



**VOTE
25**

ECONOMIC DEVELOPMENT



**BUDGET
2017**

**ESTIMATES
OF NATIONAL
EXPENDITURE**



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



Estimates of National Expenditure

2017

National Treasury

Republic of South Africa

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The Estimates of National Expenditure 2017 is 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 Estimates of National Expenditure publication, the e-publications for each vote contain more comprehensive coverage of all public entities. Also included are tables containing information on programme specific personnel expenditure, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of site service delivery is included, where appropriate.

Foreword

The 2017 Budget is presented at a time when indications are that the global economy could grow moderately better than the last forecast. Global GDP is expected to grow at 3.4 per cent in 2017, 0.3 percentage points higher than 2016. But uncertainty persists. The trade policies that the United States of America will pursue are unclear. The exact nature of Britain's exit from the European Union and economic impact are unknown. There is also evidence that globalisation is losing favour in some parts of the world and protectionism is growing. The global economy could be very different in future, depending on how these trends evolve.

Given the uncertainty, we have revised down South Africa's GDP growth projections and expect that tax revenue will be lower over the MTEF period as a result. We have also reduced the expenditure ceiling by R10.3 billion in 2017/18 and R15.9 billion in 2018/19, in line with government's fiscal objective of reducing the deficit, achieving a primary surplus and stabilising debt. Since its introduction in 2012, the expenditure ceiling in each financial year has never been breached.

Government is committed to delivering on its priorities despite the lowered revenue forecast and expenditure ceiling. It is critical that we allocate our limited resources wisely and use them effectively. In the 2017 Budget process, measures were taken to free-up resources and baselines were reduced across all departments by R7.5 billion in 2017/18, R7 billion in 2018/19 and R6.7 billion in 2019/20. The contingency reserve was also drawn down, and provisionally reserved funds were reallocated. However, the bulk of the funds allocated to priority areas within and across functions were reprioritised from lower-priority budget areas.

To ensure that funding remains focused on frontline service delivery, efforts have been intensified to improve efficiency in expenditure. Budget limits on compensation of employees introduced in the 2016 Appropriation Act are carried over to 2017. Departments will manage personnel headcount and employee earnings in line with these budget allocations.

Overall non-interest expenditure is still set to grow by an annual average of 1.4 per cent in real terms, from R1.24 trillion in 2017/18 to R1.43 trillion in 2019/20. Proposals in the budget include net increases in funding for the Post-School Education and Training, Basic Education, Economic Affairs and Health functions. The Post-School Education and Training function is the fastest growing, at 9.4 per cent over the medium term. The funding is mainly for universities to subsidise fee increases and for the National Student Financial Aid Scheme.

The publication is a concrete expression of the collaborative effort of highly dedicated civil servants across government throughout the process to prepare the Budget. We are particularly appreciative of this, as well as the contributions from the Ministers' Committee on the Budget and the Directors-General in central government. We are also thankful to all National Treasury staff who, under the expert guidance and leadership of the Minister of Finance, Pravin Gordhan, and his Deputy, Mcebisi Jonas, worked tirelessly to produce this crucial document.

The wide-ranging coverage of the Estimates of National Expenditure provides a coherent and summarised account of the prioritisation, spending plans and service delivery commitments of all 40 national votes and of government agencies. These plans constitute an important mechanism through which Parliament and the public hold institutions, including the National Treasury and its entities, to account.

Within the current difficult fiscal context not everything we believe would be beneficial to do, can be done now. Thus it is imperative that activities planned on budget be done effectively and efficiently.



Lungisa Fuzile
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure (ENE) publications describe in detail government's expenditure plans over the next three financial years, also known as the medium-term expenditure framework (MTEF) period. The 2017 MTEF period is from 2017/18 to 2019/20.

The ENE publications contain information on: what government institutions aim to achieve over the medium term, and why; how they plan to spend their budget allocations in support of this; and what outputs and outcomes the spending is intended to produce. The publications also provide information on how institutions have spent their budgets in previous years, tables with performance data and targets, personnel data and detailed expenditure trends and estimates by programme, subprogramme and economic classification for each department and the entities that report to the vote's executive authority. Explanatory narratives detail the institution's mandate, purpose (and that of its programmes), together with programme-level objectives and descriptions of subprogrammes. Summary data tables at the end of each vote contain data on infrastructure, provincial and municipal conditional grants, departmental public private partnerships, donor funding, and expenditure at the level of site service delivery, where applicable.

A separate 2017 ENE Overview publication is also available on www.treasury.gov.za and summarises the ENE information across all votes. The 2017 ENE Overview contains a narrative explanation and budget-wide summary tables; a description of the budgeting approach; and it also has a write-up on how to interpret the information that is contained in each section of the publications.

Economic Development

**National Treasury
Republic of South Africa**



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Vote 25

Economic Development

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	80.7	80.2	–	0.5	79.4	84.6
Growth Path and Social Dialogue	35.6	35.1	–	0.6	39.6	42.4
Investment, Competition and Trade	681.0	24.5	656.2	0.2	725.8	777.2
Total expenditure estimates	797.2	139.8	656.2	1.2	844.7	904.3
Executive authority	Minister of Economic Development					
Accounting officer	Director General of Economic Development					
Website address	www.economic.gov.za					

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

Vote purpose

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

Mandate

The Economic Development Department was established in 2009 and has assumed responsibilities relating to the creation of decent employment through inclusive growth. This includes the implementation of certain aspects of the National Development Plan (NDP), the new growth path and the national infrastructure plan, as captured in outcome 4 (decent employment through inclusive growth), outcome 6 (an efficient, competitive and responsive economic infrastructure network) and outcome 7 (comprehensive rural development and land reform) of government's 2014-2019 medium-term strategic framework.

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

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

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

Selected performance indicators

Table 25.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of analytical and public policy advocacy reports on socioeconomic development and the new growth path produced per year ¹	Growth Path and Social Dialogue	Outcome 4: Decent employment through inclusive growth	–2	6	5	4	4	4	3 ³
Number of spatial, local and provincial initiatives to promote employment, empowerment and development per year	Growth Path and Social Dialogue		–2	6	8	10	10	10	10

Table 25.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of quarterly Cabinet-level progress reports on strategic integrated projects per year	Investment, Competition and Trade	Outcome 4: Decent employment through inclusive growth	71	72	72	60	72	72	72
Number of infrastructure projects unblocked ⁴ , fast-tracked or facilitated per year	Investment, Competition and Trade		8	14	22	8	8	8	8
Number of Cabinet and presidential infrastructure coordinating committee strategic decisions on infrastructure implemented per year ¹	Investment, Competition and Trade		- ²	5	8	4	4	4	4
Number of ministerial and departmental oversight engagements with the Industrial Development Corporation held per year ³	Investment, Competition and Trade		6	4	8	4	4	4	4
Number of agricultural, manufacturing and trade initiatives unblocked per year ¹	Investment, Competition and Trade		- ²	13	16	12	12	14	14
Number of case studies and monitoring reports produced on the funding allocations on township enterprises by development finance institutions and government departments per year ¹	Investment, Competition and Trade		- ²	4	3	4	4	4	4
Number of ministerial/parliamentary monitoring reports on development finance institutions funding impact produced per year ¹	Investment, Competition and Trade		- ²	4	6	4	4	4	4
Number of ministerial and departmental oversight engagements with trade and competition authorities held per year ¹	Investment, Competition and Trade		- ²	- ²	7	4	4	5	5

1. Indicators reworded to make them specific, measurable, assignable, realistic and time related.

2. No historical data available.

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

4. Unblocking is a core departmental activity. It entails making processes required to implement projects smoother and minimising unnecessary delays.

Expenditure analysis

The Economic Development Department aims to drive the priorities of job creation, inclusive economic growth and industrialisation, and support the implementation of economic policy. These priorities are captured in outcome 4 (decent employment through inclusive growth) of government's 2014-2019 medium-term strategic framework. Over the medium term, the department will focus on supporting provinces in their economic planning, facilitating interventions in infrastructure initiatives, and providing support to development finance institutions and regulatory bodies.

The department expects to transfer 82.2 per cent of its total budget over the MTEF period to its public entities, which implement the policies it develops. The bulk of the department's operational budget is largely spent on compensation of employees for the skilled personnel required to drive its policy and coordination interventions. The department's allocation for spending on compensation of employees has been reduced by R1 million in 2017/18, R1 million in 2018/19 and R1.1 million in 2019/20, as part of Cabinet-approved reductions to the compensation ceiling. The department's allocations for spending on goods and services, and payments for capital assets were reduced by R1.2 million and R73 000 by 2019/20.

Supporting provinces' economic planning

Over the medium term, the department aims to support provinces and selected municipalities, particularly in Mpumalanga, Limpopo, KwaZulu-Natal and Gauteng, with economic planning. The support is to be provided through a number of spatial, local and provincial economic development initiatives. The department currently supports initiatives for economic development through the coordination of private-sector participation in technical and vocational education and training, specifically in Mpumalanga, and provincial oversight visits in collaboration with the National Council of Provinces. Over the MTEF period, the department expects to support 30 economic development initiatives to promote employment, empowerment and development in all provinces. Support to provinces on economic planning is budgeted for in the *Growth Path and Social Dialogue* programme. The increase in activities over the medium term, such as support for the implementation of the youth employment accord, is expected to increase spending in the programme at an average annual rate of 11 per cent, from R31 million in 2016/17 to R42.4 million in 2019/20.

Facilitating interventions in infrastructure initiatives

The department provides secretariat support to the Presidential Infrastructure Coordinating Commission, which monitors and drives the implementation of the national infrastructure plan. Over the medium term, the secretariat's work accounts for R44.6 million of spending in the *Investment, Competition and Trade* programme, which has a total budget of R2.2 billion. The department expects to provide 72 quarterly progress reports per year to Cabinet on the strategic integrated projects, and to unblock, fast-track or facilitate 24 national infrastructure projects over the medium term. This is expected to involve smoothing and minimising delays in processes for water-use licence applications, air emission licences, environmental impact assessments, and developing and promoting an infrastructure project pipeline.

The strategic integrated project steering committee was established in the department to unblock, fast-track, localise and lead the implementation of the Saldanha-Northern Cape development corridor, one of the 18 identified strategic infrastructure projects overseen by the commission. As the chair of the Saldanha-Northern Cape development corridor (strategic integrated project 5) the department will drive the corridor's implementation over the medium term. The Saldanha-Northern Cape development corridor promotes integrated rail and port expansion and back-of-port industrial capacity, strengthens maritime support capacity for oil and gas along the African West Coast, and expands iron ore mining production and beneficiation. Through the Industrial Development Corporation, the department will continue to facilitate and coordinate quarterly meetings on strategic integrated projects.

Strategic support to development finance institutions and regulatory bodies

Over the medium term, the department plans to undertake 14 engagements with trade and competition regulatory bodies to monitor progress in implementing their annual performance plans, and improve administrative efficiencies within the institutions. The department will monitor progress on the various market enquiries planned for conclusion in 2017/18, and that the conditions in the Coca-Cola, Anheuser-Busch InBev, Clicks and Edcon mergers are implemented as agreed. It will periodically report on the impact of the conditions in terms of employment creation and development. The department plans to engage in 40 unblocking initiatives over the medium term, ranging from easing regulatory challenges to ensuring municipal services are made available for new and existing investments.

The department oversees and provides strategic direction to the Industrial Development Corporation and regulatory bodies reporting to it. This work is managed through the *Investment, Competition and Trade* programme, in which expenditure is expected to increase at an average annual rate of 12.4 per cent, from R546.9 million in 2016/17 to R777.2 million in 2019/20. This growth takes into account Cabinet-approved additional funding of R150.4 million to the Competition Commission for capacity building, R45 million to the Industrial Development Corporation for the Presidential Infrastructure Coordinating Commission's technical unit and technical project management team, and R95 million for the Steel Development Fund.

Expenditure trends

Table 25.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Growth Path and Social Dialogue														
3. Investment, Competition and Trade														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Programme 1	63.6	95.8	91.3	79.5	94.9	87.4	83.2	83.2	83.1	79.2	89.2	88.1	114.6%	96.4%
Programme 2	44.1	36.3	35.6	38.3	20.9	22.0	27.9	27.9	26.7	36.0	33.1	31.0	78.8%	97.7%
Programme 3	663.8	639.4	644.5	579.1	581.1	585.5	774.7	774.7	773.9	559.4	552.3	546.9	99.0%	100.1%
Total	771.5	771.5	771.4	696.9	696.9	694.9	885.8	885.8	883.7	674.7	674.7	666.0	99.6%	99.6%
Change to 2016 Budget estimate														

Table 25.2 Vote expenditure trends by programme and economic classification

Economic classification	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million														
Current payments	151.0	157.0	139.7	160.8	132.0	116.3	150.3	140.9	128.4	143.0	142.5	133.9	85.7%	90.6%
Compensation of employees	98.0	72.4	70.9	107.8	76.9	75.7	96.1	87.8	79.4	94.0	94.0	85.4	78.6%	94.0%
Goods and services	53.0	84.5	68.8	53.0	55.0	40.6	54.2	53.1	49.0	49.0	48.5	48.5	98.9%	85.8%
Transfers and subsidies	612.6	612.6	628.1	533.9	560.5	575.9	733.2	742.3	750.4	528.8	528.8	528.8	103.1%	101.6%
Departmental agencies and accounts	381.6	381.6	273.6	291.3	291.6	306.8	326.8	330.8	338.8	315.7	315.7	315.7	-	-
Public corporations and private enterprises	231.0	231.0	354.0	242.6	268.8	268.8	406.4	411.4	411.4	213.1	213.1	213.1	114.1%	110.9%
Non-profit institutions	-	-	-	-	-	0.1	-	-	-	-	-	-	-	-
Households	-	-	0.5	-	-	0.2	-	0.1	0.2	-	-	-	-	1 066.7%
Payments for capital assets	7.9	1.9	3.6	2.2	4.4	2.7	2.2	2.6	4.9	2.9	3.4	3.4	96.0%	118.7%
Machinery and equipment	6.3	1.9	2.5	1.7	4.0	2.7	1.8	2.1	3.4	2.5	3.3	3.3	96.3%	105.4%
Software and other intangible assets	1.6	-	1.1	0.5	0.5	-	0.5	0.5	1.6	0.4	0.1	0.1	94.8%	252.4%
Total	771.5	771.5	771.4	696.9	696.9	694.9	885.8	885.8	883.7	674.7	674.7	666.0	99.6%	99.6%

Expenditure estimates

Table 25.3 Vote expenditure estimates by programme and economic classification

Programmes	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2016/17	2013/14 - 2016/17	2017/18		
R million								
1. Administration	88.1	-2.7%	11.6%	80.7	79.4	84.6	-1.3%	10.4%
2. Growth Path and Social Dialogue	31.0	-5.1%	3.8%	35.6	39.6	42.4	11.0%	4.6%
3. Investment, Competition and Trade	546.9	-5.1%	84.6%	681.0	725.8	777.2	12.4%	85.0%
Total	666.0	-4.8%	100.0%	797.2	844.7	904.3	10.7%	100.0%
Change to 2016 Budget estimate				83.0	93.7	109.4		
Economic classification								
Current payments	133.9	-5.2%	17.2%	139.8	138.2	147.7	3.3%	17.4%
Compensation of employees	85.4	5.6%	10.3%	90.1	90.8	97.7	4.6%	11.3%
Goods and services	48.5	-16.9%	6.9%	49.7	47.4	50.0	1.0%	6.1%
Transfers and subsidies	528.8	-4.8%	82.3%	656.2	703.4	753.3	12.5%	82.2%
Departmental agencies and accounts	315.7	-6.1%	40.9%	387.5	421.7	453.3	12.8%	49.1%
Public corporations and private enterprises	213.1	-2.6%	41.4%	268.8	281.8	300.0	12.1%	33.1%
Payments for capital assets	3.4	21.0%	0.5%	1.2	3.1	3.3	-1.2%	0.3%
Machinery and equipment	3.3	20.3%	0.4%	0.8	2.6	2.8	-5.4%	0.3%
Software and other intangible assets	0.1	48.3%	0.1%	0.4	0.5	0.5	64.7%	-
Total	666.0	-4.8%	100.0%	797.2	844.7	904.3	10.7%	100.0%

Goods and services expenditure trends and estimates

Table 25.4 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand											
Administrative fees	662	523	794	548	-6.1%	1.2%	586	628	663	6.6%	1.2%
Advertising	20 087	6 138	2 705	142	-80.8%	14.1%	1 520	1 343	1 418	115.3%	2.3%
Minor assets	225	62	174	120	-18.9%	0.3%	128	138	145	6.5%	0.3%
Audit costs: External	3 210	3 037	2 669	2 781	-4.7%	5.7%	3 477	3 721	3 640	9.4%	7.0%
Bursaries: Employees	123	97	209	120	-0.8%	0.3%	132	144	152	8.2%	0.3%
Catering: Departmental activities	1 396	410	1 351	887	-14.0%	2.0%	1 378	1 476	1 559	20.7%	2.7%
Communication	2 340	1 471	1 130	1 769	-8.9%	3.2%	2 105	2 253	2 380	10.4%	4.3%

Table 25.4 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Computer services	1 102	1 612	326	930	-5.5%	1.9%	1 215	1 299	1 372	13.8%	2.5%
Consultants: Business and advisory services	4 166	372	833	1 809	-24.3%	3.5%	1 750	1 957	1 989	3.2%	3.8%
Legal services	6 764	3 355	6 636	14 045	27.6%	14.9%	4 020	4 253	4 491	-31.6%	13.7%
Contractors	705	237	460	673	-1.5%	1.0%	1 901	742	782	5.1%	2.1%
Agency and support/outsourced services	129	202	21	208	17.3%	0.3%	223	238	252	6.6%	0.5%
Entertainment	24	9	-	22	-2.9%	-	23	25	26	5.7%	-
Fleet services (including government motor transport)	976	1 085	917	644	-12.9%	1.8%	907	971	1 026	16.8%	1.8%
Inventory: Clothing material and accessories	7	429	-	12	19.7%	0.2%	155	166	176	144.8%	0.3%
Inventory: Materials and supplies	10	4	-	11	3.2%	-	12	8	8	-10.1%	-
Inventory: Medical supplies	-	-	-	-	-	-	-	4	4	-	-
Consumable supplies	329	100	98	153	-22.5%	0.3%	164	176	186	6.7%	0.3%
Consumables: Stationery, printing and office supplies	1 730	1 035	703	1 616	-2.2%	2.5%	1 741	1 864	1 968	6.8%	3.7%
Operating leases	9 238	9 185	10 924	10 604	4.7%	19.3%	12 816	9 247	10 055	-1.8%	21.8%
Rental and hiring	310	10	90	122	-26.7%	0.3%	131	141	148	6.7%	0.3%
Property payments	56	-	-	40	-10.6%	-	43	47	49	7.0%	0.1%
Transport provided: Departmental activity	69	1	55	23	-30.7%	0.1%	25	27	28	6.8%	0.1%
Travel and subsistence	11 840	9 561	11 295	7 657	-13.5%	19.5%	10 700	11 667	12 321	17.2%	21.6%
Training and development	323	221	348	980	44.8%	0.9%	1 037	1 098	1 159	5.8%	2.2%
Operating payments	1 546	1 068	987	1 336	-4.7%	2.4%	1 431	1 529	1 614	6.5%	3.0%
Venues and facilities	1 428	343	6 263	1 237	-4.7%	4.5%	2 098	2 245	2 370	24.2%	4.1%
Total	68 795	40 567	48 988	48 489	-11.0%	100.0%	49 718	47 407	49 981	1.0%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 25.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	273 603	306 820	338 848	315 657	4.9%	49.7%	387 460	421 685	453 307	12.8%	59.7%
Public Service Sector Education and Training Authority	-	323	-	-	-	-	-	-	-	-	-
Competition Commission	176 888	198 212	231 045	208 541	5.6%	32.8%	258 354	281 788	305 576	13.6%	39.9%
Competition Tribunal	16 945	19 911	19 102	20 115	5.9%	3.1%	30 041	35 086	37 051	22.6%	4.6%
International Trade Administration Commission	79 770	88 374	88 701	87 001	2.9%	13.8%	99 065	104 811	110 680	8.4%	15.2%
Public corporations and private enterprises											
Subsidies on products and production											
Current	9 000	-	-	-	-100.0%	0.4%	-	-	-	-	-
Small Enterprise Finance Agency	9 000	-	-	-	-100.0%	0.4%	-	-	-	-	-
Public corporations and private enterprises											
Other transfers to public corporations											
Current	344 979	268 845	411 397	213 124	-14.8%	49.9%	268 780	281 759	300 018	12.1%	40.3%
Small Enterprise Finance Agency	236 979	268 845	406 397	213 124	-3.5%	45.3%	223 780	236 759	250 018	5.5%	35.0%
Industrial Development Corporation	108 000	-	5 000	-	-100.0%	4.6%	45 000	45 000	50 000	-	5.3%
Non-profit institutions											
Current	-	60	-	-	-	-	-	-	-	-	-
Non-profit organisations	-	60	-	-	-	-	-	-	-	-	-
Households											
Social benefits											
Current	303	211	150	-	-100.0%	-	-	-	-	-	-
Households	303	211	150	-	-100.0%	-	-	-	-	-	-

Table 25.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Households											
Other transfers to households											
Current	190	9	1	-	-100.0%	-	-	-	-	-	-
Households	190	9	1	-	-100.0%	-	-	-	-	-	-
Total	628 075	575 945	750 396	528 781	-5.6%	100.0%	656 240	703 444	753 325	12.5%	100.0%

Personnel information

Table 25.6 Vote personnel numbers and cost by salary level and programme¹

Programmes
1. Administration
2. Growth Path and Social Dialogue
3. Investment, Competition and Trade

	Number of posts estimated for 31 March 2017		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 (%) 2016/17 - 2019/20	Average: Salary level/ Total (%)					
			2015/16		2016/17		2017/18		2018/19		2019/20								
			Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost							
Economic Development	138	2	140	79.4	0.6	129	85.4	0.7	127	90.1	0.7	126	90.8	0.7	126	97.7	0.8	-0.8%	100.0%
Salary level																			
1 – 6	18	1	19	3.0	0.2	18	3.1	0.2	18	3.7	0.2	18	3.6	0.2	18	3.9	0.2	-	14.2%
7 – 10	40	-	40	12.3	0.3	40	15.9	0.4	40	15.1	0.4	40	16.2	0.4	40	16.6	0.4	-	31.5%
11 – 12	35	-	35	23.7	0.7	33	25.6	0.8	33	28.5	0.9	33	27.6	0.8	33	30.6	0.9	-	26.0%
13 – 16	44	-	44	37.6	0.9	36	37.2	1.0	34	39.1	1.2	33	40.5	1.2	33	43.6	1.3	-2.9%	26.8%
Other	1	1	2	2.9	1.4	2	3.6	1.8	2	3.7	1.8	2	2.8	1.4	2	3.0	1.5	-	1.6%
Programme	138	2	140	79.4	0.6	129	85.4	0.7	127	90.1	0.7	126	90.8	0.7	126	97.7	0.8	-0.8%	100.0%
Programme 1	78	2	80	41.7	0.5	75	44.7	0.6	75	44.9	0.6	75	42.7	0.6	75	46.0	0.6	-	59.1%
Programme 2	29	-	29	22.3	0.8	28	25.8	0.9	28	29.5	1.1	28	32.3	1.2	28	34.8	1.2	-	22.0%
Programme 3	31	-	31	15.4	0.5	26	14.8	0.6	24	15.6	0.7	23	15.8	0.7	23	17.0	0.7	-4.0%	18.9%

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

2. Rand million.

Departmental receipts

Table 25.7 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate 2016/17	Revised estimate	Average growth rate (%) 2013/14 - 2016/17	Average: Receipt item/ Total (%) 2016/17	Medium-term receipts estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Receipt item/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16					2017/18	2018/19	2019/20		
Departmental receipts	1 097 542	930 728	726 791	908 376	908 376	-6.1%	100.0%	921 338	950 825	997 391	3.2%	100.0%
Sales of goods and services produced by department	23	85	35	20	20	-4.6%	-	21	22	30	14.5%	-
Sales by market establishments	23	85	35	14	14	-15.3%	-	21	22	30	28.9%	-
of which:												
Rental: Parking	23	85	35	14	14	-15.3%	-	21	22	30	28.9%	-
Other sales	-	-	-	6	6	-	-	-	-	-	-100.0%	-
of which:												
Commission on insurance garnishee	-	-	-	6	6	-	-	-	-	-	-100.0%	-
Fines, penalties and forfeits	1 037 454	880 361	676 495	858 159	858 159	-6.1%	94.2%	901 067	930 500	977 025	4.4%	97.1%
Interest, dividends and rent on land	50 229	50 237	50 278	50 150	50 150	-0.1%	5.5%	20 200	20 250	20 280	-26.1%	2.9%
Interest	229	237	278	150	150	-13.2%	-	200	250	280	23.1%	-
Dividends	50 000	50 000	50 000	50 000	50 000	-	5.5%	20 000	20 000	20 000	-26.3%	2.9%
of which:												
Dividends from the Industrial Development Corporation	50 000	50 000	50 000	50 000	50 000	-	5.5%	20 000	20 000	20 000	-26.3%	2.9%
Transactions in financial assets and liabilities	9 836	45	(17)	47	47	-83.2%	0.3%	50	53	56	6.0%	-
Total	1 097 542	930 728	726 791	908 376	908 376	-6.1%	100.0%	921 338	950 825	997 391	3.2%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 25.8 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand											
Ministry	21 031	19 828	20 160	21 415	0.6%	23.5%	27 474	25 342	27 122	8.2%	30.4%
Office of the Director General	10 791	12 582	14 578	11 293	1.5%	14.0%	10 108	10 419	11 156	-0.4%	12.9%
Corporate Management Services	46 096	42 236	36 618	43 097	-2.2%	47.9%	31 701	30 074	31 974	-9.5%	41.0%
Financial Management	13 383	12 772	11 788	13 432	0.1%	14.6%	11 391	13 521	14 397	2.3%	15.8%
Total	91 301	87 418	83 144	89 237	-0.8%	100.0%	80 674	79 356	84 649	-1.7%	100.0%
Change to 2016 Budget estimate				10 029			(12)	(27)	(34)		
Economic classification											
Current payments	88 681	74 496	80 033	86 157	-1.0%	93.8%	80 199	77 037	82 205	-1.6%	97.5%
Compensation of employees	38 087	39 531	41 690	45 804	6.3%	47.0%	44 918	42 718	45 965	0.1%	53.7%
Goods and services ¹	50 594	34 965	38 343	40 353	-7.3%	46.8%	35 281	34 319	36 240	-3.5%	43.8%
of which:											
Audit costs: External	3 210	3 037	2 669	2 781	-4.7%	3.3%	3 477	3 721	3 640	9.4%	4.1%
Communication	1 707	1 288	1 054	1 323	-8.1%	1.5%	1 628	1 743	1 841	11.6%	2.0%
Legal services	2 464	3 355	6 636	13 935	78.2%	7.5%	4 020	4 253	4 491	-31.4%	8.0%
Consumables: Stationery, printing and office supplies	1 291	969	591	1 250	-1.1%	1.2%	1 337	1 431	1 511	6.5%	1.7%
Operating leases	9 238	9 185	10 924	10 604	4.7%	11.4%	12 816	9 247	10 055	-1.8%	12.8%
Travel and subsistence	7 345	7 058	8 951	5 391	-9.8%	8.2%	6 477	6 791	7 171	10.0%	7.7%
Transfers and subsidies¹	202	10 488	61	-	-100.0%	3.1%	-	-	-	-	-
Departmental agencies and accounts	-	10 408	-	-	-	3.0%	-	-	-	-	-
Households	202	80	61	-	-100.0%	0.1%	-	-	-	-	-
Payments for capital assets	2 391	2 434	3 048	3 080	8.8%	3.1%	475	2 319	2 444	-7.4%	2.5%
Machinery and equipment	2 363	2 434	2 977	2 969	7.9%	3.1%	429	2 270	2 393	-6.9%	2.4%
Software and other intangible assets	28	-	71	111	58.3%	0.1%	46	49	51	-22.8%	0.1%
Payments for financial assets	27	-	2	-	-100.0%	-	-	-	-	-	-
Total	91 301	87 418	83 144	89 237	-0.8%	100.0%	80 674	79 356	84 649	-1.7%	100.0%
Proportion of total programme expenditure to vote expenditure	11.8%	12.6%	9.4%	13.2%	-	-	10.1%	9.4%	9.4%	-	-
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	10 408	-	-	-	3.0%	-	-	-	-	-
Public Service Sector Education and Training Authority	-	323	-	-	-	0.1%	-	-	-	-	-
Competition Commission	-	10 085	-	-	-	2.9%	-	-	-	-	-
Households											
Social benefits											
Current	42	71	60	-	-100.0%	-	-	-	-	-	-
Households	42	71	60	-	-100.0%	-	-	-	-	-	-
Households											
Other transfers to households											
Current	160	9	1	-	-100.0%	-	-	-	-	-	-
Households	160	9	1	-	-100.0%	-	-	-	-	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information

Table 25.9 Administration personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2017			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 (%)	Average: Salary level/Total (%)			
			2015/16			2016/17			2017/18		2018/19		2019/20				2016/17 - 2019/20		
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
Administration			80	41.7	0.5	75	44.7	0.6	75	44.9	0.6	75	42.7	0.6	75	46.0	0.6		
Salary level	78	2																	100.0%
1 – 6	18	1	19	3.0	0.2	18	3.1	0.2	18	3.7	0.2	18	3.6	0.2	18	3.9	0.2	–	24.0%
7 – 10	26	–	26	7.6	0.3	26	10.3	0.4	26	8.6	0.3	26	9.0	0.3	26	9.7	0.4	–	34.7%
11 – 12	19	–	19	14.6	0.8	19	16.1	0.8	19	17.6	0.9	19	16.5	0.9	19	17.5	0.9	–	25.3%
13 – 16	14	–	14	13.7	1.0	10	11.6	1.2	10	11.3	1.1	10	10.8	1.1	10	11.9	1.2	–	13.3%
Other	1	1	2	2.9	1.4	2	3.6	1.8	2	3.7	1.8	2	2.8	1.4	2	3.0	1.5	–	2.7%

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

2. Rand million.

Programme 2: Growth Path and Social Dialogue

Programme purpose

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

Objectives

- Coordinate job drivers, sector/spatial projects and the implementation of the new growth path for job creation, inclusive growth, industrialisation and social inclusion by ensuring regular reviews of systemic obstacles over the medium term.
- Increase employment at the sectoral and workplace levels through the facilitation of social dialogue and the implementation of social accords; and support productivity, innovation and entrepreneurship by engaging in public policy forums over the medium term.

Subprogrammes

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

Expenditure trends and estimates

Table 25.10 Growth Path and Social Dialogue expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
	2013/14 - 2016/17							2016/17 - 2019/20				
R thousand												
Growth Path and Job Drivers	23 886	12 776	16 801	21 482	-3.5%	63.8%	25 742	24 853	26 661	7.5%	65.5%	
Social Dialogue, Productivity and Innovation	11 697	9 266	9 904	11 593	-0.3%	36.2%	9 867	14 734	15 788	10.8%	34.5%	
Total	35 583	22 042	26 705	33 075	-2.4%	100.0%	35 609	39 587	42 449	8.7%	100.0%	
Change to 2016 Budget estimate				(2 933)			–	–	(1)			

Table 25.10 Growth Path and Social Dialogue expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16		2013/14	2016/17	2017/18	2018/19	2019/20		
	R thousand										
Current payments	25 295	21 833	24 945	32 928	9.2%	89.4%	35 058	38 997	41 825	8.3%	98.7%
Compensation of employees	17 739	18 413	22 276	27 872	16.3%	73.5%	29 533	32 296	34 750	7.6%	82.6%
Goods and services ¹	7 556	3 420	2 669	5 056	-12.5%	15.9%	5 525	6 701	7 075	11.9%	16.2%
of which:											
Catering: Departmental activities	967	200	490	447	-22.7%	1.8%	586	628	663	14.0%	1.5%
Computer services	524	1 234	16	541	1.1%	2.0%	686	733	774	12.7%	1.8%
Consultants: Business and advisory services	362	-	266	256	-10.9%	0.8%	88	522	551	29.1%	0.9%
Travel and subsistence	2 195	1 157	1 123	1 408	-13.8%	5.0%	1 699	2 176	2 298	17.7%	5.0%
Operating payments	724	135	54	353	-21.3%	1.1%	378	404	426	6.5%	1.0%
Venues and facilities	1 148	276	183	1 011	-4.1%	2.2%	1 082	1 158	1 223	6.6%	3.0%
Transfers and subsidies¹	9 084	78	90	-	-100.0%	7.9%	-	-	-	-	-
Public corporations and private enterprises	9 000	-	-	-	-100.0%	7.7%	-	-	-	-	-
Households	84	78	90	-	-100.0%	0.2%	-	-	-	-	-
Payments for capital assets	1 204	131	1 670	147	-50.4%	2.7%	551	590	624	61.9%	1.3%
Machinery and equipment	100	131	175	147	13.7%	0.5%	157	169	179	6.8%	0.4%
Software and other intangible assets	1 104	-	1 495	-	-100.0%	2.2%	394	421	445	-	0.8%
Total	35 583	22 042	26 705	33 075	-2.4%	100.0%	35 609	39 587	42 449	8.7%	100.0%
Proportion of total programme expenditure to vote expenditure	4.6%	3.2%	3.0%	4.9%	-	-	4.5%	4.7%	4.7%	-	-

Details of transfers and subsidies

Households											
Social benefits											
Current	84	78	90	-	-100.0%	0.2%	-	-	-	-	-
Households	84	78	90	-	-100.0%	0.2%	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidies on products and production)											
Current	9 000	-	-	-	-100.0%	7.7%	-	-	-	-	-
Small Enterprise Finance Agency	9 000	-	-	-	-100.0%	7.7%	-	-	-	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information**Table 25.11 Growth Path and Social Dialogue personnel numbers and cost by salary level¹**

Growth Path and Social Dialogue	Salary level	Number of posts estimated for 31 March 2017	Number and cost ² of personnel posts filled / planned for on funded establishment									Number							
			Actual			Revised estimate			Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Salary level/Total (%)						
			2015/16			2016/17			2017/18					2018/19			2019/20		
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			Number	Cost	Unit cost	Number	Cost	Unit cost
	29	-	29	22.3	0.8	28	25.8	0.9	28	29.5	1.1	28	32.3	1.2	28	34.8	1.2	-	100.0%
7 – 10	9	-	9	3.2	0.4	9	4.4	0.5	9	4.7	0.5	9	5.3	0.6	9	4.8	0.5	-	32.1%
11 – 12	6	-	6	4.3	0.7	5	4.3	0.9	5	5.9	1.2	5	5.8	1.2	5	7.1	1.4	-	17.9%
13 – 16	14	-	14	14.8	1.1	14	17.2	1.2	14	19.0	1.4	14	21.2	1.5	14	22.9	1.6	-	50.0%

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

2. Rand million.

Programme 3: Investment, Competition and Trade**Programme purpose**

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

Objectives

- Promote investments, expand industrial funding and entrepreneurship, and improve the performance of development finance institutions by ensuring that these institutions support the development of industrial and small, medium and micro enterprises over the medium term.

- Promote competition, trade and other economic regulation by ensuring the promotion of the effective management of competition authorities and trade administration over the medium term.
- Coordinate infrastructure development over the medium term by:
 - providing regular reports required on each strategic infrastructure project
 - unblocking specific projects
 - providing secretariat support to the Presidential Infrastructure Coordinating Commission.

Subprogrammes

- *Development Investment, Industrial Funding and Entrepreneurship* focuses on unblocking productive investments and overseeing the development finance institutions that fall under the department.
- *Competition, Trade and other Economic Regulation* focuses on strengthening the economic regulators and overseeing the regulatory bodies that fall under the department.
- *Infrastructure Development Coordination* provides support to the Presidential Infrastructure Coordinating Commission in line with the Infrastructure Development Act (2014).

Expenditure trends and estimates

Table 25.12 Investment, Competition and Trade expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand											
Development Investment, Industrial Funding and Entrepreneurship	347 708	273 563	415 462	220 875	-14.0%	49.2%	258 112	271 189	289 776	9.5%	38.0%
Competition, Trade and other Economic Regulation	277 453	302 122	343 079	319 536	4.8%	48.6%	391 575	425 883	457 820	12.7%	58.3%
Infrastructure Development Coordination	19 350	9 767	15 343	11 938	-14.9%	2.2%	31 267	28 711	29 579	35.3%	3.7%
Total	644 511	585 452	773 884	552 349	-5.0%	100.0%	680 954	725 783	777 175	12.1%	100.0%
Change to 2016 Budget estimate				(7 096)			82 964	93 748	109 410		
Economic classification											
Current payments	25 722	19 926	23 408	23 399	-3.1%	3.6%	24 533	22 146	23 644	0.3%	3.4%
Compensation of employees	15 077	17 744	15 432	20 319	10.5%	2.7%	15 621	15 759	16 978	-5.8%	2.5%
Goods and services ¹	10 645	2 182	7 976	3 080	-33.9%	0.9%	8 912	6 387	6 666	29.4%	0.9%
of which:											
Advertising	61	–	2 214	46	-9.0%	0.1%	1 418	–	–	-100.0%	0.1%
Consultants: Business and advisory services	2 745	21	–	937	-30.1%	0.1%	1 002	730	694	-9.5%	0.1%
Contractors	41	53	4	337	101.8%	–	1 546	366	386	4.6%	0.1%
Travel and subsistence	2 300	1 346	1 221	858	-28.0%	0.2%	2 524	2 700	2 852	49.2%	0.3%
Operating payments	391	62	111	393	0.2%	–	421	450	475	6.5%	0.1%
Venues and facilities	223	4	3 593	1	-83.5%	0.1%	994	1 063	1 122	939.1%	0.1%
Transfers and subsidies¹	618 789	565 379	750 245	528 781	-5.1%	96.4%	656 240	703 444	753 325	12.5%	96.5%
Departmental agencies and accounts	273 603	296 412	338 848	315 657	4.9%	47.9%	387 460	421 685	453 307	12.8%	57.7%
Public corporations and private enterprises	344 979	268 845	411 397	213 124	-14.8%	48.4%	268 780	281 759	300 018	12.1%	38.9%
Non-profit institutions	–	60	–	–	–	–	–	–	–	–	–
Households	207	62	–	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	–	147	231	169	–	–	181	193	206	6.8%	–
Machinery and equipment	–	147	231	169	–	–	181	193	206	6.8%	–
Total	644 511	585 452	773 884	552 349	-5.0%	100.0%	680 954	725 783	777 175	12.1%	100.0%
Proportion of total programme expenditure to vote expenditure	83.6%	84.2%	87.6%	81.9%	–	–	85.4%	85.9%	85.9%	–	–

Table 25.12 Investment, Competition and Trade expenditure trends and estimates by subprogramme and economic classification

Details of transfers and subsidies		Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
		2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
R thousand												
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current		273 603	296 412	338 848	315 657	4.9%	47.9%	387 460	421 685	453 307	12.8%	57.7%
Competition Commission		176 888	188 127	231 045	208 541	5.6%	31.5%	258 354	281 788	305 576	13.6%	38.5%
Competition Tribunal		16 945	19 911	19 102	20 115	5.9%	3.0%	30 041	35 086	37 051	22.6%	4.5%
International Trade Administration Commission		79 770	88 374	88 701	87 001	2.9%	13.5%	99 065	104 811	110 680	8.4%	14.7%
Non-profit institutions												
Current		–	60	–	–	–	–	–	–	–	–	–
Non-profit organisations		–	60	–	–	–	–	–	–	–	–	–
Households												
Social benefits												
Current		177	62	–	–	-100.0%	–	–	–	–	–	–
Households		177	62	–	–	-100.0%	–	–	–	–	–	–
Households												
Other transfers to households												
Current		30	–	–	–	-100.0%	–	–	–	–	–	–
Households		30	–	–	–	-100.0%	–	–	–	–	–	–
Public corporations and private enterprises												
Public corporations												
Other transfers to public corporations												
Current		344 979	268 845	411 397	213 124	-14.8%	48.4%	268 780	281 759	300 018	12.1%	38.9%
Small Enterprise Finance Agency		236 979	268 845	406 397	213 124	-3.5%	44.0%	223 780	236 759	250 018	5.5%	33.8%
Industrial Development Corporation		108 000	–	5 000	–	-100.0%	4.4%	45 000	45 000	50 000	–	5.1%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information

Table 25.13 Investment, Competition and Trade personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2017		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 (%)	Average: Salary level/Total (%)				
		2015/16		2016/17		2017/18		2018/19		2019/20		2016/17 - 2019/20							
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Investment, Competition and Trade																			
Salary level	31	–	31	15.4	0.5	26	14.8	0.6	24	15.6	0.7	23	15.8	0.7	23	17.0	0.7	-4.0%	100.0%
7 – 10	5	–	5	1.5	0.3	5	1.2	0.2	5	1.8	0.4	5	1.9	0.4	5	2.1	0.4	–	20.8%
11 – 12	10	–	10	4.8	0.5	9	5.2	0.6	9	5.0	0.6	9	5.3	0.6	9	6.1	0.7	–	37.5%
13 – 16	16	–	16	9.1	0.6	12	8.4	0.7	10	8.8	0.9	9	8.5	0.9	9	8.8	1.0	-9.1%	41.7%

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

2. Rand million.

Entities¹

Industrial Development Corporation

Mandate

The Industrial Development Corporation is a national development finance institution established in terms of the Industrial Development Act (1940) with the objective of leading industrial capacity development. This entails aligning its priorities with those identified in terms of government policies and programmes related to industrial development, including relevant elements of the NDP, the new growth path and the industrial policy action plan.

¹ This section has been compiled with the latest available information from the entities concerned.

Selected performance indicators

Table 25.14 Industrial Development Corporation performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Value of funding disbursed per year	Administration	Outcome 4: Decent employment through inclusive growth	R11.2bn	R10.9bn	R11.4bn	R13.3bn	R18.5bn	R20.5bn	R22.3bn
Number of jobs expected to be created or saved per year	Administration		19 689	20 388	18 010	17 607	22 000	24 000	27 000
Actual number of jobs created or saved in South Africa	Administration		20 366	20 000	17 959	20 000	20 000	20 000	20 000
Value of funding to black industrialists per year	Administration		– ¹	R2.1bn	R4.5bn	R2.3bn	R5.5bn	R5.5bn	R5.5bn
Funding for localisation initiatives per year	Administration		– ¹	R2.8bn	R4.5bn	R2.1bn	R4.4bn	R5.1bn	R5.7bn
Turnaround time for non-complex transactions	Administration	Outcome 12: An efficient, effective and development-oriented public service	18 days	14 days	16.5 days	16.5 days	15 days	15 days	15 days

1. No historical data available.

Expenditure analysis

Over the medium term, the Industrial Development Corporation will continue to focus on the development of industrial capacity that is balanced with long-term sustainability. This is in line with outcome 4 (decent employment through inclusive growth) of government's 2014-2019 medium-term strategic framework, which acknowledges the NDP's identification of developmental finance institutions playing a critical role in promoting industrial policy through providing appropriate support mechanisms for identified industries in partnership with the private sector.

The corporation's strategy is aimed at strengthening industrialisation efforts by focusing on value chains in sectors that have significant potential for economic growth, some of which include agro-processing and agriculture, metals and mining, chemicals and pharmaceuticals, and clothing and textiles. The corporation will drive the development of industrial capacity through direct investments in individual companies, and indirectly by acting as a catalyst for the creation or revitalisation of industries and the creation of employment in related businesses.

The corporation aims to increase its funding approvals and disbursements over the medium term, from R13.3 billion in 2016/17 to R22.3 billion in 2019/20. The highest portion of capital will be allocated to priority value chains such as metals and mining, chemicals and pharmaceuticals, and agro-processing and agriculture. Investments in these sectors account for 81.7 per cent of the corporation's total expenditure over the medium term. The number of jobs to be created or saved will increase to 17 607 with a total of 73 000 jobs targeted over the medium term.

The black industrialist programme, which facilitates the participation of black industrialists in productive sectors of the economy, remains a focus area for the corporation over the MTEF period. The programme seeks to facilitate the participation of black industrialists in the productive sectors of the economy. Since the programme's inception in 2015, R4.5 billion funding has been approved for black industrialists. The corporation aims to disburse approximately R16.5 billion over the medium term.

Revenue is primarily generated from interest income on loans, accounting for 50 per cent of the corporation's total revenue over the medium term. Other revenue streams include equity investments and income from fees. Total revenue is expected to increase at an average rate of 4.6 per cent over the medium term, from R23.3 billion in 2016/17 to R26.7 billion in 2019/20, mainly as a result of increased interest income from higher-value loans granted and an increase in dividend income from equity investments.

Programmes/objectives/activities

Table 25.15 Industrial Development Corporation expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Administration	18 378 000	20 478 000	19 185 000	21 780 130	5.8%	100.0%	22 636 787	23 667 347	24 951 987	4.6%	100.0%
Total	18 378 000	20 478 000	19 185 000	21 780 130	5.8%	100.0%	22 636 787	23 667 347	24 951 987	4.6%	100.0%

Statements of historical financial performance and position

Table 25.16 Industrial Development Corporation statements of historical financial performance and position

Statement of financial performance	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average Outcome/ Budget (%)
	Budget	2013/14	Budget	2014/15	Budget	2015/16			
R thousand									
Revenue									
Non-tax revenue	18 546 000	19 790 021	20 697 735	21 443 155	19 967 854	19 531 603	23 110 000	23 110 000	101.9%
Sale of goods and services other than capital assets	6 500 000	13 908 021	13 629 735	14 005 155	14 615 901	13 932 603	15 670 000	15 670 000	114.1%
of which:									
Administrative fees	–	545 000	710 115	707 000	684 803	467 000	–	–	123.2%
Sales by market establishment	–	–	–	–	33 053	–	–	–	–
Other sales	6 500 000	13 363 021	12 919 620	13 298 155	13 898 045	13 465 603	15 670 000	15 670 000	113.9%
Other non-tax revenue	12 046 000	5 882 000	7 068 000	7 438 000	5 351 953	5 599 000	7 440 000	7 440 000	82.6%
Transfers received	338 979	230 979	242 604	242 604	407 103	406 397	–	213 124	110.6%
Total revenue	18 884 979	20 021 000	21 011 126	22 131 000	20 374 957	19 938 000	23 063 000	23 276 124	102.4%
Expenses									
Current expenses	11 018 813	17 740 000	19 269 908	20 309 000	20 297 555	18 692 000	21 447 836	21 447 835	108.5%
Compensation of employees	1 919 860	843 000	887 757	885 150	926 000	839 970	975 878	887 408	73.4%
Goods and services	7 800 425	15 337 000	17 112 483	17 423 850	16 431 455	15 812 030	17 663 786	17 752 256	112.4%
Depreciation	383 528	534 000	495 508	598 000	576 192	723 000	618 172	618 172	119.3%
Interest, dividends and rent on land	915 000	1 026 000	774 160	1 402 000	2 363 908	1 317 000	2 190 000	2 190 000	95.1%
Transfers and subsidies	55 464	–							
Total expenses	11 227 776	18 378 000	19 755 220	20 478 000	20 577 855	19 185 000	21 780 130	21 780 130	108.8%
Surplus/(Deficit)	7 657 203	1 643 000	1 255 906	1 653 000	(202 898)	753 000	1 282 870	1 495 994	
Statement of financial position									
Carrying value of assets	5 241 000	9 401 000	5 646 000	10 557 000	10 540 633	11 456 000	11 168 924	11 168 924	130.6%
of which:									
Acquisition of assets	(1 630 280)	(1 549 000)	(1 728 097)	(1 268 000)	(1 675 340)	(2 548 000)	(1 757 807)	(1 757 807)	104.9%
Investments	95 231 000	92 363 000	92 652 000	73 179 000	97 751 343	71 704 000	103 052 260	103 052 260	87.6%
Inventory	2 100 000	3 854 000	2 310 000	3 853 000	4 249 035	3 599 000	4 461 487	4 461 487	120.2%
Loans	23 500 000	20 818 000	33 608 000	22 412 000	17 984 992	23 928 000	16 408 655	16 408 655	91.3%
Receivables and prepayments	1 450 000	3 813 000	1 595 000	3 702 000	4 203 833	3 305 000	4 414 024	4 414 024	130.6%
Cash and cash equivalents	3 636 000	7 877 000	5 655 399	8 257 000	10 152 000	6 865 000	9 810 000	9 810 000	112.2%
Taxation	120 000	396 000	132 000	325 000	433 500	422 000	461 190	461 190	139.9%
Derivatives financial instruments	–	71 000	–	4 000	–	69 000	–	–	–
Total assets	131 278 000	138 593 000	141 598 399	122 289 000	145 315 335	121 348 000	149 776 539	149 776 539	93.7%
Accumulated surplus/(deficit)	37 719 000	37 415 000	39 763 440	39 187 000	40 269 910	39 717 000	42 537 271	42 537 271	99.1%
Capital and reserves	55 320 000	69 569 000	55 485 359	50 735 000	69 856 543	45 100 000	66 249 792	66 249 792	93.8%
Borrowings	25 876 000	21 456 000	33 938 000	24 049 000	23 991 660	28 022 000	29 233 893	29 233 893	90.9%
Trade and other payables	2 286 000	3 560 000	2 514 600	3 748 000	3 924 900	3 727 000	4 121 145	4 121 145	118.0%
Taxation	9 500 000	5 528 000	9 310 000	3 372 000	6 094 620	3 340 000	6 399 351	6 399 351	59.5%
Provisions	300 000	1 015 000	530 000	1 124 000	1 119 038	1 357 000	1 174 989	1 174 989	149.5%
Managed funds (e.g. poverty alleviation fund)	57 000	24 000	57 000	18 000	30 000	26 000	30 000	30 000	56.3%
Derivatives financial instruments	–	26 000	–	56 000	28 665	59 000	30 098	30 098	291.2%
Total equity and liabilities	131 058 000	138 593 000	141 598 399	122 289 000	145 315 335	121 348 000	149 776 539	149 776 539	93.7%

Statements of estimates of financial performance and position

Table 25.17 Industrial Development Corporation statements of estimates of financial performance and position

Statement of financial performance		Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	Revised estimate	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
R thousand	2016/17							
Revenue								
Non-tax revenue	23 110 000	5.3%	98.2%	25 546 836	25 089 345	26 343 812	4.5%	99.0%
Sale of goods and services other than capital assets	15 670 000	4.1%	67.5%	16 555 836	17 331 014	18 197 565	5.1%	67.0%
of which:								
Administrative fees	–	-100.0%	2.1%	313 000	794 722	834 458	–	1.9%
Sales by market establishment	–	–	–	–	14 789	15 528	–	0.0%
Other sales	15 670 000	5.5%	65.4%	16 242 836	16 521 503	17 347 579	3.4%	65.1%
Other non-tax revenue	7 440 000	8.1%	30.8%	8 991 000	7 758 331	8 146 247	3.1%	32.0%
Transfers received	213 124	-2.6%	1.3%	223 780	293 577	308 256	13.1%	1.0%
Total revenue	23 276 124	5.1%	100.0%	25 770 616	25 382 922	26 652 068	4.6%	100.0%
Expenses								
Current expenses	21 447 835	6.5%	97.9%	22 287 877	23 300 991	24 567 315	4.6%	135.3%
Compensation of employees	887 408	1.7%	4.3%	817 202	870 320	926 890	1.5%	3.8%
Goods and services	17 752 256	5.0%	83.1%	18 522 095	19 334 662	20 389 615	4.7%	81.7%
Depreciation	618 172	5.0%	3.1%	649 080	681 534	715 611	5.0%	2.9%
Interest, dividends and rent on land	2 190 000	28.8%	7.3%	2 299 500	2 414 475	2 535 199	5.0%	10.1%
Total expenses	21 780 130	5.8%	100.0%	22 636 787	23 667 346	24 951 987	4.6%	100.0%
Surplus/(Deficit)	1 495 994	–	–	3 133 829	1 715 576	1 700 081	4.4%	–
Statement of financial position								
Carrying value of assets	11 168 924	5.9%	8.1%	11 834 704	8 643 014	9 127 022	-6.5%	5.9%
of which:								
Acquisition of assets	(1 757 807)	4.3%	-1.4%	(1 844 397)	(1 951 372)	(2 064 552)	5.5%	-1.1%
Investments	103 052 260	3.7%	63.6%	106 088 473	173 022 582	182 711 846	21.0%	77.8%
Inventory	4 461 487	5.0%	3.0%	4 684 561	3 665 881	3 871 171	-4.6%	2.4%
Loans	16 408 655	-7.6%	16.0%	17 592 850	1 791 324	1 891 638	-51.3%	6.0%
Receivables and prepayments	4 414 024	5.0%	2.9%	4 634 725	4 092 372	4 321 545	-0.7%	2.5%
Cash and cash equivalents	9 810 000	7.6%	6.2%	9 688 000	6 803 278	7 184 262	-9.9%	4.9%
Non-current assets held for sale	–	–	–	–	12 635	13 342	–	0.0%
Taxation	461 190	5.2%	0.3%	490 680	727 347	768 079	18.5%	0.3%
Total assets	149 776 539	2.6%	100.0%	155 013 994	198 758 432	209 888 904	11.9%	100.0%
Accumulated surplus/(deficit)	42 537 271	4.4%	30.0%	45 438 750	22 364 599	23 617 017	-17.8%	20.1%
Capital and reserves	66 249 792	-1.6%	43.3%	65 265 943	98 607 190	104 129 192	16.3%	46.4%
Capital reserve fund	–	–	–	–	326 181	344 448	–	0.1%
Borrowings	29 233 893	10.9%	19.4%	31 967 438	60 310 855	63 688 262	29.6%	25.2%
Finance lease	–	–	–	–	14 857	15 689	–	0.0%
Trade and other payables	4 121 145	5.0%	2.9%	4 327 202	3 867 955	4 084 561	-0.3%	2.4%
Taxation	6 399 351	5.0%	3.4%	6 719 319	12 071 515	12 747 520	25.8%	5.2%
Provisions	1 174 989	5.0%	0.9%	1 233 739	762 327	805 017	-11.8%	0.6%
Managed funds (e.g. poverty alleviation fund)	30 000	7.7%	0.0%	30 000	–	–	-100.0%	0.0%
Derivatives financial instruments	30 098	5.0%	0.0%	31 603	432 953	457 198	147.7%	0.1%
Total equity and liabilities	149 776 539	2.6%	100.0%	155 013 994	198 758 432	209 888 904	11.9%	100.0%

Personnel information

Table 25.18 Industrial Development Corporation personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		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 (%)	Average: Salary level/ Total (%)				
		2015/16		Unit cost	2016/17		Unit cost	2017/18		Unit cost	2018/19		Unit cost			2019/20		Unit cost	
Industrial Development Corporation		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	861	861	850	840.0	1.0	861	887.4	1.0	861	817.2	0.9	861	870.3	1.0	861	926.9	1.1	1.5%	100.0%
1 – 6	219	219	35	10.7	0.3	219	67.5	0.3	219	69.5	0.3	219	74.0	0.3	219	78.8	0.4	5.3%	25.4%
7 – 10	333	333	294	162.9	0.6	333	288.1	0.9	333	264.6	0.8	333	281.8	0.8	333	300.1	0.9	1.4%	38.7%
11 – 12	289	289	241	296.1	1.2	289	465.7	1.6	289	419.8	1.5	289	447.1	1.5	289	476.1	1.6	0.7%	33.6%
13 – 16	8	8	265	320.3	1.2	8	17.4	2.2	8	19.7	2.5	8	21.0	2.6	8	22.4	2.8	8.8%	0.9%
17 – 22	12	12	15	49.9	3.3	12	48.6	4.1	12	43.6	3.6	12	46.4	3.9	12	49.5	4.1	0.6%	1.4%

1. Rand million.

Competition Commission

Mandate

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

Selected performance indicators

Table 25.19 Competition Commission performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past		Current	Projections			
			2013/14	2014/15		2015/16	2016/17	2017/18	2018/19
Average turnaround time for phase 1 merger investigations per year	Mergers and acquisitions	Outcome 6: An efficient, competitive and responsive economic infrastructure network	- ¹	- ¹	18 days	20 days	20 days	20 days	20 days
Average turnaround time for phase 2 merger investigations per year	Mergers and acquisitions		- ¹	- ¹	44 days	45 days	45 days	45 days	45 days
Average turnaround time for phase 3 intermediate merger investigations per year	Mergers and acquisitions		- ¹	- ¹	57 days	60 days	60 days	60 days	60 days
Average turnaround time for phase 3 large merger investigations per year	Mergers and acquisitions		- ¹	- ¹	140 days	120 days	120 days	120 days	120 days
Percentage of imposed conditions monitored	Mergers and acquisitions		- ¹	- ¹	100% (117)	100%	100%	100%	100%
Number of abuse of dominance conduct cases initiated in prioritised sectors per year	Enforcements and exemptions		- ¹	- ¹	1	3	3	4	5
Number of cartel cases initiated per year	Cartel		- ¹	- ¹	133	12	14	16	18
Number of market inquiries initiated per year	Policy and research		- ¹	- ¹	1	1	2	3	4
Number of market inquiries completed per year	Policy and research		- ¹	- ¹	0 ²	1	1	1	1
Percentage of merger decisions upheld by the Competition Tribunal and/or courts	Legal services		- ¹	- ¹	100% (10)	75%	75%	75%	75%
Percentage of cartel cases won at the Competition Tribunal and courts	Legal services	- ¹	- ¹	100% (4)	75%	80%	85%	90%	
Percentage of abuse of dominance cases won at the Competition Tribunal and the courts	Legal services	- ¹	- ¹	50% (1/2)	50%	50%	50%	50%	
Percentage of advisory opinions issued within three months	Legal services	- ¹	- ¹	98% (26/27)	65%	70%	80%	85%	

1. No historical data available.

2. The terms of reference for the liquefied petroleum gas and private health care market inquiries were revised and the completion dates were moved to 2016/17 because of ongoing stakeholder consultations.

Expenditure analysis

The NDP recognises that the country would benefit from competition regulation that supports a growing and inclusive economy characterised by greater employment and participation of small, medium and micro enterprises, and more diverse ownership of production. Outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium-term strategic framework identifies monopoly pricing on intermediate goods as an impediment to making local manufacturing more competitive and supporting infrastructure investment. Guided by this, the commission plans to focus over the medium term on ensuring that competition regulation has a positive long-term effect on the economy by enforcing competition laws that respond to the adverse effects of monopolisation.

To facilitate a competitive business environment, the commission periodically carries out investigations or inquiries on possible anti-competitive behaviour in various sectors. The commission is currently undertaking an inquiry into the retail sector and has allocated R16 million in 2016/17 for this purpose. The retail sector inquiry covers areas such as the effects of the expansion, diversification and consolidation of national supermarket chains on small and independent retailers, and the effects of long-term exclusive leases on competition in the sector.

Furthermore, in support of increasing the meaningful impact of competition regulation, the commission will increase the number of market inquiries initiated from one in 2016/17 to four in 2019/20. These activities are budgeted for under the commission's policy and research objective which is allocated R137.2 million over the medium term. The commission will also initiate 48 cartel cases in priority sectors, for which R146.2 million has been budgeted over the MTEF period. To address the backlogs on cartel cases, investigations and enquiries, the commission will receive an additional allocation of R150.4 million over medium term.

Spending on compensation of employees is expected to account for 59.7 per cent of the commission's total expenditure budget over the medium term, and is set to increase at an average annual rate of 10.3 per cent, from

R181.8 million in 2016/17 to R244.2 million in 2019/20. This increase is mainly driven by a projected increase in personnel from 212 to 312 over the same period.

The commission's revenue is mainly derived from transfers from the Economic Development Department, accounting for 81.1 per cent of total revenue over the medium term. Other sources of revenue include filing fees paid by external parties, mainly for mergers and acquisitions. Total revenue is expected to grow at an average rate of 8.4 per cent over the medium term, from R285.7 million in 2016/17 to R363.8 million in 2019/20 due to the Cabinet-approved additional funding of R150.4 million for addressing backlogs.

Programmes/objectives/activities

Table 25.20 Competition Commission expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Administration	59 984	66 910	94 867	126 558	28.3%	31.2%	124 337	112 523	120 525	-1.6%	34.1%
Mergers and acquisitions	15 480	19 668	23 965	28 728	22.9%	8.0%	30 509	32 309	34 118	5.9%	8.9%
Enforcements and exemptions	20 325	19 329	22 877	39 903	25.2%	9.2%	39 577	46 912	49 539	7.5%	12.4%
Cartel	17 918	22 156	33 253	42 231	33.1%	10.3%	41 649	50 839	53 686	8.3%	13.3%
Policy and research	37 260	29 144	29 230	55 955	14.5%	14.0%	38 370	45 634	53 190	-1.7%	13.5%
Legal services	37 310	37 107	38 769	57 517	15.5%	15.8%	46 083	53 802	61 815	2.4%	15.4%
Advocacy and stakeholder relations	10 648	-	-	-	-100.0%	1.3%	-	-	-	-	-
Inquiry into private health care	-	29 443	50 113	38 744	-	10.1%	-	-	-	-100.0%	2.5%
Total	198 925	223 757	293 074	389 636	25.1%	100.0%	320 525	342 019	372 873	-1.5%	100.0%

Statements of historical financial performance and position

Table 25.21 Competition Commission statements of historical financial performance and position

Statement of financial performance									
R thousand	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/ Budget (%)
	Budget	2013/14	Budget	2014/15	Budget	2015/16			
Revenue									
Non-tax revenue	51 851	49 943	56 042	60 254	60 094	67 212	60 134	64 109	105.9%
Sale of goods and services other than capital assets	49 260	43 903	52 517	51 641	56 228	55 051	56 228	55 331	96.1%
<i>of which:</i>									
Administrative fees	49 260	43 903	52 517	51 641	56 228	55 051	56 228	55 331	96.1%
Other non-tax revenue	2 591	6 040	3 525	8 613	3 866	12 161	3 906	8 778	256.3%
Transfers received	176 888	176 888	188 127	188 127	233 129	228 087	208 541	221 583	101.0%
Total revenue	228 739	226 831	244 169	248 381	293 223	295 299	268 675	285 692	102.1%
Expenses									
Current expenses	228 740	198 925	243 267	223 757	367 442	293 074	268 675	389 636	99.8%
Compensation of employees	140 376	119 325	149 057	140 111	168 832	155 718	166 207	181 752	95.6%
Goods and services	83 952	77 271	89 561	81 123	195 309	137 472	97 624	203 484	107.1%
Depreciation	4 332	2 329	4 569	2 523	3 221	(205)	4 763	4 320	53.1%
Interest, dividends and rent on land	80	-	80	-	80	89	80	80	52.8%
Total expenses	228 740	198 925	243 267	223 757	367 442	293 074	268 675	389 636	99.8%
Surplus/(Deficit)	-	27 906	902	24 624	(74 219)	2 225	-	(103 944)	
Statement of financial position									
Carrying value of assets	11 539	4 325	8 011	11 132	11 000	13 018	9 500	13 018	103.6%
<i>of which:</i>									
Acquisition of assets	(1 142)	(1 045)	(961)	(5 295)	(4 498)	(3 236)	(1 015)	(1 015)	139.1%
Inventory	200	149	200	375	200	303	200	303	141.3%
Receivables and prepayments	1 181	1 452	1 335	2 329	1 442	89 515	1 181	-	1 815.6%
Cash and cash equivalents	37 362	110 567	45 298	132 102	55 461	171 024	26 923	-	250.7%
Total assets	50 283	116 493	54 844	145 938	68 103	273 860	37 804	13 321	260.4%
Accumulated surplus/(deficit)	20 908	85 187	29 408	113 840	35 592	112 637	7 320	-	334.3%
Capital reserve fund	-	1 925	-	-	-	-	-	-	-
Finance lease	1 427	1 122	185	763	700	174	580	580	91.2%
Trade and other payables	23 489	28 143	20 555	31 335	26 866	161 049	24 959	7 796	238.2%
Provisions	4 459	116	4 696	-	4 945	-	4 945	4 945	26.6%
Total equity and liabilities	50 283	116 493	54 844	145 938	68 103	273 860	37 804	13 321	260.4%

Statements of estimates of financial performance and position

Table 25.22 Competition Commission statements of estimates of financial performance and position

Statement of financial performance	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2016/17	2013/14 - 2016/17	2017/18		
R thousand								
Revenue								
Non-tax revenue	64 109	8.7%	22.9%	62 171	60 231	58 231	-3.2%	18.9%
Sale of goods and services other than capital assets	55 331	8.0%	19.5%	55 331	55 331	55 331	-	17.0%
of which:								
Administrative fees	55 331	8.0%	19.5%	55 331	55 331	55 331	-	17.0%
Other non-tax revenue	8 778	13.3%	3.3%	6 840	4 900	2 900	-30.9%	1.9%
Transfers received	221 583	7.8%	77.1%	258 354	281 788	305 576	11.3%	81.1%
Total revenue	285 692	8.0%	100.0%	320 525	342 019	363 807	8.4%	100.0%
Expenses								
Current expenses	389 636	25.1%	100.0%	320 525	342 019	363 807	-2.3%	132.7%
Compensation of employees	181 752	15.1%	55.6%	189 202	226 308	244 168	10.3%	59.7%
Goods and services	203 484	38.1%	43.6%	126 651	110 763	114 414	-17.5%	38.9%
Depreciation	4 320	22.9%	0.8%	4 588	4 858	5 130	5.9%	1.3%
Interest, dividends and rent on land	80	-	-	85	90	95	5.9%	-
Total expenses	389 636	25.1%	100.0%	320 525	342 019	363 807	-2.3%	100.0%
Surplus/(Deficit)	(103 944)	(3)	-	-	-	-	-100.0%	
Statement of financial position								
Carrying value of assets	13 018	44.4%	28.5%	13 018	13 018	13 018	-	97.7%
of which:								
Acquisition of assets	(1 015)	-1.0%	-3.3%	(1 122)	(15 600)	(15 914)	150.3%	-63.2%
Inventory	303	26.7%	0.7%	303	303	303	-	2.3%
Total assets	13 321	-51.5%	100.0%	13 321	13 321	13 321	-	100.0%
Accumulated surplus/(deficit)	-	-100.0%	48.1%	(87 717)	(116 160)	(166 731)	-	-695.5%
Borrowings	-	-	-	95 633	124 336	174 907	-	741.1%
Finance lease	580	-19.7%	1.5%	460	200	200	-29.9%	2.7%
Trade and other payables	7 796	-34.8%	40.7%	-	-	-	-100.0%	14.6%
Provisions	4 945	249.3%	9.3%	4 945	4 945	4 945	-	37.1%
Total equity and liabilities	13 321	-51.5%	100.0%	13 321	13 321	13 321	-	100.0%

Personnel information

Table 25.23 Competition Commission personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017			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 (%)	Average Salary level/Total (%)			
	2015/16	2016/17	2015/16	2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20											
Competition Commission			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	212	212	193	155.7	0.8	212	181.8	0.9	212	189.2	0.9	212	226.3	1.1	212	244.2	1.2	10.3%	100.0%
1-6	6	6	6	3.7	0.6	6	4.0	0.7	6	4.3	0.7	6	4.6	0.8	6	5.0	0.8	7.3%	2.8%
7-10	120	120	113	61.5	0.5	120	69.8	0.6	120	72.0	0.6	120	94.4	0.8	120	96.9	0.8	11.6%	56.6%
11-12	48	48	43	41.3	1.0	48	48.0	1.0	48	49.8	1.0	48	61.9	1.3	48	68.0	1.4	12.3%	22.6%
13-16	38	38	31	49.3	1.6	38	59.9	1.6	38	63.1	1.7	38	65.3	1.7	38	74.2	2.0	7.4%	17.9%

1. Rand million.

Competition Tribunal

Mandate

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

Selected performance indicators

Table 25.24 Competition Tribunal performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Percentage of consent orders issued within 10 business days	Ensure effective and efficient adjudication on matters brought before the tribunal	Outcome 4: Decent employment through inclusive growth Outcome 6: An efficient, competitive and responsive economic infrastructure network	98% (41/42)	100% (43)	96% (26/27)	90%	90%	90%	90%
Percentage of orders in procedural matters issued within 20 business days	Ensure effective and efficient adjudication on matters brought before the tribunal		83% (35/42)	87% (20/23)	73% (19/26)	85%	85%	85%	85%
Percentage of large mergers set down within 10 business days	Ensure effective and efficient adjudication on matters brought before the tribunal		74% (72/97)	80% (78/98)	76% (97/127)	75%	75%	75%	75%
Percentage of large merger orders issued within 10 business days	Ensure effective and efficient adjudication on matters brought before the tribunal		100% (97)	100% (98)	100% (124)	95%	95%	95%	95%
Percentage of large merger reasons for decisions issued within 20 business days	Ensure effective and efficient adjudication on matters brought before the tribunal		82% (80/97)	85% (84/99)	70% (103/119)	70%	70%	70%	70%
Percentage of small and intermediate mergers set down within 10 business days	Ensure effective and efficient adjudication on matters brought before the tribunal		100% (1)	75% (3/4)	44% (4/9)	75%	75%	75%	75%
Percentage of small and intermediate merger orders issued within 10 business days	Ensure effective and efficient adjudication on matters brought before the tribunal		- ¹	98% (3.9/4)	100% (9)	95%	95%	95%	95%
Percentage of reasons for small and intermediate merger decisions issued within 20 business days	Ensure effective and efficient adjudication on matters brought before the tribunal		- ¹	0 ² (0/1)	60% (3/5)	60%	60%	60%	60%

1. No historical data available.

2. Target not met for the year (zero of one reasons issued) Reasons were issued in one matter only. The writing member and the case manager were involved in protracted hearings in another matter and confidentiality claims by third parties contributed to the delay.

Expenditure analysis

As an adjudicative agency, the Competition Tribunal's quasi-judicial nature precludes it from embarking on focused interventions that target any particular sector or emphasise any specific criteria in its decision making. The tribunal's caseload is therefore determined by complaint referrals and notified mergers, and each case is adjudicated on its own merits. The tribunal contributes to outcome 6 (an efficient, competitive and responsive economic infrastructure network) and outcome 4 (decent employment through inclusive growth) of government's 2014-2019 medium-term strategic framework through improved support to small businesses and cooperatives, promoting more labour-absorbing growth, and promoting competitiveness.

The tribunal continues to focus on holding hearings and adjudicating matters, educating and creating awareness among stakeholders on matters relating to competition, and strengthening organisational capability and performance to deliver on its legislative mandate. The tribunal is not project-driven and its budget is primarily allocated to administration because actual expenditure varies based on the volume of cases brought before it. Over the medium term, the tribunal's expenditure will be focused on effective and efficient adjudication, its core business and main strategic objective. On average, spending on this objective constitutes 49.4 per cent, or R73.8 million, of total expenditure over the medium term.

The tribunal receives 68 per cent of its total revenue from transfers from the Economic Development Department and 32 per cent from filing fees charged for merger applications. Over the medium term, revenue from departmental transfers amount to R102.2 million, while filing fees are expected to total R41.9 million. The tribunal anticipates using accumulated surpluses to fund the shortfall of R6.2 million in its expenditure over the medium term. Drawdowns from the accumulated surplus will decrease gradually over the MTEF period and are expected to be exhausted by 2019/20.

Capacity constraints, the inability of parties to meet on specified dates and the complexity of matters under consideration have resulted in backlogs on cases brought before the tribunal. To ensure the tribunal has a quick turnaround time on matters, it has planned to increase its staff complement from 28 to 29 posts over the medium term. The increase in the establishment includes the appointment of an additional case manager. Spending on compensation of employees is therefore expected to increase at average annual rate of 9.8 per cent, from R23.9 million in 2016/17 to R31.6 million in 2019/20.

Programmes/objectives/activities

Table 25.25 Competition Tribunal expenditure trends and estimates by programme/objective/activity

	Audited outcome				Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
	2013/14	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20			2016/17 - 2019/20
R thousand													
Administration	14 168	14 452	8 522	9 014		-14.0%	33.3%	10 543	11 362	12 238		10.7%	22.5%
Ensure the effective and efficient adjudication on matters brought before the tribunal	16 179	16 455	18 373	20 865		8.8%	50.5%	23 310	24 574	25 909		7.5%	49.4%
Educate and create awareness of competition matters to tribunal stakeholders	729	871	836	1 092		14.4%	2.5%	1 153	1 237	1 327		6.7%	2.5%
Enhance the expertise of tribunal staff	980	1 000	999	2 121		29.4%	3.5%	3 039	3 234	3 435		17.4%	6.1%
Competition appeal court	429	324	308	642		14.4%	1.2%	629	666	703		3.1%	1.4%
Ensure the tribunal has effective strategic leadership, administration	-	-	2 978	3 440		-	4.2%	3 842	4 041	4 244		7.3%	8.1%
Enhance record keeping, performance information and case flow management	-	-	1 836	2 679		-	2.9%	2 347	2 643	2 810		1.6%	5.5%
Ensure financial management that promotes effective and efficient use of resources	-	-	1 326	1 591		-	1.9%	2 159	2 323	2 500		16.3%	4.4%
Total	32 485	33 102	35 178	41 444		8.5%	100.0%	47 022	50 080	53 166		8.7%	100.0%

Statements of historical financial performance and position

Table 25.26 Competition Tribunal statements of historical financial performance and position

Statement of financial performance									
	Budget		Audited outcome		Budget		Audited outcome		Average: Outcome/Budget (%)
	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17				
R thousand									
Revenue									
Non-tax revenue	15 638	11 861	18 527	14 248	11 840	14 525	12 304	14 221	94.1%
Sale of goods and services other than capital assets	9 775	10 856	9 880	13 289	10 670	13 441	11 524	13 441	121.9%
<i>of which:</i>									
Administrative fees	9 775	10 856	9 880	13 289	10 670	13 441	11 524	13 441	121.9%
Other non-tax revenue	5 863	1 005	8 647	959	1 170	1 084	780	780	23.3%
Transfers received	16 945	16 945	18 100	18 100	19 964	20 913	21 063	21 195	101.4%
Total revenue	32 583	28 806	36 627	32 348	31 804	35 438	33 367	35 416	98.2%
Expenses									
Current expenses	32 583	32 485	35 325	33 102	36 999	35 178	41 444	41 444	97.2%
Compensation of employees	20 412	16 170	19 768	19 096	21 659	21 223	24 182	23 853	93.4%
Goods and services	11 163	15 238	14 386	13 260	14 200	13 201	16 420	16 749	104.1%
Depreciation	1 009	1 077	1 170	746	1 140	754	842	842	82.2%
Total expenses	32 583	32 485	35 325	33 102	36 999	35 178	41 444	41 444	97.2%
Surplus/(Deficit)	-	(3 679)	1 302	(754)	(5 195)	260	(8 077)	(6 028)	-
Statement of financial position									
Carrying value of assets	3 075	3 855	3 665	3 812	3 826	4 816	4 311	5 301	119.5%
<i>of which:</i>									
Acquisition of assets	(601)	(1 054)	(1 301)	(765)	(1 154)	(1 757)	(1 327)	(1 327)	111.9%
Inventory	12	30	10	55	-	61	-	-	663.6%
Receivables and prepayments	800	522	75	1 355	-	2 122	-	-	457.0%
Cash and cash equivalents	14 947	19 586	17 994	17 722	12 513	17 414	5 277	10 918	129.4%
Total assets	18 834	23 993	21 744	22 944	16 339	24 413	9 588	16 219	131.7%
Accumulated surplus/(deficit)	15 739	21 135	13 148	20 410	14 647	20 421	6 570	13 066	149.8%
Finance lease	213	292	350	75	150	309	140	290	113.2%
Trade and other payables	2 313	1 880	7 446	1 974	1 057	3 146	2 393	2 263	70.1%
Provisions	569	686	800	485	485	537	485	600	98.7%
Total equity and liabilities	18 834	23 993	21 744	22 944	16 339	24 413	9 588	16 219	131.7%

Statements of estimates of financial performance and position

Table 25.27 Competition Tribunal statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2016/17				2013/14 - 2016/17	2017/18	2018/19		
R thousand									
Revenue									
Non-tax revenue		14 221	6.2%	41.6%	14 319	14 161	13 441	-1.9%	32.0%
Sale of goods and services other than capital assets		13 441	7.4%	38.7%	13 441	13 441	13 441	-	30.5%
of which:									
Administrative fees		13 441	7.4%	38.7%	13 441	13 441	13 441	-	30.5%
Other non-tax revenue		780	-8.1%	2.9%	878	720	-	-100.0%	1.4%
Transfers received		21 195	7.7%	58.4%	30 041	35 086	37 051	20.5%	68.0%
Total revenue		35 416	7.1%	100.0%	44 360	49 247	50 492	12.5%	100.0%
Expenses									
Current expenses		41 444	8.5%	100.0%	47 022	50 080	53 166	8.7%	138.9%
Compensation of employees		23 853	13.8%	56.3%	27 969	29 706	31 564	9.8%	58.9%
Goods and services		16 749	3.2%	41.2%	18 209	19 480	20 658	7.2%	39.2%
Depreciation		842	-7.9%	2.4%	844	894	944	3.9%	1.8%
Total expenses		41 444	8.5%	100.0%	47 022	50 080	53 166	8.7%	100.0%
Surplus/(Deficit)		(6 028)	-	-	(2 662)	(833)	(2 674)	-23.7%	-
Statement of financial position									
Carrying value of assets		5 301	11.2%	21.3%	5 638	5 651	6 148	5.1%	45.0%
of which:									
Acquisition of assets		(1 327)	8.0%	-5.8%	(1 185)	(908)	(1 441)	2.8%	-9.6%
Cash and cash equivalents		10 918	-17.7%	74.4%	7 916	7 068	3 899	-29.1%	55.0%
Total assets		16 219	-12.2%	100.0%	13 554	12 719	10 047	-14.8%	100.0%
Accumulated surplus/(deficit)		13 066	-14.8%	85.3%	9 219	7 477	3 362	-36.4%	60.2%
Finance lease		290	-0.2%	1.1%	260	230	200	-11.6%	1.9%
Trade and other payables		2 263	6.4%	10.8%	3 425	4 312	5 735	36.3%	32.6%
Provisions		600	-4.4%	2.7%	650	700	750	7.7%	5.4%
Total equity and liabilities		16 219	-12.2%	100.0%	13 554	12 719	10 047	-14.8%	100.0%

Personnel information

Table 25.28 Competition Tribunal personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017			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 (%)	Average: Salary level/Total (%)			
			2015/16		2016/17		2017/18		2018/19		2019/20		2016/17 - 2019/20						
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Competition Tribunal			27	21.2	0.8	28	23.9	0.9	29	28.0	1.0	29	29.7	1.0	29	31.6	1.1	9.8%	100.0%
Salary level	27	29																	
1-6	2	2	2	0.3	0.2	2	0.6	0.3	2	0.4	0.2	2	0.5	0.2	2	0.5	0.2	-6.1%	7.0%
7-10	11	11	13	6.0	0.5	11	5.1	0.5	9	4.9	0.5	9	5.3	0.6	9	5.7	0.6	3.3%	33.1%
11-12	6	8	4	2.4	0.6	7	4.5	0.6	9	6.5	0.7	9	7.0	0.8	9	7.6	0.8	19.2%	29.5%
13-16	7	7	7	10.1	1.4	7	11.2	1.6	8	13.5	1.7	8	14.3	1.8	8	15.0	1.9	10.4%	26.9%
17-22	1	1	1	2.4	2.4	1	2.5	2.5	1	2.6	2.6	1	2.7	2.7	1	2.8	2.8	4.2%	3.5%

1. Rand million.

International Trade Administration Commission of South Africa

Mandate

The International Trade Administration Commission of South Africa was established by the International Trade Administration Act (2002). The commission is mandated to: foster economic growth and development, raise income levels, and promote investment and employment in South Africa and the Southern African Customs Union area by establishing an efficient and effective administration system for international trade. The commission's core functions are customs tariff investigations, trade remedies, and import and export control.

Selected performance indicators

Table 25.29 International Trade Administration Commission of South Africa performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Percentage of customs tariff reduction investigations with final decisions made within six months	Tariff investigations	Outcome 4: Decent employment through inclusive growth	76% (13/17)	100% (6/6)	50% (2/4)	80%	80%	80%	80%
Percentage of customs tariff increase investigations with final decisions made within six months	Tariff investigations		64% (9/14)	33% (3/9)	60% (9/15)	80%	80%	80%	80%
Percentage of rebate and drawback permits issued within two weeks	Tariff investigations		92% (891/964)	95% (790/832)	98% (795/812)	90%	100%	100%	100%
Percentage of investigations on anti-dumping, countervailing, safeguards and sunset reviews with final decision made within 10 months	Trade remedies		4	4	80% ¹ (4/5)	80%	80%	80%	80%
Number of import control permits issued per year	Import and export control		17 332	18 453	17 188	13 500	13 500	13 500	13 500
Number of export control permits issued per year	Import and export control		10 013	17 818	14 657	7 500	7 500	7 500	7 500
Number of enforcement container inspections conducted per year	Import and export control		1 229	1 000	1 404	1 000	1 000	1 000	1 000
Number of investigations on enforcement of permit conditions per year	Import and export control		17	17	16	16	16	16	16

1. Targets changed from numbers to percentages and time taken in 2015/16 annual performance plan.

Expenditure analysis

Over the medium term, the International Trade Administration Commission of South Africa will focus on building capacity by providing relevant training to enhance skills to monitor trade flows, and design tariff recommendations to promote domestic manufacturing, job retention and creation, international competitiveness, and alignment with government's policy objectives. This is in line with outcome 4 (decent employment through inclusive growth) of government's 2014-2019 medium-term strategic framework, which aims to contribute to employment, growth and development. The commission plans to issue 40 500 import control permits and 22 500 export control permits. The commission will also ensure effective turnaround times on finalising investigations on anti-dumping, countervailing (in support of domestic producers) safeguards and sunset reviews. These interventions are provided for within the import and export control programme, which accounts for 12.9 per cent, or R40 million, of total expenditure, and trade remedies programme, which accounts for 18.2 per cent, or R55.8 million, of total expenditure over the medium term.

Transfers from the Economic Development Department account for 98.2 per cent of the commission's total revenue over the MTEF period. Transfers are expected to increase at an average annual rate of 8.4 per cent, from R87 million in 2016/17 to R110.7 million in 2019/20. Other income is generated through interest on the call account. Interest income varies depending on the balance of the call account.

Due to the skilled nature of the commission's work, spending on compensation of employees remains the commission's largest item of spending over the medium term. Spending on compensation of employees constitutes 80.2 per cent of the total budget, growing at an average annual rate of 4.7 per cent. The entity's staff complement will remain at 130 employees in each year over the medium term. Expenditure on goods and services is expected to increase at an average annual rate of 28.9 per cent over the medium term due to the envisaged increase in legal and professional fees as a result of the complex nature of cases the commission handles.

Programmes/objectives/activities

Table 25.30 International Trade Administration Commission of South Africa expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
					2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Administration	40 946	55 837	47 541	32 289	-7.6%	51.0%	44 765	47 003	49 635	15.4%	42.2%
Tariff investigations	20 877	3 920	21 237	25 686	7.2%	20.5%	26 149	27 655	29 204	4.4%	26.7%
Trade remedies	12 527	13 522	12 476	18 077	13.0%	16.3%	17 479	18 621	19 664	2.8%	18.2%
Import and export control	8 551	10 947	10 339	12 642	13.9%	12.2%	12 450	13 399	14 149	3.8%	12.9%
Total	82 901	84 226	91 593	88 694	2.3%	100.0%	100 843	106 678	112 652	8.3%	100.0%

Statements of historical financial performance and position

Table 25.31 International Trade Administration Commission of South Africa statements of historical financial performance and position

Statement of financial performance									
R thousand	Audited outcome		Audited outcome		Audited outcome		Revised estimate		Average: Outcome/ Budget (%)
	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	
	2013/14	2014/15	2014/15	2015/16	2015/16	2016/17	2016/17	2016/17	2013/14 - 2016/17
Revenue									
Non-tax revenue	2 161	2 241	2 088	1 856	1 605	2 042	1 693	1 693	103.8%
Sale of goods and services other than capital assets	22	-	-	-	-	-	-	-	-
of which:									
Other sales	22	-	-	-	-	-	-	-	-
Other non-tax revenue	2 139	2 241	2 088	1 856	1 605	2 042	1 693	1 693	104.1%
Transfers received	79 770	79 770	85 061	85 061	84 701	86 567	87 001	87 001	100.6%
Total revenue	81 931	82 011	87 149	86 917	86 306	88 609	88 694	88 694	100.6%
Expenses									
Current expenses	81 931	82 901	87 149	84 226	86 306	91 593	88 694	88 694	101.0%
Compensation of employees	61 559	61 109	66 164	67 386	71 484	71 357	74 665	76 703	101.0%
Goods and services	18 150	20 744	19 279	15 808	13 588	19 325	12 886	10 848	104.4%
Depreciation	2 089	1 017	1 604	1 030	1 079	911	1 039	1 039	68.8%
Interest, dividends and rent on land	133	31	102	2	155	-	104	104	27.7%
Total expenses	81 931	82 901	87 149	84 226	86 306	91 593	88 694	88 694	101.0%
Surplus/(Deficit)	-	(890)	-	2 691	-	(2 984)	-	-	-
Statement of financial position									
Carrying value of assets	5 807	2 518	7 284	2 434	2 562	1 693	2 362	2 362	50.0%
of which:									
Acquisition of assets	(2 107)	(851)	(2 233)	(960)	(2 526)	(173)	(203)	(203)	30.9%
Inventory	126	71	39	90	37	104	35	35	126.6%
Receivables and prepayments	260	776	743	339	567	761	431	431	115.3%
Cash and cash equivalents	12 627	30 614	32 483	32 578	30 956	34 839	28 790	28 790	120.9%
Total assets	18 820	33 979	40 549	35 441	34 122	37 397	31 618	31 618	110.7%
Accumulated surplus/(deficit)	18 334	21 358	24 694	24 069	21 358	21 085	21 358	21 358	102.5%
Capital and reserves	(12 203)	-	-	-	-	-	-	-	-
Capital reserve fund	-	-	-	-	-	3 718	-	-	-
Finance lease	1 297	47	1 667	-	1 361	-	660	660	14.2%
Trade and other payables	6 545	4 329	6 866	3 530	3 980	3 685	3 481	3 481	72.0%
Provisions	4 847	8 245	7 322	7 842	7 423	8 909	6 119	6 119	121.0%
Total equity and liabilities	18 820	33 979	40 549	35 441	34 122	37 397	31 618	31 618	110.7%

Statements of estimates of financial performance and position

Table 25.32 International Trade Administration Commission of South Africa statements of estimates of financial performance and position

Statement of financial performance									
R thousand	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
				2016/17	2013/14 - 2016/17	2017/18			2018/19
Revenue									
Non-tax revenue	1 693	-8.9%	2.3%	1 778	1 867	1 972	5.2%	1.8%	
Other non-tax revenue	1 693	-8.9%	2.3%	1 778	1 867	1 972	5.2%	1.8%	
Transfers received	87 001	2.9%	97.7%	99 065	104 811	110 680	8.4%	98.2%	
Total revenue	88 694	2.6%	100.0%	100 843	106 678	112 652	8.3%	100.0%	
Expenses									
Current expenses	88 694	2.3%	100.0%	100 843	106 678	112 652	8.3%	118.6%	
Compensation of employees	76 703	7.9%	79.5%	78 642	83 299	87 964	4.7%	80.2%	
Goods and services	10 848	-19.4%	19.3%	20 896	22 010	23 243	28.9%	18.6%	
Depreciation	1 039	0.7%	1.2%	1 196	1 255	1 325	8.5%	1.2%	
Interest, dividends and rent on land	104	49.7%	-	109	114	120	5.0%	0.1%	
Total expenses	88 694	2.3%	100.0%	100 843	106 678	112 652	8.3%	100.0%	
Surplus/(Deficit)	-	(1)	-	-	-	-	-	-	

Table 25.32 International Trade Administration Commission of South Africa statements of estimates of financial performance and position

Statement of financial position	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2016/17	2013/14 - 2016/17	2017/18		
R thousand								
Carrying value of assets of which:	2 362	-2.1%	6.6%	1 990	2 310	2 439	1.1%	7.0%
Acquisition of assets	(203)	-38.0%	-1.6%	(1 838)	(525)	(554)	39.7%	-2.4%
Inventory	35	-21.0%	0.2%	46	51	54	15.6%	0.1%
Receivables and prepayments	431	-17.8%	1.7%	332	290	306	-10.8%	1.0%
Cash and cash equivalents	28 790	-2.0%	91.6%	30 230	29 323	30 965	2.5%	91.8%
Total assets	31 618	-2.4%	100.0%	32 598	31 974	33 764	2.2%	100.0%
Accumulated surplus/(deficit)	21 358	-	63.7%	21 358	21 358	22 553	1.8%	66.7%
Finance lease	660	141.3%	0.6%	131	-	-	-100.0%	0.6%
Trade and other payables	3 481	-7.0%	10.9%	3 700	3 885	4 103	5.6%	11.7%
Provisions	6 119	-9.5%	22.4%	7 409	6 731	7 108	5.1%	21.0%
Total equity and liabilities	31 618	-2.4%	100.0%	32 598	31 974	33 764	2.2%	100.0%

Personnel information

Table 25.33 International Trade Administration Commission of South Africa personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017			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 (%)	Average: Salary level/Total (%)			
			2015/16		2016/17		2017/18		2018/19		2019/20		2016/17 - 2019/20						
International Trade Administration Commission of South Africa			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	131	131	130	71.4	0.5	124	76.7	0.6	130	78.6	0.6	130	83.3	0.6	130	88.0	0.7	4.7%	100.0%
1 – 6	19	19	16	2.8	0.2	18	3.9	0.2	16	3.2	0.2	16	3.4	0.2	16	3.5	0.2	-3.1%	12.9%
7 – 10	65	65	64	28.7	0.4	60	30.9	0.5	64	32.1	0.5	64	34.1	0.5	64	36.0	0.6	5.2%	49.0%
11 – 12	32	32	34	23.1	0.7	31	25.7	0.8	34	27.0	0.8	34	28.5	0.8	34	28.5	0.8	3.5%	25.9%
13 – 16	15	15	16	16.7	1.0	15	16.2	1.1	16	17.8	1.1	16	18.9	1.2	16	19.9	1.2	7.1%	12.3%

1. Rand million.

Small Enterprise Finance Agency

Mandate

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

Selected performance indicators

Table 25.34 Small Enterprise Finance Agency performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Value of finance approved for direct lending per year	Administration	Outcome 4: Decent employment through inclusive growth	R367m	R485m	R407m	R229m	R628m	R677m	R732
Value of finance disbursed for direct lending per year	Administration		R261m	R388m	R393m	R212m	R596m	R644m	R695
Number of small, medium and micro enterprises financed in direct lending per year	Administration		209	1 212	275	163	774	928	1 114
Number of jobs created through direct lending from the agency per year	Administration		2 459	5 604	6 119	817	3 870	4 640	5 221
Value of finance approved for wholesale lending per year	Administration		R532m	R283m	R575m	R246m	R400m	R472m	R596m
Value of finance disbursed for wholesale lending per year	Administration		R226m	R181m	R507m	R164m	R236m	R279m	R329m
Number of small, medium and micro enterprises financed in the wholesale sector per year	Administration		608	406	962	216	176	208	265
Number of jobs financed in wholesale sector per year	Administration		3 184	852	1 1207	1 190	1 133	1 436	1 498
Value of finance approved for micro-finance lending per year	Administration		R167m	R120m	R164m	R97m	R110m	R131m	R154m

Table 25.34 Small Enterprise Finance Agency performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Value of finance disbursed for micro-finance lending per year	Administration	Outcome 4: Decent employment through inclusive growth	R62m	R54m	R238m	R213	R63m	R74m	R87m
Number of small, medium and micro enterprises financed in the micro-finance lending sector per year	Administration		45 590	36 000	52 000	46 200	39 690	41 675	43 758
Number of jobs financed in the micro-finance lending sector per year	Administration		40 759	50 400	60 521	69 300	55 566	58 344	61 262

Expenditure analysis

Over the MTEF period, the Small Enterprise Finance Agency will focus on being a catalyst for the sustainable development of small, medium and micro enterprises, and cooperatives. The agency aims to achieve this by increasing the provision of wholesale and retail finance to these businesses, and increasing their access to finance through working in partnership with stakeholders. This is in line with outcome 4 (decent employment through inclusive growth) of government's 2014-2019 medium-term strategic framework, in recognition of the NDP's vision of small enterprises being key to contributing towards the creation of jobs and economic development.

The agency plans to increase direct lending approvals from R229 million in 2016/17 to R732 million by 2019/20, wholesale lending approvals from R246 million in 2016/17 to R596 million by 2019/20, and disbursements from R164 million in 2016/17 to R329 million by 2019/20. This is intended to create 13 731 jobs through direct lending approvals and 4 067 jobs through wholesale lending approvals by 2019/20. The agency expects also to finance 2 816 small, medium and micro enterprises through direct lending and 649 through wholesale lending by 2019/18.

The agency further intends to increase automation and develop efficient business processes, as well as increase partnerships with stakeholders including other development finance institutions, and institutions that provide non-financial and mentoring support throughout the lifecycle of funding approvals. Expenditure for these initiatives amount to R38 million over the medium term, the equivalent of 6 per cent of the agency's total expenditure. Spending on goods and services accounts for 57.1 per cent, or R1.2 billion, of total expenditure over the medium term. This is largely because of loan financing provided to clients, consulting fees, capital expenses and marketing costs, which are required to drive the agency's strategic objectives.

The agency receives 48.9 per cent of its revenue through transfers from the Economic Development Department. It generates the balance from interest and fee income, and property and rentals. Over the medium term, total revenue is expected to increase at an average annual rate of 7.9 per cent.

Programmes/objectives/activities

Table 25.35 Small Enterprise Finance Agency expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome				Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administration	386 143	550 378	703 757	479 118	7.5%	100.0%	638 857	695 560	723 617	14.7%	100.0%	
Total	386 143	550 378	703 757	479 118	7.5%	100.0%	638 857	695 560	723 617	14.7%	100.0%	

Statements of historical financial performance and position

Table 25.36 Small Enterprise Finance Agency statements of historical financial performance and position

Statement of financial performance									
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17
Revenue									
Non-tax revenue	28 678	160 613	133 878	167 712	206 591	278 151	209 305	214 784	142.0%
Sale of goods and services other than capital assets	721	51 149	105 981	50 923	60 134	42 507	60 496	49 447	85.3%
<i>of which:</i>									
Administrative fees	721	14 978	61 372	17 439	27 082	12 927	12 544	13 017	57.4%
Sales by market establishment	–	36 171	44 609	33 484	33 052	29 580	47 952	36 430	108.0%
Other non-tax revenue	27 958	109 464	27 897	116 789	146 457	235 644	148 809	165 337	178.6%
Transfers received	178 274	15 947	242 604	–	407 103	–	213 124	213 124	22.0%
Total revenue	206 952	209 928	376 482	198 947	613 694	325 324	422 429	427 908	71.8%
Expenses									
Current expenses	211 373	382 526	343 783	504 216	572 390	703 757	581 523	479 118	121.1%
Compensation of employees	82 140	99 774	129 471	122 303	166 935	155 802	207 012	193 627	97.6%
Goods and services	125 560	278 266	209 288	354 434	399 609	513 647	337 445	248 425	130.1%
Depreciation	3 672	4 486	5 024	5 024	5 846	4 557	5 111	5 111	97.6%
Interest, dividends and rent on land	–	–	–	22 455	–	29 751	31 955	31 955	263.4%
Transfers and subsidies	33 514	3 617	16 500	16 500	–	–	–	–	40.2%
Total expenses	244 887	386 143	360 283	550 378	572 390	703 757	581 523	479 118	120.5%
Surplus/(Deficit)	(37 935)	(176 215)	16 199	(351 431)	41 304	(378 433)	(159 094)	(51 210)	–
Statement of financial position									
Carrying value of assets	187 510	171 392	175 371	163 303	139 059	204 288	139 146	142 962	106.4%
<i>of which:</i>									
Acquisition of assets	(4 483)	(2 563)	(3 983)	(4 443)	(7 939)	(3 738)	(4 831)	(4 831)	73.3%
Investments	162 335	792 980	211 080	859 693	360 976	932 528	347 358	344 299	270.8%
Loans	1 268 723	479 363	864 275	652 772	881 180	562 349	500 184	686 447	67.7%
Receivables and prepayments	19 236	30 902	38 798	34 586	81 223	36 657	326 128	26 971	27.7%
Cash and cash equivalents	419 966	715 208	296 651	534 199	328 937	551 667	294 805	326 677	158.7%
Non-current assets held for sale	–	25 567	–	17 420	–	13 621	17 420	8 710	375.0%
Taxation	–	11 782	98 498	130 990	7 915	–	1 236	1 370	133.9%
Total assets	2 057 770	2 227 194	1 684 673	2 392 963	1 799 290	2 301 110	1 626 277	1 537 436	118.0%
Accumulated surplus/(deficit)	327 889	–	–	–	–	–	–	(495 542)	-151.1%
Capital and reserves	339 660	585 020	(107 612)	1 378 374	1 000 847	1 400 676	1 241 381	1 239 406	186.1%
Capital reserve fund	774 462	308 300	308 300	308 300	308 300	308 300	308 300	308 300	72.6%
Borrowings	535 928	1 175 521	1 420 361	399 628	399 628	429 379	–	399 631	102.0%
Trade and other payables	20 855	135 092	31 515	133 761	71 685	131 174	60 951	19 609	226.8%
Taxation	–	11 704	–	160 333	–	21 615	–	–	–
Provisions	–	6 698	21 038	7 318	10 875	7 101	9 002	47 098	166.7%
Managed funds (e.g. poverty alleviation fund)	12 462	–	–	–	–	–	–	18 934	151.9%
Derivatives financial instruments	39 518	4 859	11 071	5 249	7 955	2 865	6 643	–	19.9%
Total equity and liabilities	2 050 774	2 227 194	1 684 673	2 392 963	1 799 290	2 301 110	1 626 277	1 537 436	118.1%

Statements of estimates of financial performance and position

Table 25.37 Small Enterprise Finance Agency statements of estimates of financial performance and position

Statement of financial performance								
R thousand	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Revenue								
Non-tax revenue	214 784	10.2%	74.1%	221 810	245 433	288 003	10.3%	51.1%
Sale of goods and services other than capital assets	49 447	-1.1%	18.6%	55 223	69 995	82 329	18.5%	13.4%
<i>of which:</i>								
Administrative fees	13 017	-4.6%	5.7%	16 436	26 193	33 486	37.0%	4.6%
Sales by market establishment	36 430	0.2%	12.9%	38 787	43 802	48 843	10.3%	8.8%
Other non-tax revenue	165 337	14.7%	55.5%	166 587	175 438	205 674	7.5%	37.7%
Transfers received	213 124	137.3%	14.4%	223 780	236 759	250 018	5.5%	48.9%
Total revenue	427 908	26.8%	100.0%	445 590	482 192	538 021	7.9%	100.0%

Table 25.37 Small Enterprise Finance Agency statements of estimates of financial performance and position

Statement of financial performance		Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Revised estimate	2013/14 - 2016/17			2017/18	2018/19	2019/20		
R thousand	2016/17							
Expenses								
Current expenses	479 118	7.8%	97.7%	638 857	695 560	723 617	14.7%	134.0%
Compensation of employees	193 627	24.7%	27.7%	224 579	241 568	259 394	10.2%	36.5%
Goods and services	248 425	-3.7%	65.3%	376 830	413 628	421 113	19.2%	57.1%
Depreciation	5 111	4.4%	0.9%	3 114	3 475	3 476	-12.1%	0.6%
Interest, dividends and rent on land	31 955	-	3.7%	34 334	36 889	39 634	7.4%	5.7%
Total expenses	479 118	7.5%	100.0%	638 857	695 560	723 617	14.7%	100.0%
Surplus/(Deficit)	(51 210)	-	-	(193 267)	(213 368)	(185 596)	53.6%	-
Statement of financial position								
Carrying value of assets	142 962	-5.9%	8.2%	23 290	20 043	16 804	-51.0%	3.2%
of which:								
Acquisition of assets	(4 831)	23.5%	-0.2%	(9 320)	-	-	-100.0%	-0.2%
Investments	344 299	-24.3%	33.6%	423 980	443 979	443 979	8.8%	25.1%
Loans	686 447	12.7%	29.5%	670 854	976 327	1 311 131	24.1%	53.9%
Receivables and prepayments	26 971	-4.4%	1.5%	19 971	19 958	16 301	-15.5%	1.3%
Cash and cash equivalents	326 677	-23.0%	24.9%	126 272	-	-	-100.0%	7.5%
Non-current assets held for sale	8 710	-30.2%	0.8%	203 117	194 407	194 407	181.6%	9.0%
Taxation	1 370	-51.2%	1.5%	754	754	754	-18.0%	0.1%
Total assets	1 537 436	-11.6%	100.0%	1 468 238	1 655 468	1 983 376	8.9%	100.0%
Accumulated surplus/(deficit)	(495 542)	-	-8.1%	(650 705)	(821 883)	(1 187 175)	33.8%	-46.5%
Capital and reserves	1 239 406	28.4%	56.3%	1 168 701	1 131 482	1 316 796	2.0%	73.7%
Capital reserve fund	308 300	-	15.0%	308 300	308 300	308 300	-	18.8%
Borrowings	399 631	-30.2%	28.5%	495 659	873 573	1 364 340	50.6%	45.3%
Trade and other payables	19 609	-47.4%	4.7%	50 958	52 199	53 439	39.7%	2.6%
Provisions	47 098	91.6%	1.0%	75 594	92 066	107 945	31.8%	4.8%
Managed funds (e.g. poverty alleviation fund)	18 934	-	0.3%	19 731	19 731	19 731	1.4%	1.2%
Total equity and liabilities	1 537 436	-11.6%	100.0%	1 468 238	1 655 468	1 983 376	8.9%	100.0%

Personnel information

Table 25.38 Small Enterprise Finance Agency personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		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 (%)	Average: Salary level/Total (%)				
		2015/16		2016/17		2017/18		2018/19		2019/20									
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Small Enterprise Finance Agency																			
Salary level	266	281	224	155.8	0.7	266	193.6	0.7	266	224.6	0.8	266	241.6	0.9	266	259.4	1.0	10.2%	100.0%
1 - 6	20	21	4	1.5	0.4	20	3.3	0.2	20	4.6	0.2	20	4.9	0.2	20	5.3	0.3	16.7%	7.5%
7 - 10	124	132	122	51.6	0.4	124	54.5	0.4	124	65.6	0.5	124	70.5	0.6	124	75.7	0.6	11.6%	46.6%
11 - 12	91	97	76	71.7	0.9	91	86.1	0.9	91	100.2	1.1	91	107.3	1.2	91	115.2	1.3	10.2%	34.2%
13 - 16	30	30	21	28.1	1.3	30	46.3	1.5	30	50.6	1.7	30	55.0	1.8	30	59.0	2.0	8.4%	11.3%
17 - 22	1	1	1	3.0	3.0	1	3.4	3.4	1	3.6	3.6	1	3.9	3.9	1	4.2	4.2	7.0%	0.4%

1. Rand million.

BUDGET 2017

ESTIMATES OF NATIONAL EXPENDITURE

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national treasury

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National Treasury
REPUBLIC OF SOUTH AFRICA

