 090	1 616 224	11.3%	100.0%	1 796 824	2 078 505	2 192 547	10.7%	100.0%
Change to 2013 Budget estimate				9 700			25 511	28 675	-		
Economic classification											
Current payments	69 794	85 693	94 916	116 351	18.6%	6.5%	129 027	128 869	138 638	6.0%	6.7%
Compensation of employees	54 046	62 140	74 726	89 413	18.3%	5.0%	102 646	101 691	107 924	6.5%	5.2%
Goods and services	15 748	23 553	20 190	26 938	19.6%	1.5%	26 381	27 178	30 714	4.5%	1.4%
<i>of which:</i>											
Administration fees	30	19	68	18	-15.7%	-	87	192	211	127.2%	-
Advertising	584	-	2 412	-	-100.0%	0.1%	-	-	-	-	-
Assets less than the capitalisation threshold	15	25	22	67	64.7%	-	77	77	82	7.0%	-
Catering: Departmental activities	311	356	220	396	8.4%	-	290	365	389	-0.6%	-
Communication	463	500	521	636	11.2%	-	686	671	727	4.6%	-
Computer services	31	-	-	112	53.4%	-	84	87	93	-6.0%	-
Consultants and professional services:	3 363	10 020	5 148	9 126	39.5%	0.5%	11 969	10 273	12 635	11.5%	0.6%
Business and advisory services	-	273	182	-	-	-	-	-	-	-	-
Consultants and professional services:	-	273	182	-	-	-	-	-	-	-	-
Legal costs	-	-	-	-	-	-	-	-	-	-	-
Contractors	15	6	10	50	49.4%	-	69	113	114	31.6%	-
Agency and support / outsourced services	203	130	-	-	-100.0%	-	-	53	47	-	-
Entertainment	5	2	4	38	96.6%	-	37	55	56	13.8%	-
Fleet services (including government motor transport)	2	1	8	5	35.7%	-	5	5	5	-	-
Inventory: Learner and teacher support material	1	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Materials and supplies	-	1	1	5	-	-	10	10	10	26.0%	-
Inventory: Other supplies	9	14	15	-	-100.0%	-	-	-	-	-	-
Consumable supplies	-	-	-	152	-	-	183	184	191	7.9%	-
Consumable: Stationery, printing and office supplies	765	795	472	1 110	13.2%	0.1%	1 081	1 061	1 127	0.5%	0.1%
Operating leases	99	89	145	45	-23.1%	-	95	93	101	30.9%	-
Property payments	2	-	2	-	-100.0%	-	-	-	-	-	-
Travel and subsistence	7 399	8 181	9 283	12 045	17.6%	0.7%	8 749	10 713	11 464	-1.6%	0.6%
Training and development	6	-	-	327	279.1%	-	29	31	33	-53.4%	-
Operating payments	1 113	1 832	915	1 021	-2.8%	0.1%	1 196	1 227	1 310	8.7%	0.1%
Venues and facilities	1 332	1 309	762	1 785	10.2%	0.1%	1 734	1 968	2 119	5.9%	0.1%
Transfers and subsidies	1 102 309	1 241 108	1 425 541	1 498 865	10.8%	93.4%	1 667 043	1 948 945	2 053 181	11.1%	93.3%
Departmental agencies and accounts	108 800	155 377	192 593	282 415	37.4%	13.1%	348 010	404 659	426 107	14.7%	19.0%
Higher education institutions	14 793	14 800	22 600	3	-94.1%	0.9%	3	3	3	-	-
Foreign governments and international organisations	12 096	12 996	4 789	5 275	-24.2%	0.6%	5 592	5 849	6 159	5.3%	0.3%
Public corporations and private enterprises	854 049	1 004 669	1 125 180	1 115 338	9.3%	72.7%	1 192 990	1 414 356	1 489 305	10.1%	67.8%
Non-profit institutions	112 354	53 000	80 168	95 784	-5.2%	6.1%	120 448	124 078	131 607	11.2%	6.1%
Households	217	266	211	50	-38.7%	-	-	-	-	-100.0%	-
Payments for capital assets	526	1 070	633	1 008	24.2%	0.1%	754	691	728	-10.3%	-
Machinery and equipment	526	1 070	633	978	23.0%	0.1%	754	691	728	-9.4%	-
Software and other intangible assets	-	-	-	30	-	-	-	-	-	-100.0%	-
Payments for financial assets	-	800	-	-	-	-	-	-	-	-	-
Total	1 172 629	1 328 671	1 521 090	1 616 224	11.3%	100.0%	1 796 824	2 078 505	2 192 547	10.7%	100.0%
Proportion of total programme expenditure to vote expenditure	20.2%	19.5%	18.4%	17.0%			18.3%	19.0%	18.3%		

Table 36.13 Industrial Development

Details of transfers and subsidies											
R thousand	Audited outcome			Adjusted appropriation 2013/14	Average growth rate (%) 2010/11 - 2013/14	Expenditure/total: Average (%) 2013/14	Medium-term expenditure estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%) 2013/14 - 2016/17
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
Households											
Other transfers to households											
Current	67	-	-	50	-9.3%	-	-	-	-	-100.0%	-
Gifts and donations	67	-	-	50	-9.3%	-	-	-	-	-100.0%	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	108 800	130 377	192 593	222 415	26.9%	11.6%	237 010	250 060	263 314	5.8%	12.7%
South African National Accreditation System	18 239	30 623	30 676	33 473	22.4%	2.0%	35 712	37 652	39 648	5.8%	1.9%
National Metrology Institute of South Africa	57 519	62 581	82 233	85 942	14.3%	5.1%	91 564	96 296	101 400	5.7%	4.9%
National Regulator for Compulsory Specifications	33 042	37 173	79 684	103 000	46.1%	4.5%	109 734	116 112	122 266	5.9%	5.9%
Capital	-	25 000	-	60 000	-	1.5%	111 000	154 599	162 793	39.5%	6.4%
National Metrology Institute of South Africa: Infrastructure	-	25 000	-	60 000	-	1.5%	111 000	154 599	162 793	39.5%	6.4%
Non-profit institutions											
Current	79 900	53 000	80 168	95 784	6.2%	5.5%	120 448	124 078	131 607	11.2%	6.1%
Intsimbi national tooling initiative	47 400	36 000	49 168	54 434	4.7%	3.3%	67 700	70 353	74 082	10.8%	3.5%
Centurion Aerospace Village	5 000	10 000	15 000	15 800	46.7%	0.8%	16 748	17 517	18 445	5.3%	0.9%
Trade and Industrial Policy Strategies	-	-	-	6 000	-	0.1%	6 000	4 000	4 212	-11.1%	0.3%
Proudly South African campaign	27 500	7 000	16 000	19 550	-10.8%	1.2%	30 000	32 208	34 868	21.3%	1.5%
Capital	32 454	-	-	-	-100.0%	0.6%	-	-	-	-	-
Centurion Aerospace Village	32 454	-	-	-	-100.0%	0.6%	-	-	-	-	-
Foreign governments and international organisations											
Current	12 096	12 996	4 789	5 275	-24.2%	0.6%	5 592	5 849	6 159	5.3%	0.3%
United Nations Industrial Development Organisation	3 096	3 644	4 789	5 275	19.4%	0.3%	5 592	5 849	6 159	5.3%	0.3%
United Nations Industrial Development Organisation: Automotive component supplier development programme	7 000	7 152	-	-	-100.0%	0.3%	-	-	-	-	-
French Institute of South Africa: African programme on rethinking development economics	2 000	2 200	-	-	-100.0%	0.1%	-	-	-	-	-
Higher education institutions											
Current	14 793	14 800	22 600	3	-94.1%	0.9%	3	3	3	-	-
University of the Witwatersrand: National aerospace skills sector support centre	9 000	6 300	12 400	1	-95.2%	0.5%	1	1	1	-	-
University of the North West: Advanced manufacturing skills sector support programme	5 793	8 500	10 200	1	-94.4%	0.4%	1	1	1	-	-
University of Pretoria: Advanced engineering centre of excellence	-	-	-	1	-	-	1	1	1	-	-
Households											
Social benefits											
Current	150	266	211	-	-100.0%	-	-	-	-	-	-
Employee social benefits	150	266	211	-	-100.0%	-	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	669 908	887 198	1 055 828	1 094 112	17.8%	65.7%	1 170 490	1 390 822	1 464 524	10.2%	66.6%
Council for Mineral Technology and Research: Customised sector programmes	400	-	-	-	-100.0%	-	-	-	-	-	-
Industrial Development Corporation: Customised sector programmes	51 092	57 427	56 470	140 366	40.1%	5.4%	156 239	174 817	184 071	9.5%	8.5%
Council for Scientific and Industrial Research: National cleaner production centre	32 000	40 141	41 225	43 678	10.9%	2.8%	55 179	70 522	74 259	19.4%	3.2%
South African Bureau of Standards: Research contribution	178 845	181 496	185 930	204 967	4.6%	13.3%	220 078	253 268	266 691	9.2%	12.3%
South African Bureau of Standards: Small business consulting	1 071	1 134	1 203	1 482	11.4%	0.1%	1 381	1 445	1 522	0.9%	0.1%
Industrial Development Corporation: Clothing and textile production incentive	400 000	600 000	750 000	682 425	19.5%	43.1%	723 370	855 643	900 992	9.7%	41.2%
Council for Scientific and Industrial Research: National foundry technology network: Metals	6 500	7 000	21 000	21 194	48.3%	1.0%	14 243	35 127	36 989	20.4%	1.4%

Table 36.13 Industrial Development

Details of transfers and subsidies			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
Audited outcome						Medium-term expenditure estimate					
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2013/14 - 2016/17	
Capital	184 141	117 471	69 352	21 226	-51.3%	7.0%	22 500	23 534	24 781	5.3%	1.2%
Council for Scientific and Industrial Research: Aerospace industry	9 901	17 291	21 352	21 226	28.9%	1.2%	22 500	23 534	24 781	5.3%	1.2%
South African Bureau of Standards: Upgrading of vehicle testing facility	-	7 000	-	-	-	0.1%	-	-	-	-	-
South African Bureau of Standards	174 240	93 180	48 000	-	-100.0%	5.6%	-	-	-	-	-

Personnel information

Table 36.14 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014		Number and cost ² of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Industrial Development																			
Salary level	171	18	164	74.7	0.5	171	89.4	0.5	171	102.6	0.6	171	101.7	0.6	171	107.9	0.6	-	100.0%
1 – 6	10	10	10	0.8	0.1	10	1.3	0.1	10	2.4	0.2	10	2.5	0.3	10	2.7	0.3	-	5.8%
7 – 10	67	5	65	14.8	0.2	67	20.7	0.3	67	23.7	0.4	67	24.9	0.4	67	26.6	0.4	-	39.2%
11 – 12	47	2	44	22.7	0.5	47	25.4	0.5	47	24.2	0.5	47	25.4	0.5	47	27.1	0.6	-	27.5%
13 – 16	47	1	45	36.5	0.8	47	42.0	0.9	47	52.3	1.1	47	48.8	1.0	47	51.5	1.1	-	27.5%

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

2. Rand million.

Expenditure trends

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

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

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

Programme 5: Consumer and Corporate Regulation

Objectives

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

attracting domestic and foreign investment by 2016.

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

Subprogrammes

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

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

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

Expenditure estimates

Table 36.15 Consumer and Corporate Regulation

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)		Expenditure/total: Average (%)
	2010/11	2011/12	2012/13		2010/11 - 2013/14	2013/14 - 2014/15		2014/15	2015/16	2016/17	2013/14 - 2016/17		
R thousand													
Policy and Legislative Development	9 637	12 912	14 421	23 210	34.0%	7.1%	20 069	21 209	24 707	2.1%	8.0%		
Enforcement and Compliance	36 348	16 118	14 458	20 945	-16.8%	10.4%	34 549	38 402	38 098	22.1%	11.8%		
Regulatory Services	99 036	189 534	194 689	212 002	28.9%	82.4%	222 638	227 328	237 949	3.9%	80.3%		
Total	145 021	218 564	223 568	256 157	20.9%	100.0%	277 256	286 939	300 754	5.5%	100.0%		
Change to 2013 Budget estimate				-			29 014	28 664	(3 216)				
Economic classification													
Current payments	51 830	38 521	43 050	71 777	11.5%	24.3%	71 988	73 204	76 896	2.3%	26.2%		
Compensation of employees	39 711	26 482	30 021	49 328	7.5%	17.3%	49 562	52 311	55 763	4.2%	18.5%		
Goods and services	12 119	12 039	13 029	22 449	22.8%	7.1%	22 426	20 893	21 133	-2.0%	7.8%		
of which:													
Administration fees	-	-	-	82	-	-	9	-	-	-100.0%	-		
Advertising	193	709	855	2 900	146.8%	0.6%	2 500	2 563	599	-40.9%	0.8%		
Assets less than the capitalisation threshold	6	-	3	-	-100.0%	-	9	-	-	-	-		
Catering: Departmental activities	372	333	1 063	846	31.5%	0.3%	691	695	741	-4.3%	0.3%		
Communication (G&S)	223	153	165	418	23.3%	0.1%	360	324	432	1.1%	0.1%		
Computer services	-	-	-	1 000	-	0.1%	1 492	-	-	-100.0%	0.2%		
Consultants and professional services:	4 258	3 184	2 307	5 560	9.3%	1.8%	7 561	7 423	8 432	14.9%	2.6%		
Business and advisory services													
Consultants and professional services:	386	516	44	124	-31.5%	0.1%	300	300	325	37.9%	0.1%		
Legal costs													
Contractors	60	113	690	117	24.9%	0.1%	-	99	105	-3.5%	-		

Table 36.15 Consumer and Corporate Regulation

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)		
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16			2016/17	2013/14 - 2016/17
	R thousand												
Agency and support / outsourced services	32	222	-	-	-100.0%	-	-	-	-	-	-		
Entertainment	5	3	4	8	17.0%	-	7	7	7	-4.4%	-		
Fleet services (including government motor transport)	1	2	2	2	26.0%	-	-	-	-	-100.0%	-		
Inventory: Fuel, oil and gas	-	-	-	1	-	-	-	-	-	-100.0%	-		
Inventory: Other supplies	1	5	4	-	-100.0%	-	-	-	-	-	-		
Consumable supplies	-	-	-	13	-	-	-	-	-	-100.0%	-		
Consumable: Stationery, printing and office supplies	486	634	327	588	6.6%	0.2%	631	680	723	7.1%	0.2%		
Operating leases	175	85	139	83	-22.0%	0.1%	43	45	48	-16.7%	-		
Travel and subsistence	4 730	4 458	4 803	7 587	17.1%	2.6%	6 001	5 402	6 341	-5.8%	2.3%		
Operating payments	325	694	171	942	42.6%	0.3%	860	1 033	1 075	4.5%	0.3%		
Venues and facilities	866	928	2 452	2 178	36.0%	0.8%	1 962	2 322	2 305	1.9%	0.8%		
Transfers and subsidies	92 908	179 610	177 536	183 622	25.5%	75.1%	204 968	213 735	223 858	6.8%	73.7%		
Departmental agencies and accounts	90 059	176 458	174 132	179 360	25.8%	73.5%	200 495	209 056	218 931	6.9%	72.1%		
Foreign governments and international organisations	2 630	3 066	3 362	4 220	17.1%	1.6%	4 473	4 679	4 927	5.3%	1.6%		
Households	219	86	42	42	-42.3%	-	-	-	-	-100.0%	-		
Payments for capital assets	283	429	1 278	758	38.9%	0.3%	300	-	-	-100.0%	0.1%		
Machinery and equipment	283	429	1 278	758	38.9%	0.3%	300	-	-	-100.0%	0.1%		
Payments for financial assets	-	4	1 704	-	-	0.2%	-	-	-	-	-		
Total	145 021	218 564	223 568	256 157	20.9%	100.0%	277 256	286 939	300 754	5.5%	100.0%		
Proportion of total programme expenditure to vote expenditure	2.5%	3.2%	2.7%	2.7%			2.8%	2.6%	2.5%				

Details of transfers and subsidies

Departmental agencies and accounts	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
Departmental agencies (non-business entities)	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
Current	90 059	176 458	174 132	179 360	25.8%	73.5%	200 495	209 056	218 931	6.9%	72.1%
National Credit Regulator	46 000	53 042	57 931	60 691	9.7%	25.8%	63 845	65 727	69 577	4.7%	23.2%
National Gambling Board	22 000	37 605	26 057	27 717	8.0%	13.4%	29 797	31 483	30 121	2.8%	10.6%
National Consumer Tribunal	22 059	28 833	33 165	36 099	17.8%	14.2%	40 164	43 029	46 151	8.5%	14.8%
Companies and Intellectual Property Commission	-	13 990	-	-	-	1.7%	-	-	-	-	-
National Consumer Commission	-	32 988	46 842	44 516	-	14.7%	53 376	54 596	58 013	9.2%	18.8%
Companies Tribunal	-	10 000	10 137	10 337	-	3.6%	13 313	14 221	15 069	13.4%	4.7%
Foreign governments and international organisations	2 630	3 066	3 362	4 220	17.1%	1.6%	4 473	4 679	4 927	5.3%	1.6%
World Intellectual Property Organisation	2 630	3 066	3 362	4 220	17.1%	1.6%	4 473	4 679	4 927	5.3%	1.6%
Households	219	86	42	42	-42.3%	-	-	-	-	-100.0%	-
Social benefits	219	86	42	42	-42.3%	-	-	-	-	-100.0%	-
Employee social benefits	219	86	42	42	-42.3%	-	-	-	-	-100.0%	-

Personnel information

Table 36.16 Details of approved establishment and personnel numbers according to salary level¹

Salary level	Number of posts estimated for 31 March 2014		Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13		2013/14		2014/15		2015/16		2016/17								
			Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost							
Consumer and Corporate Regulation	150	69	71	30.0	0.4	150	49.3	0.3	150	49.6	0.3	150	52.3	0.3	150	55.8	0.4	-	100.0%
1-6	12	11	1	0.1	0.1	12	0.8	0.1	12	0.8	0.1	12	0.9	0.1	12	0.9	0.1	-	8.0%
7-10	84	50	34	7.7	0.2	84	19.8	0.2	84	20.6	0.2	84	21.9	0.3	84	23.2	0.3	-	56.0%
11-12	23	7	19	8.9	0.5	23	11.3	0.5	23	10.7	0.5	23	11.4	0.5	23	12.0	0.5	-	15.3%
13-16	31	1	17	13.3	0.8	31	17.4	0.6	31	17.4	0.6	31	18.2	0.6	31	19.6	0.6	-	20.7%

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

2. Rand million.

Expenditure trends

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

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

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

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

Programme 6: Incentive Development and Administration

Objectives

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

Subprogrammes

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

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

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

Expenditure estimates

Table 36.17 Incentive Development and Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand					2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Broadening Participation Incentives	183 832	112 054	209 854	391 821	28.7%	5.6%	421 352	422 082	423 563	2.6%	6.8%
Manufacturing Incentives	1 336 769	2 100 813	2 954 767	3 357 184	35.9%	60.8%	3 649 733	3 802 255	4 026 499	6.2%	61.1%
Services Investment Incentives	233 551	306 592	427 027	618 902	38.4%	9.9%	580 496	580 919	621 386	0.1%	9.9%
Infrastructure Development Support	1 020 607	742 582	896 375	1 042 325	0.7%	23.1%	853 800	1 404 397	1 939 611	23.0%	21.6%
Product and Systems Development	5 817	8 499	12 701	13 656	32.9%	0.3%	15 736	16 313	17 519	8.7%	0.3%
Business Development and After Care	12 418	13 009	13 827	19 246	15.7%	0.4%	19 164	20 504	22 236	4.9%	0.3%
Total	2 792 994	3 283 549	4 514 551	5 443 134	24.9%	100.0%	5 540 281	6 246 470	7 050 814	9.0%	100.0%
Change to 2013 Budget estimate				(100 000)			(105 467)	(457 613)	-		
Economic classification											
Current payments	99 115	114 036	132 749	175 308	20.9%	3.3%	190 045	209 583	222 062	8.2%	3.3%
Compensation of employees	73 536	83 062	101 569	142 013	24.5%	2.5%	158 393	178 489	188 963	10.0%	2.8%
Goods and services	25 579	30 974	31 180	33 295	9.2%	0.8%	31 652	31 094	33 099	-0.2%	0.5%
<i>of which:</i>											
Administration fees	180	441	247	453	36.0%	-	481	472	508	3.9%	-
Advertising	300	954	15	-	-100.0%	-	-	-	-	-	-
Assets less than the capitalisation threshold	118	20	22	52	-23.9%	-	81	89	96	22.7%	-
Bursaries: Employees	-	-	-	56	-	-	-	-	-	-100.0%	-
Catering: Departmental activities	185	330	303	549	43.7%	-	456	473	509	-2.5%	-
Communication	419	370	632	703	18.8%	-	845	891	936	10.0%	-
Computer services	355	63	-	-	-100.0%	-	-	-	-	-	-
Consultants and professional services: Business and advisory services	8 726	7 044	8 240	5 165	-16.0%	0.2%	6 397	6 425	5 394	1.5%	0.1%
Consultants and professional services: Legal costs	1 438	3 054	1 394	2 077	13.0%	-	2 758	2 840	3 394	17.8%	-
Contractors	1	4	46	130	406.6%	-	9	9	10	-57.5%	-
Agency and support / outsourced services	779	157	58	-	-100.0%	-	114	111	119	-	-
Entertainment	12	25	34	69	79.2%	-	80	82	88	8.4%	-
Fleet services (including government motor transport)	42	104	94	152	53.5%	-	167	175	183	6.4%	-
Inventory: Clothing material and accessories	-	-	-	25	-	-	-	-	-	-100.0%	-
Inventory: Fuel, oil and gas	-	-	-	63	-	-	-	-	-	-100.0%	-
Inventory: Materials and supplies	2	1	-	5	35.7%	-	5	5	5	-	-
Inventory: Other supplies	7	28	6	-	-100.0%	-	32	33	36	-	-
Consumable supplies	-	-	-	55	-	-	-	-	-	-100.0%	-
Consumable: Stationery, printing and office supplies	1 577	1 879	1 203	1 796	4.4%	-	2 428	2 425	2 899	17.3%	-
Operating leases	962	751	1 179	440	-23.0%	-	573	606	627	12.5%	-
Property payments	36	57	53	205	78.6%	-	66	66	70	-30.1%	-
Travel and subsistence	9 078	13 922	16 459	18 902	27.7%	0.4%	14 939	14 050	15 482	-6.4%	0.3%
Training and development	-	55	-	-	-	-	-	-	-	-	-
Operating payments	576	339	98	483	-5.7%	-	489	510	539	3.7%	-
Venues and facilities	786	1 376	1 097	1 915	34.6%	-	1 732	1 832	2 204	4.8%	-
Transfers and subsidies	2 692 604	3 164 898	4 379 382	5 243 326	24.9%	96.5%	5 340 236	6 024 887	6 816 752	9.1%	96.5%
Foreign governments and international organisations	-	-	3 710	-	-	-	-	-	-	-	-
Public corporations and private enterprises	2 692 596	3 164 422	4 375 411	5 243 246	24.9%	96.5%	5 340 236	6 024 887	6 816 752	9.1%	96.5%
Households	8	476	261	80	115.4%	-	-	-	-	-100.0%	-
Payments for capital assets	1 274	4 615	2 420	24 500	167.9%	0.2%	10 000	12 000	12 000	-21.2%	0.2%
Machinery and equipment	1 274	731	1 270	1 500	5.6%	-	1 500	2 000	2 000	10.1%	-
Software and other intangible assets	-	3 884	1 150	23 000	-	0.2%	8 500	10 000	10 000	-24.2%	0.2%
Payments for financial assets	1	-	-	-	-100.0%	-	-	-	-	-	-
Total	2 792 994	3 283 549	4 514 551	5 443 134	24.9%	100.0%	5 540 281	6 246 470	7 050 814	9.0%	100.0%
Proportion of total programme expenditure to vote expenditure	48.2%	48.3%	54.5%	57.2%			56.3%	57.2%	58.8%		

Table 36.17 Incentive Development and Administration

Details of transfers and subsidies			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
Audited outcome						2013/14					2013/14 - 2016/17
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11	2013/14	2014/15	2015/16	2016/17	2013/14	2016/17
Households											
Other transfers to households											
Current	-	3	-	-	-	-	-	-	-	-	-
Gifts and donations	-	3	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations											
Current	-	-	3 710	-	-	-	-	-	-	-	-
United Nations Industrial Development Organisation: Incentive Monitoring Framework	-	-	3 710	-	-	-	-	-	-	-	-
Households											
Social benefits											
Current	8	473	261	80	115.4%	-	-	-	-	-100.0%	-
Employee social benefits	8	473	261	80	115.4%	-	-	-	-	-100.0%	-
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Capital	932 000	615 682	749 876	438 195	-22.2%	17.1%	-	-	-	-100.0%	1.8%
Coega Development Corporation	714 000	383 718	417 858	308 195	-24.4%	11.4%	-	-	-	-100.0%	1.3%
East London industrial development zone	198 000	171 282	150 000	100 000	-20.4%	3.9%	-	-	-	-100.0%	0.4%
Richards Bay industrial development zone company	20 000	60 682	182 018	30 000	14.5%	1.8%	-	-	-	-100.0%	0.1%
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	308 911	270 348	376 431	586 000	23.8%	9.6%	640 000	640 000	650 000	3.5%	10.4%
Broadening participation development incentives	175 033	101 740	194 431	367 000	28.0%	5.2%	400 000	400 000	400 000	2.9%	6.5%
Export market and investment assistance	133 878	168 608	182 000	219 000	17.8%	4.4%	240 000	240 000	250 000	4.5%	3.9%
Capital	80 642	118 473	131 597	140 000	20.2%	2.9%	190 000	190 000	190 000	10.7%	2.9%
Critical infrastructure programme	80 642	118 473	131 597	140 000	20.2%	2.9%	190 000	190 000	190 000	10.7%	2.9%
Public corporations and private enterprises											
Private enterprises											
Private enterprises - subsidies on products and production											
Current	1 371 043	2 159 919	3 112 507	3 629 051	38.3%	64.1%	4 060 236	4 064 887	4 292 302	5.8%	66.1%
Services sector development incentives	226 782	298 759	418 629	610 000	39.1%	9.7%	570 000	570 000	610 000	-	9.7%
Manufacturing development incentives	1 144 261	1 861 160	2 693 878	3 019 051	38.2%	54.4%	3 290 236	3 424 887	3 632 302	6.4%	55.0%
Industrial development zones: Other	-	-	-	-	-	-	200 000	70 000	50 000	-	1.3%
Capital	-	-	5 000	450 000	-	2.8%	450 000	1 130 000	1 684 450	55.3%	15.3%
Special economic zones: Investment incentives	-	-	5 000	450 000	-	2.8%	450 000	1 130 000	1 684 450	55.3%	15.3%

Personnel information

Table 36.18 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014		Number and cost ² of personnel posts filled / planned for on funded establishment															Number				
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)						
		2012/13		2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17									
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Incentive Development and Administration		333	57		280	101.6	0.4	333	142.0	0.4	333	158.4	0.5	333	178.5	0.5	333	189.0	0.6	-	100.0%
Salary level																					
1 - 6		32	13		29	3.1	0.1	32	4.4	0.1	31	4.5	0.1	31	5.2	0.2	31	5.6	0.2	-1.1%	9.4%
7 - 10		195	29		166	40.2	0.2	195	59.0	0.3	194	63.4	0.3	194	73.3	0.4	194	78.1	0.4	-0.2%	58.3%
11 - 12		71	11		55	30.9	0.6	71	41.9	0.6	69	49.7	0.7	69	57.2	0.8	69	61.0	0.9	-0.9%	20.9%
13 - 16		35	4		30	27.3	0.9	35	36.7	1.0	39	40.7	1.0	39	42.8	1.1	39	44.3	1.1	3.7%	11.4%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on promoting activities through the provision of manufacturing development incentives to stimulate additional investment in the manufacturing sector, resulting

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

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

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

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

Programme 7: Trade and Investment South Africa

Objectives

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

Subprogrammes

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

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

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

Expenditure estimates

Table 36.19 Trade and Investment South Africa

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand												
Investment Promotion and Facilitation	27 276	27 985	39 101	53 816	25.4%	12.4%	49 520	69 680	73 211	10.8%	17.1%	
Export Promotion and Marketing	149 576	156 337	70 046	117 306	-7.8%	41.3%	160 262	155 030	156 004	10.0%	40.9%	
International Operations	116 837	115 322	134 334	130 568	3.8%	41.7%	123 408	123 726	135 884	1.3%	35.7%	
Export Development and Support	7 393	10 744	15 914	20 501	40.5%	4.6%	27 558	21 658	22 455	3.1%	6.4%	
Total	301 082	310 388	259 395	322 191	2.3%	100.0%	360 748	370 094	387 554	6.4%	100.0%	
Change to 2013 Budget estimate				(47 550)			(56 657)	(62 343)	-			
Economic classification												
Current payments	167 250	174 091	218 274	237 208	12.4%	66.8%	242 558	250 629	261 712	3.3%	68.9%	
Compensation of employees	101 173	104 205	132 791	136 642	10.5%	39.8%	168 089	184 982	188 316	11.3%	47.1%	
Goods and services	66 077	69 886	85 482	100 566	15.0%	27.0%	74 469	65 647	73 396	-10.0%	21.8%	
of which:												
Administration fees	487	254	467	363	-9.3%	0.1%	468	331	369	0.5%	0.1%	
Advertising	1 289	252	352	221	-44.4%	0.2%	272	150	159	-10.4%	0.1%	

Table 36.19 Trade and Investment South Africa

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Assets less than the capitalisation threshold	279	274	303	70	-36.9%	0.1%	939	156	23	-31.0%	0.1%
Catering: Departmental activities	412	908	121	417	0.4%	0.2%	393	432	450	2.6%	0.1%
Communication	2 184	1 885	1 963	1 436	-13.0%	0.6%	1 272	1 521	1 665	5.1%	0.4%
Computer services	664	813	899	1 115	18.9%	0.3%	604	596	634	-17.2%	0.2%
Consultants and professional services:	1 534	1 929	3 724	5 206	50.3%	1.0%	2 116	2 203	1 940	-28.0%	0.8%
Business and advisory services											
Consultants and professional services:	-	-	-	-	-	-	3	-	-	-	-
Scientific and technological services											
Consultants and professional services:	165	237	130	-	-100.0%	-	45	22	31	-	-
Legal costs											
Contractors	1 860	1 638	7 682	14 419	97.9%	2.1%	9 292	14 270	14 851	1.0%	3.7%
Agency and support / outsourced services	436	140	9	23	-62.5%	0.1%	10	-	-	-100.0%	-
Entertainment	1 051	1 019	1 144	1 392	9.8%	0.4%	753	874	935	-12.4%	0.3%
Fleet services (including government motor transport)	152	156	266	195	8.7%	0.1%	112	-	-	-100.0%	-
Inventory: Clothing material and accessories	-	-	-	23	-	-	-	-	-	-100.0%	-
Inventory: Fuel, oil and gas	-	-	-	2	-	-	10	-	-	-100.0%	-
Inventory: Learner and teacher support material	1	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Materials and supplies	4	3	40	2	-20.6%	-	-	-	-	-100.0%	-
Inventory: Other supplies	89	248	402	-	-100.0%	0.1%	15	-	-	-	-
Consumable supplies	-	-	3	483	-	-	284	341	364	-9.0%	0.1%
Consumable: Stationery, printing and office supplies	1 376	1 771	1 788	1 999	13.3%	0.6%	2 124	2 208	2 290	4.6%	0.6%
Operating leases	14 640	16 508	17 998	18 106	7.3%	5.6%	8 905	7 361	8 452	-22.4%	3.0%
Property payments	1 055	1 182	1 464	1 339	8.3%	0.4%	356	366	386	-33.9%	0.2%
Transport provided: Departmental activity	-	-	-	-	-	-	45	-	-	-	-
Travel and subsistence	18 677	18 962	21 267	27 445	13.7%	7.2%	23 665	21 889	24 607	-3.6%	6.8%
Training and development	54	96	59	35	-13.5%	-	-	-	-	-100.0%	-
Operating payments	5 932	12 356	10 025	18 353	45.7%	3.9%	9 253	6 238	7 546	-25.6%	2.9%
Venues and facilities	13 736	9 255	15 376	7 922	-16.8%	3.9%	13 533	6 689	8 694	3.1%	2.6%
Interest and rent on land	-	-	1	-	-	-	-	-	-	-	-
Transfers and subsidies	131 672	133 435	37 287	83 107	-14.2%	32.3%	116 670	118 079	124 338	14.4%	30.7%
Foreign governments and international organisations	11 084	11 750	12 338	9 800	-4.0%	3.8%	6 300	2 632	2 772	-34.4%	1.5%
Public corporations and private enterprises	120 488	121 517	24 307	73 293	-15.3%	28.5%	110 370	115 447	121 566	18.4%	29.2%
Households	100	168	642	14	-48.1%	0.1%	-	-	-	-100.0%	-
Payments for capital assets	2 139	2 855	3 833	1 875	-4.3%	0.9%	1 520	1 386	1 504	-7.1%	0.4%
Machinery and equipment	2 095	2 838	3 833	1 375	-13.1%	0.9%	1 520	1 386	1 504	3.0%	0.4%
Software and other intangible assets	44	17	-	500	124.8%	-	-	-	-	-100.0%	-
Payments for financial assets	21	7	1	1	-63.8%	-	-	-	-	-100.0%	-
Total	301 082	310 388	259 395	322 191	2.3%	100.0%	360 748	370 094	387 554	6.4%	100.0%
Proportion of total programme expenditure to vote expenditure	5.2%	4.6%	3.1%	3.4%			3.7%	3.4%	3.2%		

Details of transfers and subsidies

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

Table 36.19 Trade and Investment South Africa

Details of transfers and subsidies			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
Audited outcome						2014/15	2015/16	2016/17		
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	
Public corporations and private enterprises										
Public corporations										
Other transfers to public corporations										
Current	120 488	121 517	24 307	73 293	-15.3%	28.5%	110 370	115 447	121 566	18.4% 29.2%
Export Credit Insurance Corporation: Interest make-up scheme	120 488	121 517	24 307	73 293	-15.3%	28.5%	110 370	115 447	121 566	18.4% 29.2%

Personnel information

Table 36.20 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014		Number and cost ² of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17			
Trade and Investment South Africa		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	181	12	175	132.8	0.8	181	136.6	0.8	197	168.1	0.9	197	185.0	0.9	197	188.3	1.0	2.9%	100.0%
1 – 6	17	–	19	66.4	3.5	8	53.6	6.7	17	81.8	4.8	17	94.3	5.5	17	91.7	5.4	28.6%	7.6%
7 – 10	76	3	83	20.2	0.2	94	28.5	0.3	92	29.6	0.3	92	31.1	0.3	92	33.2	0.4	-0.7%	47.9%
11 – 12	52	5	53	26.5	0.5	58	33.1	0.6	62	34.4	0.6	62	36.2	0.6	62	38.5	0.6	2.2%	31.6%
13 – 16	36	4	20	19.6	1.0	21	21.4	1.0	26	22.3	0.9	26	23.4	0.9	26	24.9	1.0	7.4%	12.8%

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

² Rand million.

Expenditure trends

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

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

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

Public entities and other agencies

Companies and Intellectual Property Commission

Mandate and goals

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

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

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

Selected performance indicators

Table 36.21 Companies and Intellectual Property Commission

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

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

Programmes/activities/objectives

Table 36.22 Companies and Intellectual Property Commission

R thousand	Audited outcome			Revised estimate 2013/14	Average growth rate (%) 2010/11 - 2013/14	Expenditure/total: Average (%) 2010/11 - 2013/14	Medium-term expenditure estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%) 2013/14 - 2016/17
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
Administration	231 552	145 981	170 310	227 468	-0.6%	59.9%	238 700	161 264	251 233	3.4%	49.7%
Business regulations and reputation	82 298	85 603	85 603	95 027	4.9%	27.5%	136 836	195 816	153 031	17.2%	32.2%
Innovation and creativity promotion	27 433	41 217	28 694	66 752	34.5%	12.6%	62 908	105 383	88 828	10.0%	18.1%
Total expense	341 283	272 801	284 607	389 247	4.5%	100.0%	438 444	462 463	493 092	8.2%	100.0%

Expenditure estimates

Table 36.23 Companies and Intellectual Property Commission

Statement of financial performance	Audited outcome			Revised estimate 2013/14	Average growth rate (%) 2010/11 - 2013/14	Expenditure/total: Average (%) 2010/11 - 2013/14	Medium-term estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%) 2013/14 - 2016/17
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
Revenue											
Non-tax revenue	445 615	422 684	397 030	389 247	-4.4%	97.2%	438 444	462 463	493 092	8.2%	100.0%
Sale of goods and services other than capital assets of which:	361 150	363 229	329 846	326 747	-3.3%	81.2%	393 444	423 963	457 092	11.8%	89.5%
Administrative fees	361 150	363 229	329 846	326 747	-3.3%	81.2%	393 444	423 963	457 092	11.8%	89.5%
Other non-tax revenue	84 465	59 455	67 184	62 500	-9.6%	16.0%	45 000	38 500	36 000	-16.8%	10.5%
Transfers received	38 091	13 990	-	-	-100.0%	2.8%	-	-	-	-	-
Total revenue	483 706	436 674	397 030	389 247	-7.0%	100.0%	438 444	462 463	493 092	8.2%	100.0%
Expenses											
Current expenses	341 283	272 801	284 607	389 247	4.5%	100.0%	438 444	462 463	493 092	8.2%	100.0%
Compensation of employees	150 163	150 717	159 790	191 700	8.5%	51.2%	263 176	283 204	300 196	16.1%	57.8%
Goods and services	181 578	112 542	119 946	195 547	2.5%	46.7%	173 268	177 259	190 896	-0.8%	41.7%
Depreciation	9 542	9 542	4 871	2 000	-40.6%	2.1%	2 000	2 000	2 000	-	0.5%
Total expenses	341 283	272 801	284 607	389 247	4.5%	100.0%	438 444	462 463	493 092	8.2%	100.0%
Surplus/(Deficit)	142 423	163 873	112 423	-	-100.0%	-	-	-	-	-	-
Statement of financial position											
Carrying value of assets of which:	21 593	15 257	20 184	38 165	20.9%	1.9%	41 692	212 979	423 049	123.0%	13.2%
Acquisition of assets	11 135	3 678	11 025	7 000	-14.3%	0.7%	9 325	107 671	310 040	253.8%	8.0%
Inventory	834	814	430	350	-25.1%	0.1%	300	250	200	-17.0%	0.0%
Receivables and prepayments	42 932	4 161	8 500	4 000	-54.7%	1.4%	3 500	2 000	1 500	-27.9%	0.2%
Cash and cash equivalents	956 489	1 137 699	1 240 474	1 352 897	12.3%	96.6%	1 282 097	1 132 097	932 097	-11.7%	86.6%
Total assets	1 021 848	1 157 931	1 269 588	1 395 412	10.9%	100.0%	1 327 589	1 347 326	1 356 846	-0.9%	100.0%
Accumulated surplus/(deficit)	930 541	1 047 580	1 160 003	1 285 982	11.4%	91.3%	1 217 649	1 250 570	1 268 550	-0.5%	92.5%
Trade and other payables	19 570	15 656	15 439	12 000	-15.0%	1.3%	10 000	9 000	8 000	-12.6%	0.7%
Provisions	12 849	15 087	20 742	27 430	28.8%	1.5%	34 940	37 756	40 296	13.7%	2.6%
Derivatives financial instruments	58 888	79 607	73 404	70 000	5.9%	5.9%	65 000	50 000	40 000	-17.0%	4.1%
Total equity and liabilities	1 021 848	1 157 930	1 269 588	1 395 412	10.9%	100.0%	1 327 589	1 347 326	1 356 846	-0.9%	100.0%

Personnel information

Table 36.24 Companies and Intellectual Property Commission

Salary level	Number of funded posts	Number of posts estimated for 31 March 2014	Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number	
			Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%) 2013/14 - 2016/17	Salary level/total: Average (%)			
			2012/13		2013/14		2014/15		2015/16		2016/17								
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
623	623	601	159.8	0.3	532	191.7	0.4	612	263.2	0.4	654	283.2	0.4	660	300.2	0.5	16.1%	100.0%	
7 - 10	482	482	482	89.1	0.2	440	94.6	0.2	393	129.1	0.3	487	134.5	0.3	492	139.0	0.3	13.7%	74.0%
11 - 12	78	78	68	34.6	0.5	61	40.9	0.7	157	58.2	0.4	103	67.8	0.7	103	72.3	0.7	20.9%	17.1%
13 - 16	63	63	51	36.1	0.7	31	56.2	1.8	62	75.9	1.2	64	80.9	1.3	65	88.9	1.4	16.5%	8.9%

1. Rand million.

Expenditure trends

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

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

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

Export Credit Insurance Corporation of South Africa

Mandate and goals

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

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

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

Selected performance indicators

Table 36.25 Export Credit Insurance Corporation of South Africa

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Value of export credit/investment insurance policies signed per year	Facilitate export trade and investments outside South Africa	Outcome 4: Decent employment through inclusive economic growth	R2.6bn	R3.7bn	R7bn	R2.2bn	R4.9bn	R6bn	R7bn
Value of loans disbursed and/or investment insurance exposures declared per year	Facilitate export trade and investments outside South Africa		R1.2bn	R3.0bn	R11.5bn	R2bn	R1.5bn	R1.8bn	R2bn
Incidence of cooperative benefits initiated with other export creation agencies or development finance institutions under the existing cooperation agreements or arrangements, per year	Strategic alliances		-1	-1	-1	5	5	5	5
Number of product presentations or awareness sessions held per year with export promotion agencies and/or with development agencies or through conferences in the various provinces of South Africa	Promote a professional, competitive and customer focused workforce that ensures an effective and efficient service to our customers		-1	9	12	15	18	21	24

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

Programmes/activities/objectives

Table 36.26 Export Credit Insurance Corporation of South Africa

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

Expenditure estimates

Table 36.27 Export Credit Insurance Corporation of South Africa

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2010/11	2011/12	2012/13		2010/11 - 2013/14		2014/15	2015/16	2016/17			2013/14 - 2016/17
	R thousand											
Revenue												
Non-tax revenue	805 705	786 795	1 123 046	887 391	3.3%	100.0%	940 277	1 090 531	1 125 806	8.3%	100.0%	
Sale of goods and services other than capital assets	388 410	388 621	718 047	541 983	11.7%	55.7%	548 424	634 003	652 398	6.4%	58.9%	
of which:												
Sales by market establishment	388 410	388 621	718 047	541 983	11.7%	55.7%	548 424	634 003	652 398	6.4%	58.9%	
Other non-tax revenue	417 295	398 174	404 999	345 408	-6.1%	44.3%	391 853	456 528	473 408	11.1%	41.1%	
Total revenue	805 705	786 795	1 123 046	887 391	3.3%	100.0%	940 277	1 090 531	1 125 806	8.3%	100.0%	
Expenses												
Current expenses	282 523	439 457	859 361	341 946	6.6%	73.9%	525 222	516 025	300 601	-4.2%	70.9%	
Compensation of employees	23 462	22 647	26 892	47 271	26.3%	5.5%	42 329	44 868	47 561	0.2%	7.9%	
Goods and services	258 812	416 589	832 251	293 512	4.3%	68.3%	481 763	470 367	252 567	-4.9%	62.9%	
Depreciation	246	219	218	1 162	67.7%	0.1%	1 129	790	473	-25.9%	0.2%	
Interest, dividends and rent on land	3	2	-	-	-100.0%	0.0%	-	-	-	-	-	
Total expenses	393 340	598 226	1 061 018	494 670	7.9%	100.0%	641 437	676 886	531 658	2.4%	100.0%	
Surplus/(Deficit)	412 365	188 569	62 028	392 721	-1.6%		298 840	413 645	594 148	14.8%		
Statement of financial position												
Carrying value of assets	598	648	699	1 714	42.0%	0.0%	1 585	1 095	822	-21.7%	0.0%	
of which:												
Acquisition of assets	92	195	143	8 245	347.5%	0.0%	600	300	200	-71.1%	0.0%	
Investments	1 529 942	2 023 888	2 180 082	3 099 574	26.5%	50.2%	3 759 121	4 310 598	4 897 756	16.5%	61.3%	
Receivables and prepayments	235 616	193 984	557 090	719 247	45.1%	9.2%	862 133	987 593	1 097 580	15.1%	14.0%	
Cash and cash equivalents	1 396 374	1 651 134	2 223 410	1 699 003	6.8%	40.6%	1 581 735	1 522 385	1 516 101	-3.7%	24.7%	
Taxation	4 020	-	-	-	-100.0%	0.0%	-	-	-	-	-	
Total assets	3 166 550	3 869 654	4 961 281	5 519 538	20.3%	100.0%	6 204 575	6 821 671	7 512 260	10.8%	100.0%	
Accumulated surplus/(deficit)	1 918 111	2 015 452	1 800 433	2 038 446	2.0%	46.5%	2 418 825	2 810 380	3 234 932	16.6%	40.0%	
Capital and reserves	268 509	631 118	1 424 438	1 424 438	74.4%	19.8%	1 424 438	1 424 438	1 424 438	-	22.2%	
Trade and other payables	5 258	135 266	13 551	14 364	39.8%	1.0%	15 226	16 139	17 108	6.0%	0.2%	
Taxation	24 072	82 087	101 844	63 926	38.5%	1.5%	121 374	98 038	108 697	19.4%	1.5%	
Provisions	950 600	1 005 731	1 621 015	1 978 363	27.7%	31.1%	2 224 711	2 472 675	2 727 085	11.3%	36.1%	
Total equity and liabilities	3 166 550	3 869 654	4 961 281	5 519 537	20.3%	100.0%	6 204 575	6 821 671	7 512 260	10.8%	100.0%	

Personnel information

Table 36.28 Export Credit Insurance Corporation of South Africa

Salary level	Number of posts estimated for 31 March 2014		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
			2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
	57	57	44	26.9	0.6	57	47.3	0.8	61	42.3	0.7	61	44.9	0.7	61	47.6	0.8	0.2%	100.0%	
1-6	8	8	6	0.5	0.1	8	0.3	0.0	13	1.2	0.1	13	1.3	0.1	13	1.3	0.1	67.8%	19.5%	
7-10	13	13	13	4.5	0.3	13	3.9	0.3	10	3.1	0.3	5	1.5	0.3	5	1.6	0.3	-26.0%	13.9%	
11-12	13	13	6	3.6	0.6	13	6.1	0.5	16	7.5	0.5	19	8.4	0.4	17	7.6	0.4	7.5%	27.0%	
13-16	22	22	15	13.9	0.9	22	19.4	0.9	20	18.8	0.9	22	21.1	1.0	24	23.9	1.0	7.1%	36.7%	
17-22	1	1	4	4.4	1.1	1	17.5	17.5	2	11.7	5.8	2	12.5	6.3	2	13.2	6.6	-9.0%	2.9%	

1. Rand million.

Expenditure trends

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

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

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

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

National Empowerment Fund

Mandate and goals

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

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

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

Selected performance indicators

Table 36.29 National Empowerment Fund

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

Table 36.29 National Empowerment Fund

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

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

Programmes/activities/objectives

Table 36.30 National Empowerment Fund

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand	281 911	345 100	533 404	343 810	6.8%	97.1%	394 179	406 354	399 114	5.1%	97.5%
Administration	15 240	8 226	8 230	8 814	-16.7%	2.9%	9 380	9 980	10 609	6.4%	2.5%
Fund management	297 151	353 326	541 634	352 624	5.9%	100.0%	403 559	416 334	409 723	5.1%	100.0%
Total expense	297 151	353 326	541 634	352 624	5.9%	100.0%	403 559	416 334	409 723	5.1%	100.0%

Expenditure estimates

Table 36.31 National Empowerment Fund

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand	371 979	347 343	655 211	387 864	1.4%	100.0%	419 100	449 231	455 821	5.5%	100.0%
Revenue	371 979	347 343	655 211	387 864	1.4%	100.0%	419 100	449 231	455 821	5.5%	100.0%
Non-tax revenue	371 979	347 343	655 211	387 864	1.4%	100.0%	419 100	449 231	455 821	5.5%	100.0%
Other non-tax revenue	371 979	347 343	655 211	387 864	1.4%	100.0%	419 100	449 231	455 821	5.5%	100.0%
Total revenue	371 979	347 343	655 211	387 864	1.4%	100.0%	419 100	449 231	455 821	5.5%	100.0%
Expenses	297 151	353 326	541 634	352 624	5.9%	100.0%	403 559	416 334	409 723	5.1%	100.0%
Current expenses	86 636	108 634	131 396	145 793	18.9%	31.4%	159 956	181 287	181 983	7.7%	42.2%
Compensation of employees	203 228	238 703	405 313	203 896	0.1%	67.2%	240 640	233 057	225 725	3.4%	57.1%
Goods and services	7 287	5 989	4 925	2 935	-26.1%	1.5%	2 963	1 990	2 015	-11.8%	0.6%
Depreciation	297 151	353 326	541 634	352 624	5.9%	100.0%	403 559	416 334	409 723	5.1%	100.0%
Total expenses	297 151	353 326	541 634	352 624	5.9%	100.0%	403 559	416 334	409 723	5.1%	100.0%
Surplus/(Deficit)	74 828	(5 983)	113 577	35 240	-22.2%		15 541	32 897	46 098	9.4%	
Statement of financial position	12 130	8 929	7 697	8 262	-12.0%	0.2%	8 799	9 308	9 793	5.8%	0.2%
Carrying value of assets	6 133	2 874	3 706	3 500	-17.1%	0.1%	3 500	2 500	2 500	-10.6%	0.1%
of which:	1 810 030	1 888 263	2 171 963	2 198 428	6.7%	37.5%	2 198 428	2 198 428	2 198 428	-	36.9%
Acquisition of assets	837 021	1 108 568	1 418 805	2 237 697	38.8%	25.9%	3 075 750	3 866 843	4 599 650	27.1%	56.5%
Investments	74 124	87 231	126 066	103 802	11.9%	1.8%	103 802	103 802	103 802	-	1.7%
Loans	2 582 555	2 201 998	1 689 062	921 506	-29.1%	34.5%	94 836	-	-	-100.0%	4.6%
Receivables and prepayments	-	8 100	8 100	8 100	-	0.1%	8 100	8 100	8 100	-	0.1%
Cash and cash equivalents	5 315 860	5 303 089	5 421 693	5 477 795	1.0%	100.0%	5 489 715	6 186 481	6 919 773	8.1%	100.0%
Non-current assets held for sale	1 514 952	2 790 459	2 904 036	2 959 364	25.0%	47.2%	2 971 284	3 001 926	3 020 378	0.7%	50.1%
Total assets	5 315 860	5 303 089	5 421 693	5 477 795	1.0%	100.0%	5 489 715	6 186 481	6 919 773	8.1%	100.0%
Accumulated surplus/(deficit)	3 765 625	2 468 431	2 468 431	2 468 431	-13.1%	52.0%	2 468 431	2 468 431	2 468 431	-	41.4%
Capital and reserves	-	-	-	-	-	-	-	666 124	1 380 964	-	7.7%
Borrowings	35 283	44 198	49 226	50 000	12.3%	0.8%	50 000	50 000	50 000	-	0.8%
Trade and other payables	5 315 860	5 303 088	5 421 693	5 477 795	1.0%	100.0%	5 489 715	6 186 481	6 919 773	8.1%	100.0%
Total equity and liabilities	5 315 860	5 303 088	5 421 693	5 477 795	1.0%	100.0%	5 489 715	6 186 481	6 919 773	8.1%	100.0%

Personnel information

Table 36.32 National Empowerment Fund

Salary level	Number of posts estimated for 31 March 2014		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number	
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
	168	168	168	131.4	0.8	168	145.8	0.9	176	160.0	0.9	185	181.3	1.0	195	182.0	0.9	7.7%	100.0%
1 – 6	10	10	10	1.7	0.2	10	1.8	0.2	10	1.9	0.2	10	2.0	0.2	10	2.1	0.2	5.4%	5.5%
7 – 10	50	50	50	17.8	0.4	50	19.0	0.4	57	23.5	0.4	59	26.8	0.5	61	28.2	0.5	14.0%	31.3%
11 – 12	54	54	54	37.8	0.7	54	40.5	0.8	59	51.2	0.9	64	57.0	0.9	69	61.2	0.9	14.7%	33.9%
13 – 16	52	52	52	66.7	1.3	52	69.2	1.3	48	70.0	1.5	50	75.5	1.5	53	81.3	1.5	5.5%	28.1%
17 – 22	2	2	2	7.4	3.7	2	15.2	7.6	2	13.3	6.6	2	20.0	10.0	2	9.1	4.6	-15.6%	1.1%

¹. Rand million.

Expenditure trends

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

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

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

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

National Lotteries Board

Mandate and goals

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

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

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

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

Selected performance indicators

Table 36.33 National Lotteries Board

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Value of operator ticket sales per year	Grant funding	Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world	R4.71bn	R4.59bn	R4.62bn	R4.9bn	R5.13bn	R5.33bn	R5.56bn
Value of National Lottery Distribution Trust Fund grant commitments per year	Grant funding		R3.09bn	R1.80bn	R1.65bn	R1.94bn	R1.80bn	R1.81bn	R1.89bn
Value of actual cash disbursed per year	Grant funding		R3.6bn	R2.41bn	R2.08bn	R1.86bn	R1.80bn	R2.1bn	R2.0bn
Value of contribution to the National Lottery Distribution Trust Fund per year	Grant funding		R1.61bn	R1.56bn	R1.60bn	R1.75bn	R1.9bn	R2.0bn	R2.1bn

Programmes/activities/objectives

Table 36.34 National Lotteries Board

	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14				2010/11 - 2013/14	2014/15	2015/16		
R thousand												
Administration	83 573	65 130	51 849	149 488	21.4%	64.3%	144 633	152 037	167 927	4.0%	49.8%	
Grant funding	–	30 209	63 310	120 862	–	30.5%	126 245	132 477	137 536	4.4%	41.9%	
Compliance and regulation	–	5 715	10 717	19 425	–	5.2%	24 148	28 021	31 806	17.9%	8.3%	
Total expense	83 573	101 054	125 876	289 775	51.4%	100.0%	295 026	312 535	337 269	5.2%	100.0%	

Expenditure estimates

Table 36.35 National Lotteries Board

Statement of financial performance	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14				2010/11 - 2013/14	2014/15	2015/16		
R thousand												
Revenue												
Non-tax revenue	1 617	1 586	1 595	1 692	1.5%	1.3%	1 698	1 728	2 220	9.5%	0.6%	
Sale of goods and services other than capital assets	1 308	1 308	1 308	1 308	–	1.1%	1 308	1 308	1 700	9.1%	0.5%	
of which:												
Administrative fees	1 308	1 308	1 308	1 308	–	1.1%	1 308	1 308	1 700	9.1%	0.5%	
Other non-tax revenue	309	278	287	384	7.5%	0.3%	390	420	520	10.6%	0.1%	
Transfers received	81 956	99 468	124 281	288 083	52.0%	98.7%	293 328	310 807	335 049	5.2%	99.4%	
Total revenue	83 573	101 054	125 876	289 775	51.4%	100.0%	295 026	312 535	337 269	5.2%	100.0%	
Expenses												
Current expenses	83 573	101 054	125 876	289 775	51.4%	100.0%	295 026	312 535	337 269	5.2%	100.0%	
Compensation of employees	45 413	54 171	58 655	150 489	49.1%	51.6%	165 428	181 971	200 168	10.0%	56.4%	
Goods and services	37 404	45 452	64 896	135 105	53.4%	47.0%	125 398	126 264	132 701	-0.6%	42.2%	
Depreciation	756	1 431	2 325	4 181	76.8%	1.4%	4 200	4 300	4 400	1.7%	1.4%	
Total expenses	83 573	101 054	125 876	289 775	51.4%	100.0%	295 026	312 535	337 269	5.2%	100.0%	
Surplus/(Deficit)	–	–	–	–	–	–	–	–	–	–	–	
Statement of financial position												
Carrying value of assets	8 324	7 968	11 666	11 963	12.9%	45.0%	12 463	13 000	16 770	11.9%	57.3%	
of which:												
Acquisition of assets	1 685	1 086	6 123	2 800	18.4%	12.1%	3 000	3 225	3 406	6.7%	13.3%	
Receivables and prepayments	4 780	8 467	6 537	3 200	-12.5%	25.3%	3 200	3 200	3 700	5.0%	14.3%	
Cash and cash equivalents	4 108	7 033	12 689	4 835	5.6%	29.8%	3 027	9 890	11 200	32.3%	28.4%	
Total assets	17 212	23 468	30 892	19 998	5.1%	100.0%	18 690	26 090	31 670	16.6%	100.0%	
Deferred income	8 044	9 185	2 806	1 498	-42.9%	25.6%	190	8 500	13 040	105.7%	20.6%	
Trade and other payables	5 054	11 477	19 687	18 500	54.1%	58.6%	18 500	17 590	18 630	0.2%	79.4%	
Derivatives financial instruments	4 114	2 806	8 399	–	-100.0%	15.8%	–	–	–	–	–	
Total equity and liabilities	17 212	23 468	30 892	19 998	5.1%	100.0%	18 690	26 090	31 670	16.6%	100.0%	

Personnel information

Table 36.36 National Lotteries Board

Number of posts estimated for 31 March 2014		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	253	253	132	58.7	0.4	253	150.5	0.6	253	165.4	0.7	253	182.0	0.7	253	200.2	0.8	10.0%	100.0%
1 – 6	2	2	2	0.3	0.1	2	0.6	0.3	2	0.7	0.4	2	0.8	0.4	2	0.9	0.4	10.0%	0.8%
7 – 10	133	133	63	16.9	0.3	133	61.7	0.5	133	67.8	0.5	133	74.6	0.6	133	82.1	0.6	10.0%	52.6%
11 – 12	91	91	45	20.7	0.5	91	55.6	0.6	91	61.0	0.7	91	67.1	0.7	91	73.9	0.8	9.9%	36.0%
13 – 16	26	26	21	18.9	0.9	26	30.5	1.2	26	33.5	1.3	26	36.9	1.4	26	40.5	1.6	10.0%	10.3%
17 – 22	1	1	1	1.9	1.9	1	2.1	2.1	1	2.3	2.3	1	2.6	2.6	1	2.8	2.8	10.0%	0.4%

¹. Rand million.

Expenditure trends

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

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

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

Small Enterprise Development Agency

Mandate and goals

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

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

Selected performance indicators

Table 36.37 Small Enterprise Development Agency

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

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

Programme/activities/objectives

Table 36.38 Small Enterprise Development Agency

Audited outcome	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)			
				2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
R thousand				2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17
Enhance competitiveness and capabilities of small enterprises through coordinated services, programmes and products	118 636	154 121	151 331	164 156	11.4%	24.0%	174 244	184 967	196 368	6.2%	25.4%
Ensure equitable access to business support services	124 832	130 635	140 443	148 720	6.0%	22.3%	154 176	161 849	169 875	4.5%	22.4%
Strengthen the organisation to deliver on its mandate	187 826	191 881	193 740	270 880	13.0%	34.3%	212 863	223 654	233 109	-4.9%	33.1%
Assist SMMEs with technology through the organisation's technology programme	78 247	109 693	149 828	145 760	23.0%	19.4%	126 368	132 181	138 261	-1.7%	19.1%
Total expense	509 541	586 330	635 342	729 516	12.7%	100.0%	667 651	702 651	737 613	0.4%	100.0%

Expenditure estimates

Table 36.39 Small Enterprise Development Agency

Statement of financial performance				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
Audited outcome			2013/14				2010/11 - 2013/14	2014/15	2015/16		
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2013/14 - 2016/17	
Revenue											
Non-tax revenue	34 887	36 275	66 028	80 850	32.3%	8.8%	43 001	43 000	43 000	-19.0%	7.4%
Other non-tax revenue	34 887	36 275	66 028	80 850	32.3%	8.8%	43 001	43 000	43 000	-19.0%	7.4%
Transfers received	461 121	508 290	566 923	648 666	12.0%	91.2%	624 650	659 651	694 613	2.3%	92.6%
Total revenue	496 008	544 565	632 951	729 516	13.7%	100.0%	667 651	702 651	737 613	0.4%	100.0%
Expenses											
Current expenses	510	586	635	730	12.7%	100.0%	668	703	738	0.4%	100.0%
Compensation of employees	190	206	221	240	8.2%	35.1%	257	275	294	7.0%	37.6%
Goods and services	304	361	396	471	15.7%	62.0%	394	411	427	-3.2%	60.0%
Depreciation	14	17	16	16	6.4%	2.6%	15	15	15	-3.4%	2.2%
Interest, dividends and rent on land	2	2	2	2	-3.7%	0.3%	2	2	2	-6.6%	0.3%
Total expenses	510	586	635	730	12.7%	100.0%	668	703	738	0.4%	100.0%
Surplus/(Deficit)	495 498	543 979	632 316	728 786	13.7%		666 983	701 948	736 875	0.4%	
Statement of financial position											
Carrying value of assets	45 520	40 717	38 371	44 621	-0.7%	18.7%	44 000	43 500	43 200	-1.1%	23.4%
of which:											
Acquisition of assets	15 615	12 906	13 967	13 044	-5.8%	6.1%	8 955	9 312	9 685	-9.4%	5.4%
Inventory	341	238	250	255	-9.2%	0.1%	257	260	265	1.3%	0.1%
Receivables and prepayments	4 110	32 062	3 916	8 300	26.4%	5.3%	8 500	8 400	8 300	-	4.5%
Cash and cash equivalents	155 912	153 656	210 345	176 109	4.1%	75.9%	135 001	135 005	104 524	-16.0%	71.9%
Total assets	205 883	226 673	252 882	229 285	3.7%	100.0%	187 758	187 165	156 289	-12.0%	100.0%
Accumulated surplus/(deficit)	57 911	25 228	22 837	22 837	-26.7%	14.6%	15 000	15 000	15 000	-13.1%	8.9%
Capital reserve fund	9 082	-	-	-	-100.0%	1.1%	-	-	-	-	-
Finance lease	12 173	12 208	12 085	11 919	-0.7%	5.3%	11 338	10 445	9 169	-8.4%	5.7%
Trade and other payables	110 940	173 019	200 331	175 400	16.5%	71.5%	140 891	139 791	108 791	-14.7%	74.0%
Provisions	15 777	16 218	17 629	19 129	6.6%	7.5%	20 529	21 929	23 329	6.8%	11.5%
Total equity and liabilities	205 883	226 673	252 882	229 285	3.7%	100.0%	187 758	187 165	156 289	-12.0%	100.0%

Personnel information

Table 36.40 Small Enterprise Development Agency

Number of posts estimated for 31 March 2014		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2012/13		Unit Cost	2013/14		Unit Cost	2014/15		Unit Cost	2015/16		Unit Cost			2016/17		2013/14 - 2016/17	
		Number	Cost		Number	Cost		Number	Cost		Number	Cost				Number	Cost		
		659	659	585	221.4	0.4	659	240.4	0.4	659	257.2	0.4	659			275.2	0.4	659	294.5
Salary level	659	659	585	221.4	0.4	659	240.4	0.4	659	257.2	0.4	659	275.2	0.4	659	294.5	0.4	7.0%	100.0%
1 - 6	135	135	89	13.6	0.2	135	21.0	0.2	135	22.5	0.2	135	24.0	0.2	135	25.7	0.2	7.0%	20.5%
7 - 10	260	260	311	82.5	0.3	260	71.0	0.3	260	76.0	0.3	260	81.3	0.3	260	87.0	0.3	7.0%	39.5%
11 - 12	214	214	143	86.7	0.6	214	104.5	0.5	214	111.9	0.5	214	119.7	0.6	214	128.1	0.6	7.0%	32.5%
13 - 16	50	50	42	38.6	0.9	50	43.8	0.9	50	46.9	0.9	50	50.2	1.0	50	53.7	1.1	7.0%	7.6%

1. Rand million.

Expenditure trends

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

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

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

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

South African Bureau of Standards

Mandate and goals

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

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

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

Selected performance indicators

Table 36.41 South Africa Bureau of Standards

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13		2013/14	2014/15	2015/16
Number of new certification schemes developed per year	Conformity assessment	Outcome 4: Decent employment through inclusive economic growth	- ¹	1	1	2	2	2	2
Percentage of compulsory specifications whose tests can be conducted at South African Bureau of Standards in full	Conformity assessment		50%	50%	50%	70%	80%	90%	90%
Test and services revenue (R 000) per year	Conformity assessment		192 277	166 663	218 706	202 713	267 344	298 373	333 233
Products and systems certification revenue (R 000) per year	Conformity assessment		184 128	215 671	244 267	286 172	332 224	372 091	416 742
Number of published home-grown South African national standards per year	Development of South African national standards		258	259	225	220	225	235	250
Value of standards sales revenue per year (R 000)	Development of South African national standards		16 631	19 265	21 945	22 838	31 593	35 701	40 342

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

Programmes/activities/objectives

Table 36.42 South Africa Bureau of Standards

	Audited outcome			Revised estimate 2013/14	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2010/11	2011/12	2012/13		2010/11 - 2013/14	Expenditure/total: Average (%)	2014/15	2015/16	2016/17	2013/14 - 2016/17	Expenditure/total: Average (%)
R thousand											
Conformity assessment	336 799	360 889	417 922	593 070	20.8%	65.5%	667 272	741 973	821 138	11.5%	77.0%
Development of South African national standards	202 569	217 512	278 614	177 149	-4.4%	34.5%	199 314	221 629	245 275	11.5%	23.0%
Total expense	539 368	578 401	696 536	770 219	12.6%	100.0%	866 586	963 602	1 066 413	11.5%	100.0%

Expenditure estimates

Table 36.43 South Africa Bureau of Standards

Statement of financial performance	Audited outcome			Revised estimate 2013/14	Average growth rate (%)		Medium-term estimate			Average growth rate (%)	
	2010/11	2011/12	2012/13		2010/11 - 2013/14	Expenditure/total: Average (%)	2014/15	2015/16	2016/17	2013/14 - 2016/17	Expenditure/total: Average (%)
R thousand											
Revenue											
Non-tax revenue	433 821	446 822	534 786	537 641	7.4%	72.8%	646 239	721 982	806 932	14.5%	73.5%
Sale of goods and services other than capital assets of which:	394 553	401 482	484 918	511 723	9.1%	66.7%	631 161	706 165	790 317	15.6%	71.4%
<i>Sales by market establishment</i>	394 553	401 482	484 918	511 723	9.1%	66.7%	631 161	706 165	790 317	15.6%	71.4%
Other non-tax revenue	39 268	45 340	49 868	25 918	-12.9%	6.1%	15 078	15 817	16 615	-13.8%	2.1%
Transfers received	160 065	164 895	192 775	212 975	10.0%	27.2%	227 023	260 213	273 636	8.7%	26.5%
Total revenue	593 886	613 333	727 694	750 616	8.1%	100.0%	873 262	982 195	1 080 568	12.9%	100.0%
Expenses											
Current expenses	536 579	578 401	696 536	770 219	12.8%	99.9%	866 586	963 602	1 066 413	11.5%	100.0%
Compensation of employees	326 572	332 957	384 254	447 450	11.1%	57.8%	509 229	560 152	627 370	11.9%	58.5%
Goods and services	169 057	210 829	280 005	284 790	19.0%	36.2%	311 916	342 373	373 081	9.4%	35.9%
Depreciation	33 757	33 964	31 431	37 979	4.0%	5.4%	45 441	61 077	65 962	20.2%	5.7%
Interest, dividends and rent on land	7 193	651	846	-	-100.0%	0.4%	-	-	-	-	-
Total expenses	539 368	578 401	696 536	770 219	12.6%	100.0%	866 586	963 602	1 066 413	11.5%	100.0%
Surplus/(Deficit)	54 518	34 932	31 158	(19 603)	-171.1%		6 676	18 593	14 155	-189.7%	
Statement of financial position											
Carrying value of assets of which:	274 566	318 912	350 770	511 928	23.1%	36.2%	670 252	716 901	711 863	11.6%	54.1%
<i>Acquisition of assets</i>	110 385	78 392	69 722	199 137	21.7%	11.4%	203 765	107 725	60 925	-32.6%	12.2%
Investments	291 900	284 308	336 072	354 779	6.7%	31.9%	266 857	256 307	291 622	-6.3%	24.5%
Inventory	1 524	1 128	1 092	1 158	-8.7%	0.1%	1 227	1 301	1 379	6.0%	0.1%
Receivables and prepayments	54 656	60 285	96 460	112 271	27.1%	8.0%	129 112	154 934	185 921	18.3%	12.0%
Cash and cash equivalents	190 447	262 311	274 338	115 833	-15.3%	21.5%	76 006	80 109	87 287	-9.0%	7.5%
Non-current assets held for sale	1 653	66	1 167	-	-100.0%	0.1%	-	-	-	-	-
Taxation	21 116	22 732	22 865	22 000	1.4%	2.2%	22 000	22 000	22 000	-	1.8%
Total assets	835 862	949 742	1 082 764	1 117 969	10.2%	100.0%	1 165 454	1 231 552	1 300 072	5.2%	100.0%
Accumulated surplus/(deficit)	376 560	410 486	441 644	452 043	6.3%	42.4%	458 972	477 565	491 719	2.8%	39.1%
Capital and reserves	68 686	68 992	84 713	101 380	13.9%	8.1%	116 347	130 712	145 939	12.9%	10.2%
Capital reserve fund	165 575	247 541	306 194	299 625	21.9%	25.2%	291 617	284 672	277 727	-2.5%	24.1%
Borrowings	14 905	-	-	-	-100.0%	0.4%	-	-	-	-	-
Finance lease	9	-	-	-	-100.0%	0.0%	-	-	-	-	-
Trade and other payables	107 617	112 448	141 760	159 893	14.1%	13.0%	191 838	230 172	274 400	19.7%	17.6%
Taxation	-	8 963	3 298	-	-	0.3%	-	-	-	-	-
Provisions	102 343	93 867	97 396	96 959	-1.8%	9.9%	98 127	99 365	100 677	1.3%	8.2%
Derivatives financial instruments	167	7 445	7 759	8 069	264.2%	0.6%	8 553	9 066	9 610	6.0%	0.7%
Total equity and liabilities	835 862	949 742	1 082 764	1 117 969	10.2%	100.0%	1 165 454	1 231 552	1 300 072	5.2%	100.0%

Personnel information

Table 36.44 South Africa Bureau of Standards

Salary level	Number of posts estimated for 31 March 2014		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
			2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
	1 192	1 192	1 046	384.3	0.4	1 186	447.5	0.4	1 206	509.2	0.4	1 256	560.2	0.4	1 310	627.4	0.5	11.9%	100.0%	
1 – 6	222	222	169	20.0	0.1	222	24.6	0.1	222	26.8	0.1	222	28.1	0.1	222	30.1	0.1	6.9%	17.9%	
7 – 10	557	557	536	155.7	0.3	557	164.7	0.3	557	184.0	0.3	557	193.2	0.3	557	207.3	0.4	8.0%	45.0%	
11 – 12	333	333	270	148.6	0.6	333	186.8	0.6	347	219.1	0.6	397	253.6	0.6	451	296.8	0.7	16.7%	30.7%	
13 – 16	79	79	70	58.1	0.8	73	69.3	0.9	79	77.1	1.0	79	82.8	1.0	79	90.5	1.1	9.3%	6.3%	
17 – 22	1	1	1	1.9	1.9	1	2.0	2.0	1	2.2	2.2	1	2.4	2.4	1	2.6	2.6	9.3%	0.1%	

1. Rand million.

Expenditure trends

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

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

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

Companies Tribunal

Mandate and goals

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

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

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

Selected performance indicators

Table 36.45 Companies Tribunal

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

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

Programmes/activities/objectives

Table 36.46 Companies Tribunal

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
R thousand											
Administration	-	-	688	6 940	-	-	10 413	11 102	11 919	19.8%	76.0%
Adjudicate and resolve disputes in a credible and just manner	-	-	2 518	3 352	-	-	2 830	3 060	3 100	-2.6%	24.0%
Total expense	-	-	3 206	10 292	-	-	13 243	14 162	15 019	13.4%	100.0%

Expenditure estimates

Table 36.47 Companies Tribunal

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
R thousand											
Revenue											
Non-tax revenue	-	-	248	300	-	-	350	400	450	14.5%	2.8%
Other non-tax revenue	-	-	248	300	-	-	350	400	450	14.5%	2.8%
Transfers received	-	10 000	10 137	10 337	-	-	13 313	14 221	15 069	13.4%	97.2%
Total revenue	-	10 000	10 385	10 637	-	-	13 663	14 621	15 519	13.4%	100.0%
Expenses											
Current expenses	-	-	3 206	10 292	-	-	13 243	14 162	15 019	13.4%	100.0%
Compensation of employees	-	-	656	4 173	-	-	9 034	9 662	10 184	34.6%	61.2%
Goods and services	-	-	2 548	6 117	-	-	4 207	4 498	4 833	-7.6%	38.8%
Depreciation	-	-	2	2	-	-	2	2	2	-	0.0%
Total expenses	-	-	3 206	10 292	-	-	13 243	14 162	15 019	13.4%	100.0%
Surplus/(Deficit)	-	10 000	7 179	345	-	-	420	459	500	13.2%	
Statement of financial position											
Carrying value of assets of which:	-	-	-	30.0	-	-	50.0	60.0	70.0	32.6%	0.3%
Acquisition of assets	-	-	2	45	-	-	70	59	50	3.6%	0.3%
Receivables and prepayments	-	-	12	-	-	-	-	15	20	-	0.0%
Cash and cash equivalents	-	10 000	17 949	18 249	-	-	18 599	18 999	19 399	2.1%	99.7%
Total assets	-	10 000	17 961	18 279	-	-	18 649	19 074	19 489	2.2%	100.0%
Accumulated surplus/(deficit)	-	10 000	17 179	17 374	-	-	17 659	18 049	18 428	2.0%	94.7%
Trade and other payables	-	-	734	810	-	-	890	920	950	5.5%	4.7%
Provisions	-	-	48	95	-	-	100	105	111	5.3%	0.5%
Total equity and liabilities	-	10 000	17 961	18 279	-	-	18 649	19 074	19 489	2.2%	100.0%

Personnel information

Table 36.48 Companies Tribunal

Number of posts estimated for 31 March 2014		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	13	29	3	0.7	0.2	7	4.2	0.6	15	9.0	0.6	15	9.7	0.6	15	10.2	0.7	34.6%	100.0%
7 – 10	3	8	–	–	–	1	0.4	0.4	3	0.8	0.3	3	0.9	0.3	3	0.9	0.3	33.0%	18.6%
11 – 12	7	13	3	0.7	0.2	4	2.2	0.6	7	3.8	0.5	7	4.0	0.6	7	4.2	0.6	23.5%	49.3%
13 – 16	3	8	–	–	–	2	1.5	0.8	5	4.5	0.9	5	4.8	1.0	5	5.0	1.0	48.6%	32.1%

1. Rand million.

Expenditure trends

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

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

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

National Consumer Commission

Mandate and goals

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

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

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

Selected performance indicators

Table 36.49 National Consumer Commission

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

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

Programmes/activities/objectives

Table 36.50 National Consumer Commission

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

Expenditure estimates

Table 36.51 National Consumer Commission

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

Personnel information

Table 36.52 National Consumer Commission

Salary level	Number of posts estimated for 31 March 2014		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number	
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)
			2012/13			2013/14			2014/15			2015/16			2016/17				
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
	75	182	74	23.0	0.3	75	25.0	0.3	82	32.3	0.4	84	34.1	0.4	84	34.9	0.4	11.7%	100.0%
1 – 6	41	93	41	4.8	0.1	41	6.3	0.2	46	6.7	0.1	46	7.1	0.2	46	7.6	0.2	6.5%	55.1%
7 – 10	10	48	7	1.1	0.2	10	1.2	0.1	12	1.5	0.1	12	1.6	0.1	12	1.7	0.1	11.5%	14.1%
11 – 12	9	17	11	3.7	0.3	9	5.8	0.6	9	7.1	0.8	9	7.6	0.8	9	7.5	0.8	9.3%	11.1%
13 – 16	15	24	15	13.4	0.9	15	11.8	0.8	15	17.0	1.1	17	17.8	1.0	17	18.1	1.1	15.5%	19.7%

1. Rand million.

Expenditure trends

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

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

National Consumer Tribunal

Mandate and goals

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

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

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

Selected performance indicators

Table 36.53 National Consumer Tribunal

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

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

Programmes/activities/objectives

Table 36.54 National Consumer Tribunal

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Administration	-	-	-	-	-	-	24 372	25 633	27 199	-	39.2%
Adjudication	20 603	30 588	31 729	40 536	25.3%	100.0%	18 667	23 305	29 493	-10.1%	60.8%
Total expense	20 603	30 588	31 729	40 536	25.3%	100.0%	43 039	48 938	56 692	11.8%	100.0%

Expenditure estimates

Table 36.55 National Consumer Tribunal

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Revenue											
Non-tax revenue	514	623	1 043	795	15.6%	2.4%	5 725	6 446	10 955	139.7%	11.7%
Sale of goods and services other than capital assets	138	246	397	255	22.7%	0.8%	648	921	1 197	67.4%	1.5%
of which:											
Administrative fees	138	246	397	255	22.7%	0.8%	648	921	1 197	67.4%	1.5%
Other non-tax revenue	376	377	646	540	12.8%	1.6%	5 077	5 525	9 758	162.4%	10.2%
Transfers received	22 059	28 833	33 165	36 099	17.8%	97.6%	40 164	43 029	46 151	8.5%	88.3%
Total revenue	22 573	29 456	34 208	36 894	17.8%	100.0%	45 889	49 475	57 106	15.7%	100.0%
Expenses											
Current expenses	20 603	30 588	31 729	40 536	25.3%	100.0%	43 039	48 938	56 692	11.8%	100.0%
Compensation of employees	5 378	11 015	13 746	22 004	59.9%	39.9%	23 038	24 518	26 092	5.8%	51.0%
Goods and services	14 604	18 880	17 367	17 866	7.0%	57.9%	19 292	23 674	29 811	18.6%	47.5%
Depreciation	527	652	547	577	3.1%	2.0%	614	646	695	6.4%	1.3%
Interest, dividends and rent on land	94	41	69	89	-1.8%	0.3%	95	100	94	1.8%	0.2%
Total expenses	20 603	30 588	31 729	40 536	25.3%	100.0%	43 039	48 938	56 692	11.8%	100.0%
Surplus/(Deficit)	1 970	(1 132)	2 479	(3 642)	-222.7%		2 850	537	414	-148.4%	

Table 36.55 National Consumer Tribunal

Statement of financial position	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Carrying value of assets	1 750	1 664	1 461	2 604	14.2%	22.8%	2 543	2 599	4 526	20.2%	34.2%
of which:											
Acquisition of assets	1 027	654	127	650	-14.1%	7.8%	2 850	530	400	-14.9%	12.5%
Inventory	22	27	75	30	10.9%	0.4%	30	30	30	-	0.3%
Receivables and prepayments	-	29	19	30	-	0.2%	30	30	40	10.1%	0.4%
Cash and cash equivalents	6 518	4 655	8 654	6 061	-2.4%	76.5%	6 249	6 421	4 529	-9.3%	65.1%
Total assets	8 290	6 375	10 209	8 725	1.7%	100.0%	8 852	9 080	9 125	1.5%	100.0%
Accumulated surplus/(deficit)	4 623	3 491	5 970	3 491	-8.9%	52.4%	3 491	3 491	3 491	-	39.0%
Finance lease	141	191	256	349	35.3%	2.8%	242	127	435	7.6%	3.2%
Trade and other payables	3 280	1 871	2 444	1 450	-23.8%	27.4%	1 600	1 750	1 400	-1.2%	17.3%
Provisions	246	822	1 538	3 335	138.4%	17.4%	3 519	3 712	3 799	4.4%	40.1%
Total equity and liabilities	8 290	6 375	10 208	8 625	1.3%	100.0%	8 852	9 080	9 125	1.9%	99.7%

Personnel information

Table 36.56 National Consumer Tribunal

Salary level	Number of posts estimated for 31 March 2014	Number of posts on approved establishment	Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number	
			Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost		Unit Cost	
	32	32	22	13.7	0.6	32	22.0	0.7	38	23.0	0.6	38	24.5	0.6	38	26.1	0.7	5.8%	100.0%
1 - 6	4	4	4	1.9	0.5	4	1.8	0.4	4	0.7	0.2	4	0.7	0.2	4	0.8	0.2	-24.0%	11.0%
7 - 10	10	10	5	3.1	0.6	10	4.9	0.5	14	7.0	0.5	14	7.4	0.5	14	7.9	0.6	17.1%	35.4%
11 - 12	11	11	9	3.2	0.4	11	6.1	0.6	13	6.1	0.5	13	6.5	0.5	13	7.0	0.5	4.7%	34.3%
13 - 16	7	7	4	5.6	1.4	7	9.3	1.3	7	9.3	1.3	7	9.8	1.4	7	10.5	1.5	4.2%	19.3%

1. Rand million.

Expenditure trends

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

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

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

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

National Credit Regulator

Mandate and goals

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

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

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

Selected performance indicators

Table 36.57 National Credit Regulator

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

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

Programmes/activities/objectives

Table 36.58 National Credit Regulator

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

Expenditure estimates

Table 36.59 National Credit Regulator

Statement of financial Performance	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand												
Revenue												
Non-tax revenue	31 161	38 093	38 075	37 278	6.2%	38.3%	47 041	51 131	54 644	13.6%	40.6%	
Sale of goods and services other than capital assets	26 225	33 730	30 520	33 878	8.9%	32.8%	44 041	48 631	51 644	15.1%	38.0%	
of which:												
Administrative fees	26 225	33 730	30 520	33 878	8.9%	32.8%	44 041	48 631	51 644	15.1%	38.0%	
Other non-tax revenue	4 936	4 363	7 555	3 400	-11.7%	5.5%	3 000	2 500	3 000	-4.1%	2.5%	
Transfers received	49 387	53 415	55 431	78 408	16.7%	61.7%	63 845	65 727	69 577	-3.9%	59.4%	
Total revenue	80 548	91 508	93 506	115 686	12.8%	100.0%	110 886	116 858	124 221	2.4%	100.0%	
Expenses												
Current expenses	78 508	91 403	109 278	97 870	7.6%	100.0%	110 886	116 858	124 221	8.3%	100.0%	
Compensation of employees	36 791	44 361	54 339	65 389	21.1%	53.0%	57 522	60 292	64 260	-0.6%	55.5%	
Goods and services	40 041	44 640	52 127	32 481	-6.7%	45.2%	48 031	51 816	54 926	19.1%	41.3%	
Depreciation	1 669	2 393	2 805	-	-100.0%	1.8%	5 333	4 750	5 035	-	3.2%	
Interest, dividends and rent on land	7	9	7	-	-100.0%	0.0%	-	-	-	-	-	
Total expenses	78 508	91 403	109 278	97 870	7.6%	100.0%	110 886	116 858	124 221	8.3%	100.0%	
Surplus/(Deficit)	2 040	105	(15 772)	17 816	105.9%		-	-	-	-100.0%		
Statement of financial position												
Carrying value of assets	9 037	8 970	19 761	21 924	34.4%	20.8%	37 982	27 985	20 900	-1.6%	41.5%	
of which:												
Acquisition of assets	3 424	2 324	14 735	4 000	5.3%	8.5%	9 150	4 250	4 650	5.1%	8.4%	
Receivables and prepayments	560	6 744	8 062	440	-7.7%	5.2%	5 014	3 710	2 860	86.6%	4.6%	
Cash and cash equivalents	74 247	70 325	42 629	41 907	-17.4%	74.0%	26 275	36 786	34 067	-6.7%	53.9%	
Total assets	83 844	86 039	70 452	64 271	-8.5%	100.0%	69 271	68 481	57 827	-3.5%	100.0%	
Accumulated surplus/(deficit)	51 841	66 486	50 714	30 000	-16.7%	64.4%	55 061	54 126	43 432	13.1%	70.1%	
Capital reserve fund	537	164	190	-	-100.0%	0.3%	-	-	-	-	-	
Finance lease	26	99	55	-	-100.0%	0.1%	40	35	45	-	0.0%	
Deferred income	20 174	5 631	5 547	19 884	-0.5%	17.4%	-	-	-	-100.0%	7.7%	
Trade and other payables	6 152	6 866	9 510	5 999	-0.8%	9.5%	5 800	5 500	5 000	-5.9%	8.6%	
Provisions	4 458	6 320	4 286	7 968	21.4%	7.8%	7 950	8 400	8 900	3.8%	12.9%	
Derivatives financial instruments	656	473	150	420	-13.8%	0.5%	420	420	450	2.3%	0.7%	
Total equity and liabilities	83 844	86 039	70 452	64 271	-8.5%	100.0%	69 271	68 481	57 827	-3.5%	100.0%	

Personnel information

Table 36.60 National Credit Regulator

Salary level	Number of posts estimated for 31 March 2014	Number of posts on funded establishment	Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number	
			Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13		Unit Cost	2013/14		Unit Cost	2014/15		2015/16		2016/17				2013/14 - 2016/17		
			Number	Cost		Number	Cost		Number	Cost	Number	Cost	Number	Cost	Number	Cost			
	156	156	130	54.3	0.4	128	65.4	0.5	156	57.5	0.4	156	60.3	0.4	156	64.3	0.4	-0.6%	100.0%
1 - 6	33	33	26	3.0	0.1	27	13.1	0.5	33	11.1	0.3	33	11.7	0.4	33	12.3	0.4	-2.1%	21.1%
7 - 10	54	54	48	11.5	0.2	50	21.8	0.4	54	19.4	0.4	54	19.8	0.4	54	21.6	0.4	-0.3%	35.7%
11 - 12	47	47	41	18.2	0.4	39	16.9	0.4	47	12.5	0.3	47	13.0	0.3	47	13.4	0.3	-7.4%	30.2%
13 - 16	21	21	14	19.4	1.4	11	11.2	1.0	21	11.4	0.5	21	12.1	0.6	21	13.1	0.6	5.1%	12.2%
17 - 22	1	1	1	2.2	2.2	1	2.3	2.3	1	3.1	3.1	1	3.7	3.7	1	3.9	3.9	18.7%	0.7%

1. Rand million.

Expenditure trends

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

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

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

National Gambling Board

Mandate and goals

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

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

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

Selected performance indicators

Table 36.61 National Gambling Board

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

Table 36.61 National Gambling Board

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

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

Programmes/activities/objectives

Table 36.62 National Gambling Board

R thousand	Audited outcome			Revised estimate 2013/14	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13		2010/11	2013/14	2014/15	2015/16	2016/17		
Administration	11 451	13 126	15 431	14 262	7.6%	48.3%	17 408	18 196	13 356	-2.2%	48.3%
Stakeholder and liaison	5 769	6 966	10 271	8 482	13.7%	27.6%	7 909	7 881	7 890	-2.4%	24.7%
Compliance monitoring	5 835	6 832	6 828	7 488	8.7%	24.1%	7 328	8 402	12 238	17.8%	27.0%
Total expense	23 055	26 924	32 530	30 232	9.5%	100.0%	32 645	34 479	33 484	3.5%	100.0%

Expenditure estimates

Table 36.63 National Gambling Board

Statement of financial Performance	Audited outcome			Revised estimate 2013/14	Average growth rate (%)		Medium-term estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13		2010/11	2013/14	2014/15	2015/16	2016/17		
Revenue											
Non-tax revenue	763	1 531	1 642	2 320	44.9%	5.2%	2 848	2 996	3 363	13.2%	8.8%
Other non-tax revenue	763	1 531	1 642	2 320	44.9%	5.2%	2 848	2 996	3 363	13.2%	8.8%
Transfers received	22 000	38 105	26 057	27 717	8.0%	94.8%	29 797	31 483	30 121	2.8%	91.2%
Total revenue	22 763	39 636	27 699	30 037	9.7%	100.0%	32 645	34 479	33 484	3.7%	100.0%
Expenses											
Current expenses	23 055	26 924	32 530	30 232	9.5%	100.0%	32 645	34 479	33 484	3.5%	100.0%
Compensation of employees	10 025	10 797	10 807	16 279	17.5%	42.7%	17 439	19 376	20 184	7.4%	55.9%
Goods and services	12 633	15 778	20 954	13 168	1.4%	55.3%	14 356	14 253	12 450	-1.9%	41.5%
Depreciation	397	349	769	785	25.5%	2.0%	850	850	850	2.7%	2.6%
Total expenses	23 055	26 924	32 530	30 232	9.5%	100.0%	32 645	34 479	33 484	3.5%	100.0%
Surplus/(Deficit)	(292)	12 712	(4 831)	(195)	-12.6%		-	-	-	-100.0%	
Statement of financial position											
Carrying value of assets	1 212	1 961	16 147	14 580	129.1%	52.3%	15 250	16 080	16 589	4.4%	85.7%
of which:											
Acquisition of assets	230	1 149	14 958	-	-100.0%	23.9%	-	-	-	-	-
Inventory	59	17	22	100	19.2%	0.5%	120	120	100	-	0.6%
Receivables and prepayments	387	14 092	584	150	-27.1%	21.9%	150	150	250	18.6%	1.0%
Cash and cash equivalents	4 191	2 281	740	2 200	-19.3%	25.3%	2 100	2 500	2 500	4.4%	12.7%
Non-current assets held for sale	-	-	6	-	-	0.0%	-	-	-	-	-
Total assets	5 849	18 351	17 499	17 030	42.8%	100.0%	17 620	18 850	19 439	4.5%	100.0%
Accumulated surplus/(deficit)	1 339	14 052	9 221	8 880	87.9%	51.1%	8 620	9 850	9 689	2.9%	50.8%
Trade and other payables	3 143	3 806	7 218	5 650	21.6%	37.2%	6 500	6 500	7 250	8.7%	35.5%
Provisions	1 367	493	1 060	2 500	22.3%	11.7%	2 500	2 500	2 500	-	13.7%
Total equity and liabilities	5 849	18 351	17 499	17 030	42.8%	100.0%	17 620	18 850	19 439	4.5%	100.0%

Personnel information

Table 36.64 National Gambling Board

Number of posts estimated for 31 March 2014		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	28	28	19	10.8	0.6	28	16.3	0.6	28	17.4	0.6	28	19.4	0.7	28	20.2	0.7	7.4%	100.0%
11 – 12	18	18	7	3.5	0.5	17	4.7	0.3	17	4.8	0.3	17	5.0	0.3	17	5.3	0.3	3.8%	60.7%
13 – 16	10	10	12	7.3	0.6	11	11.6	1.1	11	12.7	1.2	11	14.4	1.3	11	14.9	1.4	8.8%	39.3%

1. Rand million.

Expenditure trends

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

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

National Metrology Institute of South Africa

Mandate and goals

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

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

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

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

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

Selected performance indicators

Table 36.65 National Metrology Institute of South Africa

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Total number of gazetted national measurement standards maintained	Keep, maintain and disseminate national measurements	Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world	42	5 ¹	5 ¹	50	50	50	50
Number of new certified reference materials and methods of calibration and/or improved national measurement standards per year	Keep, maintain and disseminate national measurements		-2	12	5	10	14	15	16
Number of calibration measurement capabilities maintained in the international key comparison database per year	Keep, maintain and disseminate national measurements		356	356	365	382	413	417	419
Income generated through calibration, services, sales, consultation, research grants and donor projects per year	Keep, maintain and disseminate national measurements		-2	R11m	R12m	R11m	R0.8m	R0.9m	R1m
Number of certified reference materials sold per year	Keep, maintain and disseminate national measurements		64	74	86	200	220	240	260
Number of industry, SMME and/or regional metrologists trained in accurate measurements per year	Keep, maintain and disseminate national measurements	Outcome 5: A skilled and capable workforce to support an inclusive growth path	-2	10	12	49	64	80	85
Number of refereed and/or peer-reviewed publications on measurements science per year	Keep, maintain and disseminate national measurements	Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world	15	22	21	18	20	27	29

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

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

Programmes/activities/objectives

Table 36.66 National Metrology Institute of South Africa

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand											
Administration	29 685	32 100	33 226	98 561	49.2%	46.3%	107 851	124 521	134 512	10.9%	52.0%
Keep, maintain and disseminate national measurements	39 249	47 224	51 296	59 242	14.7%	53.7%	106 527	139 597	144 094	34.5%	48.0%
Total expense	68 934	79 324	84 522	157 803	31.8%	100.0%	214 378	264 118	278 606	20.9%	100.0%

Expenditure estimates

Table 36.67 National Metrology Institute of South Africa

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

Table 36.67 National Metrology Institute of South Africa

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)			
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15			2015/16	2016/17	2013/14 - 2016/17
	R thousand													
Expenses														
Current expenses	68 934	79 324	84 522	157 803	31.8%	100.0%	214 378	264 118	278 606	20.9%	100.0%			
Compensation of employees	35 603	42 871	48 187	56 006	16.3%	49.5%	71 510	80 552	97 281	20.2%	33.6%			
Goods and services	22 444	25 213	27 592	81 268	53.6%	37.1%	121 871	162 343	149 203	22.4%	55.8%			
Depreciation	10 884	11 240	8 743	20 529	23.6%	13.3%	20 997	21 223	32 122	16.1%	10.6%			
Interest, dividends and rent on land	3	-	-	-	-100.0%	0.0%	-	-	-	-	-			
Total expenses	68 934	79 324	84 522	157 803	31.8%	100.0%	214 378	264 118	278 606	20.9%	100.0%			
Surplus/(Deficit)	(2 034)	17 255	8 111	-	-100.0%		-	-	-	-				
Statement of financial position														
Carrying value of assets	56 133	60 797	69 474	80 455	12.7%	72.2%	97 723	127 052	165 131	27.1%	88.0%			
of which:														
Acquisition of assets	3 271	7 061	17 718	35 019	120.4%	16.4%	36 244	37 899	39 879	4.4%	29.5%			
Receivables and prepayments	2 024	2 274	2 655	574	-34.3%	2.0%	382	290	310	-18.6%	0.3%			
Cash and cash equivalents	13 614	37 055	39 247	11 118	-6.5%	25.8%	15 319	16 610	17 259	15.8%	11.6%			
Total assets	71 771	100 126	111 376	92 147	8.7%	100.0%	113 424	143 952	182 700	25.6%	100.0%			
Accumulated surplus/(deficit)	68 501	96 403	104 514	90 296	9.6%	95.9%	111 921	142 282	180 960	26.1%	98.6%			
Deferred income	-	155	157	-	-	0.1%	-	-	-	-	-			
Trade and other payables	3 270	959	4 056	1 851	-17.3%	2.8%	1 503	1 670	1 740	-2.0%	1.4%			
Provisions	-	2 609	2 649	-	-	1.2%	-	-	-	-	-			
Total equity and liabilities	71 771	100 126	111 376	92 147	8.7%	100.0%	113 424	143 952	182 700	25.6%	100.0%			

Personnel information

Table 36.68 National Metrology Institute of South Africa

Salary level	Number of posts estimated for 31 March 2014		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13		2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost			Unit Cost		
	125	160	111	48.2	0.4	113	56.0	0.5	149	71.5	0.5	154	80.6	0.5	160	97.3	0.6	20.2%	100.0%
7 - 10	50	58	54	22.1	0.4	54	23.5	0.4	55	33.4	0.6	54	36.7	0.7	58	47.0	0.8	26.1%	39.0%
11 - 12	65	92	49	17.9	0.4	51	24.4	0.5	83	28.1	0.3	90	31.6	0.4	92	36.7	0.4	14.6%	54.2%
13 - 16	10	10	8	8.2	1.0	8	8.2	1.0	11	9.9	0.9	10	12.2	1.2	10	13.6	1.4	18.4%	6.8%

¹. Rand million.

Expenditure trends

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

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

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

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

National Regulator for Compulsory Specifications

Mandate and goals

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

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

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

Selected performance indicators

Table 36.69 National Regulator for Compulsory Specifications

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of inspections conducted in accordance with the compulsory specification and procedures per year	Strategic goal 1: To utilise a risk based approach to maximise the potential compliance with all specifications and technical regulations falling under the mandate of the regulator	Outcome 10: Environmental assets and natural resources that are valued, protected and continually enhanced	26 467	24 553	17 161	20 954	21 225	22 745	25 709
Number of new, amended and withdrawn compulsory specification / technical regulations submitted for approval by the board per year	Strategic goal 2: To optimise the scope of the regulator's regulatory activity to protect people in South Africa and the environment		-1	11	12	12	12	12	12
Percentage awareness of the National Regulator for Compulsory Specifications brand	Strategic goal 3: To inform and educate industry and consumers regarding their rights and obligations with respect to specifications and technical regulations		-1	-1	-1	5%	5%	5%	5%

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

Programmes/activities/objectives

Table 36.70 National Regulator for Compulsory Specifications

	Audited outcome			Revised estimate 2013/14	Average growth rate (%) 2010/11 - 2013/14	Expenditure/total: Average (%) 2010/11 - 2013/14	Medium-term expenditure estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%) 2013/14 - 2016/17
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand											
Administration	43 809	51 757	58 705	42 665	-0.9%	24.4%	63 201	66 614	70 144	18.0%	19.1%
Strategic goal 1: To utilise a risk based approach to maximise the potential compliance with all specifications and technical regulations falling under the mandate of the National Regulator for Compulsory Specifications	82 448	97 036	119 747	165 905	26.2%	54.9%	175 688	185 175	194 989	5.5%	57.4%
Strategic goal 2: To optimise the scope of National Regulator for Compulsory Specifications regulatory activity to protect people in South Africa and the environment	5 909	6 930	8 437	12 345	27.8%	4.0%	15 538	16 377	17 245	11.8%	4.9%
Strategic goal 3: To inform and educate industry and consumers regarding their rights and obligations with respect to specifications and technical regulations	4 464	5 293	6 721	7 593	19.4%	2.9%	8 472	8 929	9 403	7.4%	2.7%
Strategic goal 4: To ensure that highly engaged, competent people are in the right place at the right time' to enable effective execution of the National Regulator for Compulsory Specifications strategy	5 760	6 820	30 495	41 613	93.3%	9.1%	50 515	53 243	56 065	10.4%	15.9%
Strategic goal 5: To ensure that the National Regulator for Compulsory Specifications is a capacitated organisation with 'fit for purpose' resources available to support decision making and action	14 836	17 516	-	-	-100.0%	4.7%	-	-	-	-	-
Total expense	157 225	185 352	224 105	270 121	19.8%	100.0%	313 414	330 338	347 846	8.8%	100.0%

Expenditure estimates

Table 36.71 National Regulator for Compulsory Specifications

Statement of financial performance	Audited outcome			Revised estimate 2013/14	Average growth rate (%) 2010/11 - 2013/14	Expenditure/total: Average (%) 2010/11 - 2013/14	Medium-term estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%) 2013/14 - 2016/17
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand											
Revenue											
Non-tax revenue	149 820	164 397	182 054	167 148	3.7%	73.7%	204 024	214 820	225 659	10.5%	64.2%
Sale of goods and services other than capital assets	130 564	159 115	171 570	162 913	7.7%	69.0%	192 792	205 323	218 670	10.3%	61.7%
of which:											
Sales by market establishment	130 564	159 115	171 570	162 913	7.7%	69.0%	192 792	205 323	218 670	10.3%	61.7%
Other non-tax revenue	19 256	5 282	10 484	4 235	-39.6%	4.7%	11 232	9 496	6 989	18.2%	2.5%
Transfers received	33 042	37 173	79 684	103 000	46.1%	26.3%	109 734	116 112	122 256	5.9%	35.8%
Total revenue	182 862	201 570	261 738	270 148	13.9%	100.0%	313 758	330 932	347 915	8.8%	100.0%
Expenses											
Current expenses	157 225	185 352	224 105	270 121	19.8%	100.0%	313 414	330 338	347 846	8.8%	100.0%
Compensation of employees	106 173	127 354	147 775	184 686	20.3%	67.6%	218 252	230 038	242 230	9.5%	69.3%
Goods and services	46 786	55 691	74 032	81 494	20.3%	30.8%	91 137	96 058	101 149	7.5%	29.4%
Depreciation	3 906	2 153	2 269	3 941	0.3%	1.5%	4 025	4 242	4 467	4.3%	1.3%
Interest, dividends and rent on land	360	154	29	-	-100.0%	0.1%	-	-	-	-	-
Total expenses	157 225	185 352	224 105	270 121	19.8%	100.0%	313 414	330 338	347 846	8.8%	100.0%
Surplus/(Deficit)	25 637	16 218	37 633	27	-89.8%		344	594	68	36.1%	
Statement of financial Position											
Carrying value of assets	17 826	20 132	19 553	37 770	28.4%	21.2%	60 766	82 350	129 958	51.0%	50.1%
of which:											
Acquisition of assets	11 069	4 220	2 438	22 158	26.0%	9.0%	27 021	25 826	52 076	33.0%	20.6%
Investments	325	325	325	325	-	0.3%	325	325	325	-	0.2%
Receivables and prepayments	15 215	10 059	10 973	8 309	-18.3%	11.1%	10 405	10 956	11 447	11.3%	6.7%
Cash and cash equivalents	42 314	58 134	119 412	101 173	33.7%	67.4%	82 183	62 325	15 613	-46.4%	43.0%
Total assets	75 680	88 650	150 263	147 577	24.9%	100.0%	153 680	155 955	157 344	2.2%	100.0%
Accumulated surplus/(deficit)	33 234	49 452	87 085	87 112	37.9%	54.2%	87 456	88 050	88 322	0.5%	57.1%
Finance lease	1 701	257	116	42	-70.9%	0.7%	-	-	-	-100.0%	0.0%
Trade and other payables	21 260	8 411	26 511	28 523	10.3%	18.6%	31 898	33 620	35 402	7.5%	21.0%
Provisions	19 485	30 530	36 551	31 900	17.9%	26.5%	34 326	34 285	33 620	1.8%	21.8%
Total equity and liabilities	75 680	88 650	150 263	147 577	24.9%	100.0%	153 680	155 955	157 344	2.2%	100.0%

Personnel information

Table 36.72 National Regulator for Compulsory Specifications

Salary level	Number of posts estimated for 31 March 2014		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number	
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)
			2012/13			2013/14			2014/15			2015/16			2016/17				
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
	384	384	71	147.8	2.1	303	184.7	0.6	320	218.3	0.7	320	230.0	0.7	320	242.2	0.8	9.5%	100.0%
1 – 6	21	21	–	–	–	18	4.7	0.3	22	7.6	0.3	22	8.1	0.4	22	8.7	0.4	23.1%	6.6%
7 – 10	98	98	–	–	–	71	27.1	0.4	69	27.3	0.4	69	29.2	0.4	69	31.2	0.5	4.9%	22.0%
11 – 12	233	233	15	97.8	6.5	197	125.6	0.6	160	118.0	0.7	160	123.3	0.8	160	128.0	0.8	0.6%	53.8%
13 – 16	31	31	55	47.9	0.9	16	25.8	1.6	68	63.2	0.9	68	67.3	1.0	68	72.0	1.1	40.9%	17.3%
17 – 22	1	1	1	2.1	2.1	1	1.6	1.6	1	2.2	2.2	1	2.2	2.2	1	2.3	2.3	13.1%	0.3%

1. Rand million.

Expenditure trends

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

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

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

South African National Accreditation System

Mandate and goals

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

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

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

in Southern African Development Community and Africa accreditation

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

Selected performance indicators

Table 36.73 South African National Accreditation System

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Total number of registrations of previously disadvantaged assessors	Provision of accreditation services	Outcome 12: An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship	35	35% ¹	72	76	82	90	95
Total number of reassessments of accredited organisations	Provision of accreditation services		- ²	- ²	- ²	- ²	1 350	1 400	1 430
Percentage of inputs provided into the international accreditation requirements of the International Laboratory Accreditation Cooperation and International Accreditation Forum	International, regional and national responsibilities	Outcome 11: Create a better South Africa and contribute to a better and safer Africa and World	- ²	85%	92%	95%	95%	95%	95%
Number of continent-wide African accreditation cooperation secretariat function (meetings) provided annually	International, regional and national responsibilities		- ²	80% ¹	3	3	3	3	3
Number of Southern African Development Community cooperation in accreditation secretariat and regional coordination function (meetings) provided annually	International, regional and national responsibilities		- ²	80% ¹	3	3	3	3	3
Number of new accreditation programmes developed and the South African National Accreditation System ready to offer accreditation	New programme development projects and related activities	Outcome 4: Decent employment through inclusive economic growth	- ²	- ²	1	3	2	3	1

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

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

Programmes/activities/objectives

Table 36.74 South African National Accreditation System

R thousand	Audited outcome			Revised estimate 2013/14	Average growth rate (%) 2010/11 - 2013/14	Expenditure/total: Average (%) 2013/14	Medium-term expenditure estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%) 2013/14 - 2016/17
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
Administration	23 019	14 542	16 128	21 113	-2.8%	33.2%	19 364	20 274	22 257	1.8%	24.7%
Provision of accreditation services	14 023	23 983	26 397	29 292	27.8%	40.1%	34 398	36 083	37 980	9.0%	40.8%
International, regional and national responsibilities	1 327	855	1 851	2 979	30.9%	2.9%	3 025	2 954	3 011	0.4%	3.6%
New programme development projects and related activities	1 376	3 111	3 259	4 411	47.4%	5.1%	3 448	3 861	3 544	-7.0%	4.6%
Restructuring/capacity building	4 325	6 275	7 417	13 755	47.1%	13.0%	17 927	18 895	19 896	13.1%	20.8%
Knowledge transfer	651	817	844	2 674	60.1%	2.0%	1 558	1 397	1 452	-18.4%	2.1%
Marketing	1 870	1 610	2 306	2 823	14.7%	3.7%	2 711	2 858	2 986	1.9%	3.4%
Total expense	46 591	51 193	58 202	77 047	18.3%	100.0%	82 431	86 322	91 125	5.8%	100.0%

Expenditure estimates

Table 36.75 South African National Accreditation System

Statement of financial performance	Audited outcome			Revised estimate 2013/14	Average growth rate (%) 2010/11 - 2013/14	Expenditure/total: Average (%) 2013/14	Medium-term estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%) 2013/14 - 2016/17
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
Revenue											
Non-tax revenue	33 578	36 616	39 611	43 574	9.1%	60.4%	46 719	48 670	51 478	5.7%	56.5%
Sale of goods and services other than capital assets	28 131	31 422	33 041	35 169	7.7%	50.5%	38 425	41 047	43 811	7.6%	47.0%
<i>of which:</i>											
Administrative fees	28 131	31 422	33 041	35 169	7.7%	50.5%	38 425	41 047	43 811	7.6%	47.0%
Other non-tax revenue	5 447	5 194	6 570	8 405	15.6%	10.0%	8 294	7 623	7 667	-3.0%	9.6%
Transfers received	18 239	20 623	30 676	33 473	22.4%	39.6%	35 712	37 652	39 648	5.8%	43.5%
Total revenue	51 817	57 239	70 287	77 047	14.1%	100.0%	82 431	86 322	91 125	5.8%	100.0%

Table 36.75 South African National Accreditation System

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13		2010/11	2013/14	2014/15	2015/16	2016/17		
	R thousand										
Expenses											
Current expenses	46 185	50 763	57 749	76 570	18.4%	99.2%	81 928	85 791	90 567	5.8%	99.4%
Compensation of employees	23 632	25 532	27 127	35 069	14.1%	48.2%	40 979	43 191	44 965	8.6%	48.7%
Goods and services	21 979	24 706	29 914	40 849	22.9%	50.0%	40 125	41 810	44 902	3.2%	49.9%
Depreciation	425	346	392	403	-1.8%	0.7%	528	511	446	3.4%	0.6%
Interest, dividends and rent on land	149	179	316	249	18.7%	0.4%	296	279	254	0.7%	0.3%
Transfers and subsidies	406	430	453	477	5.5%	0.8%	503	530	558	5.4%	0.6%
Total expenses	46 591	51 193	58 202	77 047	18.3%	100.0%	82 431	86 322	91 125	5.8%	100.0%
Surplus/(Deficit)	5 226	6 046	12 085	-	-100.0%		-	-	-	-	
Statement of financial position											
Carrying value of assets	1 955	2 000	2 466	3 655	23.2%	4.7%	63 355	62 936	62 627	157.8%	74.0%
of which:											
Acquisition of assets	247	418	867	1 092	64.1%	1.1%	60 228	92	136	-50.1%	23.6%
Receivables and prepayments	1 557	11 750	1 351	1 750	4.0%	8.0%	1 750	1 650	1 500	-5.0%	2.6%
Cash and cash equivalents	33 896	37 480	60 134	58 939	20.2%	87.4%	112	471	737	-76.8%	23.4%
Total assets	37 408	51 230	63 951	64 344	19.8%	100.0%	65 217	65 058	64 864	0.3%	100.0%
Accumulated surplus/(deficit)	23 263	28 240	40 326	41 986	21.8%	61.4%	41 986	41 986	41 986	-	64.7%
Capital reserve fund	-	10 000	10 000	8 098	-	11.9%	8 098	8 098	8 098	-	12.5%
Finance lease	1 136	2 194	2 157	2 090	22.5%	3.5%	1 986	1 840	1 641	-7.7%	2.9%
Deferred income	3 009	1 041	2 361	2 500	-6.0%	4.4%	3 000	3 500	4 000	17.0%	5.0%
Trade and other payables	8 580	8 600	7 805	8 270	-1.2%	16.2%	8 647	7 834	7 339	-3.9%	12.4%
Provisions	1 420	1 155	1 302	1 400	-0.5%	2.6%	1 500	1 800	1 800	8.7%	2.5%
Total equity and liabilities	37 408	51 230	63 951	64 344	19.8%	100.0%	65 217	65 058	64 864	0.3%	100.0%

Personnel information

Table 36.76 South African National Accreditation System

Salary level	Number of posts estimated for 31 March 2014	Number of posts on approved establishment	Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number	
			Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13		Unit Cost	2013/14		Unit Cost	2014/15		2015/16		2016/17				2013/14 - 2016/17		
			Number	Cost		Number	Cost		Number	Cost	Number	Cost	Number	Cost	Number	Cost			
	72	72	58	27.1	0.5	58	35.1	0.6	84	41.0	0.5	84	43.2	0.5	84	45.0	0.5	8.6%	100.0%
1 - 6	1	1	1	0.1	0.1	1	0.1	0.1	1	0.1	0.1	1	0.1	0.1	1	0.1	0.1	2.8%	1.3%
7 - 10	33	33	22	4.7	0.2	22	8.2	0.4	39	10.4	0.3	39	11.0	0.3	39	11.4	0.3	11.8%	44.3%
11 - 12	18	18	17	7.5	0.4	17	8.6	0.5	24	12.9	0.5	24	13.6	0.6	24	14.2	0.6	18.3%	28.8%
13 - 16	20	20	18	14.8	0.8	18	18.2	1.0	20	17.5	0.9	20	18.5	0.9	20	19.2	1.0	1.8%	25.6%

1. Rand million.

Expenditure trends

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

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

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

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

Additional tables

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

Programme	Appropriation		Audited outcome	Appropriation		Revised estimate	
	Main	Adjusted		Main	Adjusted		
R thousand	2012/13		2012/13	2013/14		2013/14	
Administration	608 742	697 179	705 426	690 079	35 850	725 929	
International Trade and Economic Development	133 462	134 663	132 705	138 638	3 000	141 638	
Broadening Participation	879 891	939 980	929 693	968 307	42 000	1 010 307	
Industrial Development	1 482 856	1 492 745	1 505 090	1 617 074	(850)	1 616 224	
Consumer and Corporate Regulation	244 713	248 143	223 568	256 157	–	256 157	
Incentive Development and Administration	5 437 565	4 560 870	4 514 551	5 543 134	(100 000)	5 443 134	
Trade and Investment South Africa	304 826	277 506	275 395	359 191	(37 000)	322 191	
Total	9 092 055	8 351 086	8 286 428	9 572 580	(57 000)	9 515 580	
Economic classification							
Current payments	1 303 366	1 422 232	1 264 875	1 493 299	34 378	1 527 677	1 527 677
Compensation of employees	713 995	735 953	671 550	854 246	(35 974)	818 272	818 272
Goods and services	589 371	686 279	592 838	639 053	70 352	709 405	709 405
Interest and rent on land	–	–	487	–	–	–	–
Transfers and subsidies	7 774 579	6 862 863	6 898 927	8 059 259	(109 248)	7 950 011	7 877 211
Departmental agencies and accounts	1 060 178	1 126 195	1 127 995	1 234 727	50 995	1 285 722	1 285 722
Higher education institutions	10 004	10 004	32 600	12 834	–	12 834	12 834
Foreign governments and international organisations	37 038	36 438	37 344	39 738	(5 200)	34 538	34 538
Public corporations and private enterprises	6 648 182	5 668 674	5 607 586	6 676 941	(166 730)	6 510 211	6 453 211
Non-profit institutions	17 900	17 900	88 068	93 119	11 000	104 119	88 319
Households	1 277	3 652	5 334	1 900	687	2 587	2 587
Payments for capital assets	14 110	65 991	40 495	20 022	17 869	37 891	37 891
Machinery and equipment	11 422	38 824	36 632	10 867	2 679	13 546	13 546
Software and other intangible assets	2 688	27 167	3 863	9 155	15 190	24 345	24 345
Payments for financial assets	–	–	82 131	–	1	1	1
Total	9 092 055	8 351 086	8 286 428	9 572 580	(57 000)	9 515 580	9 442 780

Table 36.B Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2010/11	2011/12	2012/13		2013/14	2014/15	2015/16
Compensation of employees (R thousand)	514 524	566 988	671 550	818 272	916 869	980 867	1 033 938
Training expenditure (R thousand)	9 370	16 296	16 436	14 204	14 962	13 899	14 519
Training spend as percentage of compensation	1.8%	2.9%	2.4%	1.7%	1.6%	1.4%	1.4%
Households receiving bursaries (R thousand)	1 514	–	–	1 900	1 590	1 663	1 751

Table 36.C Summary of departmental public private partnership projects

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

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

Disclosure notes for projects signed in terms of Treasury Regulation 16

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

Table 36.D Summary of departmental public private partnership projects

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

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

Disclosure notes for projects signed in terms of Treasury Regulation 16

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

Table 36.E Summary of departmental public private partnership projects

Project description: New Head Office for National Metrology Institute of South Africa		Project annual unitary fee at time of contract	Budgeted expenditure 2013/14	Medium-term expenditure estimate		
R thousand				2014/15	2015/16	2016/17
Projects in preparation, registered in terms of Treasury Regulation 16 ¹		-	50 000	100 000	-	-
Advisory fees		-	50 000	-	-	-
Other project costs		-	-	100 000	-	-
Total		-	50 000	100 000	-	-

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

Table 36.F Summary of donor funding

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

Table 36.G Summary of expenditure on infrastructure¹

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

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



BUDGET 2014
ESTIMATES OF NATIONAL EXPENDITURE

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