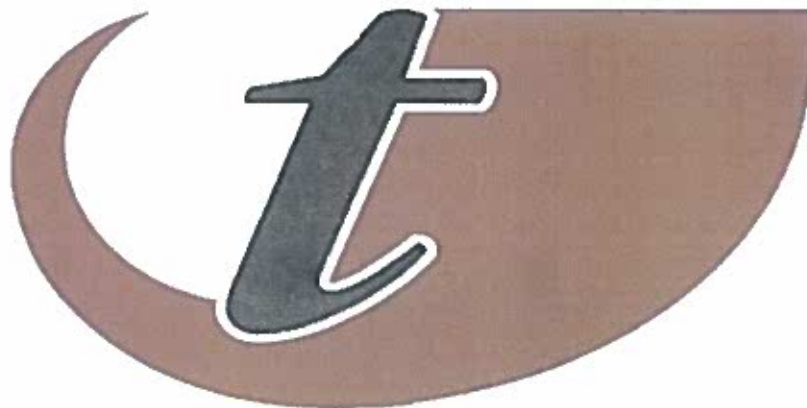


2015



***competition*tribunal**
south africa

**ANNUAL PERFORMANCE PLAN FOR
THE YEARS 2015 – 2016**

Foreword

The Competition Tribunal is one of three institutions established to regulate competition in the South African economy, namely the Competition Commission, the Competition Tribunal and the Competition Appeal Court. The Tribunal, in particular, is responsible for adjudicating on exemption applications, mergers and acquisitions as well as restrictive practices by companies.

The Economic Development Department (EDD) recognises that, as an adjudicator, the Tribunal's agenda is largely driven by the cases brought to it by the Competition Commission making both its strategic outlook and annual planning subject to some unpredictable elements. Nevertheless, just as the Tribunal has aligned its strategic priorities with those of the EDD in its five-year Strategic Plan, it has also aligned its annual priorities with those of the EDD in its Annual Performance Plan outlined below. These include the promotion of competition, smart economic regulation and the coordination of job drivers.

I note with approval that the Tribunal has revised its objectives to include a number of new indicators and targets that deal specifically with accountability and transparency. This will ensure that while pursuing objectives related to its legislated mandate the Tribunal is simultaneously striving to be a public entity that can demonstrate it adheres to good corporate governance and sound business practice that in turn contributes to effective strategic leadership, administration and management.

I endorse the Competition Tribunal's Annual Performance Plan and will provide the Tribunal with my support to ensure the implementation thereof



Ebrahim Patel
Minister of Economic Development
Executive Authority of the Competition Tribunal

Official sign-off

It is hereby certified that this Annual Performance Plan of the Competition Tribunal for the period 2015 – 2016 was:

- i) Developed by the management of the Competition Tribunal under the guidance of the Accounting Authority - Mr. Norman Manoim (the accounting authority).
- ii) Prepared in line with the Competition Tribunal's Strategic Plan for the five year period 2015/2016 – 2019/2020.
- iii) Accurately reflects the performance targets the Competition Tribunal will endeavour to achieve over the period 2015 – 2016.

Janeen de Klerk
Chief Operating Officer – Competition Tribunal

Signature:  _____

Date:  _____

Norman Manoim
Chairperson – Competition Tribunal

Signature:  _____

Date:  _____

Ebrahim Patel
Executive Authority - Economic Development Department

Signature:  _____

Date:  _____

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Part A: Strategic Overview

1. Updated Situational Analysis

As 2015/2016 is the first year of the current five year planning period (2015/2016 – 2019/2020) reference should be made to the strategic plan which describes a detailed description of the current situational analysis, including the performance environment and the organisational environment.

Subsequent versions of the Annual Performance Plan will provide any relevant updated information pertaining to these areas.

2. Revisions to legislative and other mandates

At present the legislative framework in terms of which the Competition Tribunal (hereinafter referred to as the Tribunal) operates remains unchanged. A recent proclamation bringing into operation certain provisions of the Competition Amendment Act, Act 1 of 2009, provides for market enquiries, however this affects the Competition Commission (hereinafter referred to as the Commission), which is responsible for running these enquiries. The Tribunal is not affected as its only function in relation to these enquiries is to adjudicate on claims for confidential information.

3. Overview of 2015/2016 budget and MTEF estimates

3.1. MTEF Estimates

The Tribunal's budget (inclusive of capital expenditure) over the MTEF period (2015/2016 – 2017/2018) is estimated to be R 139.67m. It is expected that the budget can be funded as follows:

- i) Economic Development Department (EDD) grant funding of R 60.43m for three years.
- ii) Expected filing fee revenue of R 37.09m (assuming continued merger activity).
- iii) Expected accumulated surpluses as at March 2015 of R9.89m.

The anticipated income reflected above is not sufficient to cover the budgeted expenditure and the Tribunal therefore in July 2014 made a separate submission to EDD and National Treasury for additional funding of R32.34m for this period.

R 20.62 m of this shortfall is the result of two recent developments that could not have been foreseen at the time of an earlier MTEF submission (December 2013/January 2014). These developments are as follows;

- a. the appointment of an additional full-time Tribunal member by the Minister in August 2014. The salary for this member was not provided for in the prior submission. The effect of this appointment over the MTEF period is an increase in the budget of R 6 .01m.
- b. in the course of this year the Tribunal was advised by the dti that the facility fee paid to them for occupying space on the campus would escalate significantly from

2015/2016 onwards. Before the Tribunal was advised of the increase for the 2015/2016 year it estimated that this fee would be R 2.23m, however based on the escalated per square metre fee it estimates the fee to be R 6.85m - which represents an increase of 207% on the original budgeted figure. Over the MTEF period the total effect of this escalated facility fee is R 14.61m

The remaining R 11.72 m (an average of R 3.91m per annum) relates to other operational expenses.

In November 2014 we were advised by National Treasury of the grants we would receive over the MTEF period. This amount had been escalated on a straight line basis from the prior MTEF period and fell short of the increased grants we had requested in prior business plans. We prepared our next budget for the MTEF period budgeting for a deficit in the final two years of the period. We did so on the understanding that we would make submissions for an increase in our budget for the two final years of the present MTEF period. It is permissible, in terms of Section 53 (3) of the Public Finance Management Act (Act No.1 of 1999 amended by Act No 29 of 1999) to budget for such a deficit with the consent of Treasury.

However in December 2014 we were informed by the EDD and National Treasury that our request to budget for a deficit had been refused. In compliance with this the Tribunal undertook a review of the budget to eliminate the deficit. The budget was decreased as follows:

- 2015 – by R 9.87m
- 2016 – by 10.92m
- 2016 – by R 11.58m

It is critical to note that the budget drawn to eliminate the funding deficit is R 1.85 m less than the current 2014/2015 budget of R 36.63m.

The only way in which the Tribunal could achieve this decrease over the three year period was to do the following:

- 1) R 15.79 m reduction achieved by reducing the budget for the facility fee (office rental) payable to the dti from the proposed escalated rate to the current rate plus an inflation-related adjustment.
- 2) R 11.35 m reduction has been achieved by a reduction in personnel costs through applying the following:
 - No cost of living adjustments for all senior and executive staff and Tribunal members in 2015/2016 and in the two outer years of the MTEF cost of living adjustments for all staff are set at 4.5% for 2015/2016, 5.5% for 2016/2017 and 5% for 2017/2018. A rate below the expected rate of inflation thus indicating reduced real rates of remuneration;
 - The salaries of two full-time Tribunal members have been reduced to 50% in one instance and 33% in another thus effectively making them part-time; and
 - Reduction in the budget for performance bonuses.

- 3) A 48% reduction in the training budget.
- 4) All travel related to overseas conferences/workshops has been reduced to economy class for all personnel irrespective of their status. In addition we have removed the budget for a study visit by the Registrar and COO to the offices of three international competition authorities.
- 5) R 1.26m reduction in the budget for professional services, travel, administrative, IT and capital expenditure. There is little room for further reduction in these line items as they relate to essential operational services or required compliance (e.g. internal/external audit, audit committee meetings).

The Tribunal is a small organisation and operates on a small budget and as we have always adopted a “no frills” approach it is difficult to reduce the budget without compromising the efficiency of the organisation. Unfortunately reducing the budget to avoid the deficit will have just this effect and while they may be effective in reducing the deficit they will impact significantly on the Tribunal’s work and staff morale.

If the dti proceeds to implement the proposed facility fee the implication is that we will no longer be able to afford to be accommodated on this campus.

If the personnel cost reductions are implemented then we face two consequences. Full time administrative staff will be extremely dissatisfied particularly if increases are below those paid generally in the public sector. The Tribunal has traditionally followed the public sector cost of living increases and applied them to its staff. Changes to these long standing practices may also have Labour Law consequences.

The second consequence is a reduction in absolute capacity. If the capacity of two of the full-time members is reduced; respectively by a third and one half, this would amount to making them part-time members, seriously degrading the capacity of the Tribunal to perform its core function at a time when demands on this function are continually increasing, not decreasing. Further there is a legal problem. The Act does not allow for a change in conditions of employment of Tribunal members during the period of their appointment. All the four full time members’ appointments coincide with the present MTEF period.

In order to avoid such negative consequences, it is critical that the Tribunal continue to meet with National Treasury and the EDD to resolve the funding issue as soon as possible.

The table on the next page reflects the revised MTEF submission. It must be noted that this budget is 76.81% of the budget we originally indicated we would require to operate effectively. The original unadjusted budget is contained in our strategic plan for the five year period.

	2015/2016 (R' m)	2016/2017 (R' m)	2017/2018 (R' m)
Total planned expenditure (inclusive of capital)	34.77	35.42	37.09
Fee income and interest	11.84	12.50	12.75
Voted funds	19.10	20.12	21.21
Total expected revenue	30.94	32.62	38.87
Net Deficit/Surplus	3.83	2.80	3.22
Accumulated surpluses	3.83	2.80	3.22
Extra funding required	0.00	0.00	0.00

In addition it must be noted that the Tribunal has indicated to National Treasury and the EDD that for the MTEF period from 2018/2019 onwards grants in excess of R 49.00 m will be required.

This is discussed in detail in the Strategic Plan submitted together with this APP.

Without these funds the Tribunal will not be in a position to fully deliver on its mandate and runs the risk of not being regarded as a going concern.

Annexure B contains a summarized version of the Tribunal's budgetary requirements over the five-year planning period. Notwithstanding the adjustments reflected above, the budget for 2016/2017 to 2017/2018 has been drawn based on the consumer price index (CPI) of 5.5 % in 2016/2017 and 5.0% from 2017/2018 to 2019/2020.

3.2 Expenditure Estimates

A detailed one-year budget for the 2015/2016 year is included in Annexure C.

As stated in the Strategic Plan the Tribunal is an adjudicative body and hence reactive in terms of the cases brought before it. It is therefore difficult to accurately predict the number of cases to be heard annually. This means that budgeting accurately becomes difficult as many of the line items are based on an estimated number of cases to be heard in that year. In addition the Tribunal makes a large provision for legal fees, as it is possible that particular cases may require the Tribunal to seek legal opinion.

Both these factors mean that variances in actual expenditure as opposed to budgeted expenditure do arise.

Assumptions, apart from the reductions referred to earlier, made in drafting the Tribunal's annual budget include:

- i) The appointment of staff in line with the outcomes of the Tribunal's organisational assessment completed in 2012/2013 with the exception of two positions - a document and knowledge manager and an additional registry clerk.

- ii) 308 days spent in hearings, preparations and decision writing by part-time Tribunal members for the year.
- iii) The daily fee payable to part-time Tribunal members for attendance at hearings/preparation and decision writing is estimated to be R 8 000.00 per day.
- iv) All other costs associated with holding hearings are based on the estimate in (iii) above.
- v) Eight international conferences/workshops/seminars attended by six Tribunal members and staff.
- vi) Attendance by one full-time Tribunal member at two Organisation for Economic Co-operation and Development (OECD) Competition Committee meetings.
- vii) Attendance by three executive members at four portfolio committee meetings.
- viii) Specific IT requirements year on year – inclusive of hardware and software support.

The table on the next page illustrates the Tribunal’s budget allocation across the various expenditure categories for both the current and the next financial year.

CATEGORY	2015/2016	2014/2015
PERSONNEL	54.44%	53.97%
PT TRIBUNAL MEMBERS	8.70%	8.46%
TRAINING	2.33%	3.10%
CONFERENCE/SEMINARS	1.24%	1.36%
SHARED SERVICES	1.68%	1.53%
FACILITY FEE	5.39%	5.77%
CONSULTING	0.75%	2.35%
LEGAL FEES	0.00%	0.41%
TRANSCRIPTION SERVICES	2.07%	1.81%
AUDIT EXPENSES	4.89%	4.35%
RECRUIT COSTS	0.00%	0.30%
ADMIN EXPENSES	4.91%	4.58%
DEPRECIATION	3.28%	3.20%
OTHER IT EXPENSES	4.85%	3.69%
REPAIRS/MAINTENANCE	0.13%	0.09%
CAPITAL EXPENDITURE	3.91%	3.55%
APPEAL COURT	1.44%	1.48%
GRAND TOTAL	100.00%	100%

63.14 % of the Tribunal’s current budget will be spent on personnel expenses (including the fees paid to the part-time Tribunal members).

“Shared service fee” refers to the payments made to the Competition Commission for shared services (in terms of a Memorandum of Agreement (MOA)) while “facility fee” refers to the fee the Tribunal is required to pay the dti (through the Commission) for occupying space on the campus.

These two figures, together, account for 7.06 % of the budget. Costs associated with audits (internal, external audit fees and audit committee expenses) account for 4.89% of the budget while administrative expenses account for 4.91% of the budgeted expenditure.

The Tribunal, in drawing the budget, has attempted to rationalise spending as far as possible, given the limited scope its activities provide for cost cutting exercises. The Tribunal has kept the number of overseas trips undertaken by Tribunal members and staff to a maximum of eight per annum and in addition have budgeted all travel at economy class as opposed to business class tickets.

As indicated in the Strategic Plan, the Tribunal receives a portion of the filing fees paid to the Commission for the filing of merger applications. For the 2015/2016 financial year this is estimated at R 10.67 m.

These fees, together with the MTEF allocation of R 19.10 m for the 2015/2016 financial year, are not sufficient funding to cover the Tribunal’s expected expenditure of R 44.65 m (inclusive of capital expenditure). The Tribunal has estimated that it will use approximately R 3.83 m in accumulated surpluses to cover this shortfall.

3.3 Relating Expenditure Estimates to Strategic Outcome Goals

The Tribunal, being an adjudicative body that responds to matters brought before it, is not project or programme driven and for this reason the budget is primarily an operational/administrative budget.

Prior to the submission of the Strategic Plan and the Annual Performance Plan the Tribunal undertook a review of its strategic outcomes and goals. While the strategic outcomes related to its mandate and core business remain unchanged it unpacks the operational and administrative aspects of its activities to include objectives related to oversight and financial management.

The three strategic objective outcome (SOO) goals identified by the Tribunal are detailed in the table below. In addition strategic objectives, indicators and targets associated with each SOO are reflected in detail in Annexure F of the Strategic Plan for the five year period, in Annexure D of this document for the MTEF period and in Annexure E for the 2015/2016 financial year. In addition the Tribunal has reassessed all its targets based on average baseline performance over the last three years

SOO Goal 1	Adjudicative Excellence
Goal Statement	To ensure effective and efficient adjudication on matters brought before the Tribunal.
SOO Goal 2	Stakeholder Relationships
Goal Statement	To build and develop effective stakeholder relationships.
SOO Goal 3	Accountable, Transparent and Sustainable Entity
Goal Statement	To ensure effective leadership, transparency and accountability in the Tribunal through capacity building, effective reporting, policy management and financial compliance.

It is difficult to allocate the Tribunal’s entire budget across the three SOO Goals identified in the Tribunal’s strategic plan, however, the Tribunal has managed to allocate 71.66% of the annual budget across the three strategic objective outcomes as illustrated in the table on the next page:

Strategic Outcome Objective Goal	Budget	% of budget
To ensure effective and efficient adjudication on matters brought before the Tribunal	R 18 025 436.38	51.83%
To build and develop effective stakeholder relationships.	827 782.44	2.38%
To ensure effective leadership, transparency and accountability in the Tribunal through capacity building, effective reporting, policy management and financial compliance.	R 6 505 938.36	18.71%

The remainder of the budget is distributed as follows:

- Administrative costs – 18.45%
- Depreciation – 3.28%
- Capital expenditure – 3.91%
- Appeal Court costs – 1.44%

Annexure F reflects the allocation of the Tribunal's actual (2012/2013 – 2013/2014), predicted (2014/2015) and budgeted expenditure (2015/2016 – 2017/2018) between the original three Strategic Objective Outcomes, administrative expenses and the Competition Appeal Court as included in the MTEF submitted in July 2014. While restating the Tribunal's SOO and objectives did not have an effect on expenditure estimates, some adjustments will need to be made in a later submission to reflect future expenditure against the restated objectives.

3.4 The Competition Appeal Court

The *Competition Act* (1998) set up a triad of institutions (the Commission, the Tribunal and the Competition Appeal Court (CAC)) with exclusive jurisdiction over competition matters (that is, chapters 2 and 3 of the Act).

The CAC is a specialised division of the High Court comprising at least 3 Judges, each of whom must be a Judge of the High Court. The CAC may review, or consider an appeal arising from, any Tribunal decision.

CAC Judges are appointed by the President, on the advice of the Judicial Services Commission. The tenure of office, remuneration and terms and conditions of service of a Judge of the High Court is not affected by his/her appointment to the CAC.

The Registrar of the Tribunal (and CAC) liaises with the Judicial Services Commission over the appointment of CAC Judges and is responsible for the training of the Judges. The Tribunal secretariat provides the registry function for the CAC and the registrar of the Tribunal acts as the Registrar of the CAC.

At present the Tribunal includes the Appeal Court as a line item in its budget and is responsible for the financing of all aspects of the Appeal Court except for personnel expenses.

As is the case with the Tribunal it is difficult to predict the number of appeals that may be lodged against Tribunal decisions and as a result budgeting becomes difficult and variances do occur.

The budget for 1st April 2015 - 31st March 2016 is estimated at R 499 290.55 and is reflected in the table on the next page.

Category	2015/2016 Budget
Local Travel	31.20%
Administrative costs	11.50%
Conferences attendance and overseas Travel	45.30%
High Court meetings/training	12.00%
Total	100.00%

The Superior Courts Act has been promulgated and the Competition Appeal Court has been incorporated into this statute. As a result of this it may be possible going forward that the Tribunal will no longer be responsible for the Appeal Court budget, but until then the Tribunal continues to provide administrative and financial support to the Court.

3.5 Materiality Framework

Annexure G reflects the Tribunal's materiality framework for the period 1st April 2015 – 31st March 2016.

The Tribunal is not capital intensive and revenue generated from filing fees and total expenses (exclusive of capital expenditure) are identified as being the best reflection of the Tribunal's activities and are therefore used as the basis for the calculation of a materiality figure.

The materiality figure of R 444 000.00 is determined by taking the average of 1% of actual revenue and actual expenditure in 2013/2014.

Part B: Organisational Plans

4. Strategic Objectives in the Tribunal

4.1. Strategic objective annual targets for the MTEF period (2015/2016 to 2019/2020)

As indicated earlier in this document and in the Strategic Plan, the Tribunal has identified three SOO Goals. Each of these SOO goals has been further unpacked to reflect one or more strategic objective per SOO goal. Specific outputs, annual performance indicators and annual targets are assigned per objective for each year of the MTEF period. These together with prior performance against common year on year objectives are tabulated in Annexure D.

4.2. Performance Indicators, quarterly and annual targets

Specific outputs, performance indicators and targets have been assigned for the 2015/2016 and are tabulated in Annexure E.

4.3. Reconciling targets with the budget and MTEF

As indicated in Section 3.3 of the APP, the Tribunal has been able to allocate 71.66% against the SOO goals and in addition has been able to determine the direct costs associated with the core business – hearings - and has also been able to allocate a substantial portion of the budget against stated strategic objectives.

The entire 2015/2016 budget can therefore be divided by objective as illustrated in the table on the next page:

Strategic Objective	Link to objective	Budget (R)
Timeous hearings and issuing of judgements (direct hearing costs)	Objective 1. 1 and 1.2	16 072 457.09
Effective business processes	Objective 1.3	1 952 979.29
Stakeholder awareness	Objective 2.1, 2.2 and 2.3	827 782.44
Effective oversight and good governance	Objective 3.1 and 3.2	3 172 747.79
Effective financial management	Objective 3.3	1 744 816.50
Sustainable capacity	Objective 3.4	1 588 374.07
Administration (incl. depreciation)	N/A	7 556 869.41
Capital Expenditure	N/A	1 359 800.00
Competition Appeal Court	N/A	499 290.55
TOTAL BUDGET		34 775 117.27

At present direct hearing costs include the total salaries of the full-time Tribunal members and all case managers/researchers and registry staff despite the fact that they may perform functions that are not specifically case related.

The CMS system currently in operation enables us, to some extent, to determine the ratio between case and non-case related work but will not be entirely accurate. Over time we hope to investigate this issue further thus arriving at a more accurate costing of the Tribunal's core business.

The Tribunal will, on a quarterly basis, report on progress with regard to the achievement of targets and costs associated with pursuing achievement of these targets to the EDD, National Treasury and other stakeholders annually.

Annexure A: ENE Summary – July 2014

Statement of financial performance	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15		2015/16		2016/17		2017/18	
	Approved budget	Audited Outcome	Approved budget	Audited Outcome	Approved budget	Audited Outcome	Budget estimate	Revised estimate	Outcome/Budget Average %	Average growth rate (%)	Expenditure/total: Average (%)	2015/16	2016/17	2017/18		
R thousand																
Revenue																
Tax revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-tax revenue	10 362	11 218	14 688	9 540	15 638	11 861	18 527	17 225	46.9%	15.4%	42.5%	15 673	15 308	15 970		
Sale of goods and services other than capital assets of which:	7 250	10 015	9 075	8 417	9 775	10 856	9 880	9 880	28.8%	-0.5%	34.2%	10 670	11 524	12 446		
Administrative fees	7 250	10 015	9 075	8 417	9 775	10 856	9 880	9 880	28.8%	-0.5%	34.2%	10 670	11 524	12 446		
Sales by market establishment	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Other sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Other non-tax revenue	3 112	1 203	5 613	1 123	5 863	1 005	8 647	7 345	18.1%	82.8%	8.3%	5 003	3 784	3 524		
Transfers received	15 175	15 175	15 600	15 798	16 945	16 945	18 100	18 100	53.1%	6.1%	57.5%	19 102	20 115	21 121		
Total revenue	25 537	26 393	30 288	25 338	32 583	28 806	36 627	35 325	100.0%	10.2%	100.0%	34 775	35 423	37 091		
Expenses																
Current expenses	25 537	23 287	30 288	26 789	32 583	32 485	35 325	34 029	100.0%	13.5%	100.0%	33 416	34 727	36 362		
Compensation of employees	14 781	12 646	18 323	13 710	20 412	16 170	19 768	18 656	59.2%	13.8%	52.5%	18 932	19 870	20 791		
Goods and services	10 267	10 197	11 123	12 524	11 163	15 238	14 386	14 397	38.0%	12.2%	44.9%	13 344	13 755	14 414		
Depreciation	489	444	842	555	1 009	1 077	1 170	975	2.8%	30.0%	2.5%	1 140	1 102	1 157		
Interest, dividends and rent on land	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total expenses	25 537	23 287	30 288	26 789	32 583	32 485	35 325	34 029	100.0%	13.5%	100.0%	33 416	34 727	36 362		
Surplus/(Deficit)	-	3 106	-	(1 452)	-	(3 679)	1 302	1 296	-25.3%			1 359	696	729		

Note: The surplus reflected here is not a surplus but is capital expenditure which is reflected elsewhere in the ENE

Annexure B: Summarised Five Year Budget 2015/2016 – 2019/2020

CATEGORY	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
INCOME						
EDD GRANT REQUIRED	0	0	0	0	27 464 724	28 358 687
COMMITTED EDD GRANT	18 100 000	19 102 000	20 115 000	21 121 000	0	0
FEES RECEIVED	9 879 760	10 670 141	11 523 752	12 445 652	13 067 935	13 721 331
BAL BFWD	7 477 110	3 832 977	2 804 251	3 224 161	0	0
INTEREST RECEIVED	1 170 000	1 170 000	980 000	300 000	0	0
TOTAL INCOME	36 626 870	34 775 118	35 423 003	37 090 813	40 532 659	42 080 018
EXPENDITURE						
PERSONNEL	19 769 155	18 931 979	19 869 569	20 791 170	22 950 754	24 020 549
PT TRIBUNAL MEMBERS	3 097 125	3 025 250	3 146 260	3 272 110	3 402 995	3 539 115
TRAINING	1 136 308	808 531	853 000	895 650	940 433	987 454
CONFERENCES AND SEMINARS	497 689	432 110	180 092	189 097	198 551	208 479
SHARED SERVICE	559 063	583 297	615 378	646 147	678 455	712 377
FACILITY FEE	2 114 881	1 873 249	1 976 278	2 075 092	2 178 846	2 287 789
CONSULTING	859 540	261 432	275 810	289 601	304 081	319 285
LEGAL FEES	150 000	0	0	0	0	0
TRANSCRIPTION FEES	663 076	721 266	760 936	798 983	838 932	880 878
AUDIT EXPENSES	1 594 226	1 701 739	1 795 335	1 885 101	1 979 356	2 078 324
RECRUIT COSTS	108 510	0	0	0	0	0
ADMIN EXPENSES	1 676 155	1 705 882	1 799 706	1 889 691	1 984 175	2 083 384
DEPRECIATION	1 170 416	1 139 697	1 102 381	1 157 500	1 215 375	1 276 143
OTHER IT EXPENDITURE	1 352 194	1 686 292	1 779 038	1 867 990	1 961 389	2 059 459
REPAIRS/MAINTENANCE	34 159	45 302	47 794	50 183	52 692	55 327
TOTAL EXPENDITURE	34 782 499	32 916 027	34 201 576	35 808 315	38 686 035	40 508 564
APPEALS COURT BUDGET	543 271	499 291	526 752	553 090	580 744	609 781
TOTAL AS PER MTEF	35 325 770	33 415 318	34 728 328	36 361 405	39 266 779	41 118 346
CAPITAL EXPENDITURE	1 301 100	1 359 800	694 675	729 409	1 265 879	961 673
GRAND TOTAL	36 626 870	34 775 118	35 423 003	37 090 813	40 532 658	42 080 019
ANTICIPATED SURPLUS/(DEFICIT)	0	0	0	0	0	0

The budget is calculated by taking the 2015/2016 budget and inflating it as follows:

Goods and services inflated by 1.055% in 2016/2017 and then by 1.05% for all subsequent years

Tribunal members and executive staff salaries inflated by 4% for all years

Other personnel costs by 4.5% in 2015/2016 , 5.5% in 2016/2017 and then 5% for all subsequent years

The budget is based on an estimate of filing fees due as given by the CC to the CT for 2015/2016 to 2017/2018

Annexure C: Detailed One Year Budget - 2015/2016

BUDGET ITEM	ACTIVITY	2015/2016 BUDGET	PERCENTAGE
INCOME			
	FEES RECEIVED	10 670 141	30.68%
	EDD GRANT	19 102 000	54.93%
	ADDITIONAL GRANT REQD	0	0.00%
	BAL BFWD	3 832 976	11.02%
	INTEREST RECEIVED	1 170 000	3.36%
TOTAL INCOME		34 775 117	100%
EXPENDITURE			
PERSONNEL	SALARIES & ALLOWANCES	17 306 284	49.77%
	COMPANY CONTRIBUTIONS	755 574	2.17%
	CASUAL LABOUR	3 600	0.01%
	PERFORMANCE BONUS	866 521	2.49%
PT MEMBERS	TRIBUNAL MEMBERS	3 025 250	8.70%
TRAINING	TRAINING LOCAL	118 044	0.34%
	TRAINING OVERSEAS	113 432	0.33%
	OVERSEAS TRAVEL	226 657	0.65%
	HOTEL ACCOMODATION OVERSEAS	100 238	0.29%
	SUBSISTENCE OVERSEAS	82 887	0.24%
	OECD MEETINGS	97 274	
	BURSARIES AND SCHOLARSHIPS	70 000	0.20%
CONFERENCES AND SEMINARS	CONFERENCES/SEMINARS/STUDY VISITS	392 110	1.13%
	STAFF WORKSHOPS	40 000	
SHARED SERVICES	PROF FEES - CC MANAGEMENT FEE	583 297	1.68%
FACILITY FEE/LEASE	PROF FEES - dti	1 873 249	5.39%
LEGAL FEES	LEGAL FEES	0	0.00%
CONSULTING	OTHER	261 432	0.75%
TRANSCRIPTION	RECORDING SERVICES	721 266	2.07%
AUDIT EXPENSES	EXTERNAL FEE	577 796	1.66%
	EXTERNAL AUDIT COMMITTEE AND FPC	445 460	1.28%
	INTERNAL FEE	678 483	1.95%
RECRUIT COSTS	RECRUITMENT FEES	0	0.00%
	STAFF ADVERTISING	0	0.00%
ADMIN EXPENSES	LOCAL TRAVEL	81 500	0.23%
	MILEAGE	70 560	0.20%
	HOTEL ACCOMODATION - LOCAL	42 600	0.12%
	CAR RENTAL	8 400	0.02%

BUDGET ITEM	ACTMITY	2015/2016 BUDGET	PERCENTAGE
ADMIN EXPENSES	PER DIEM ALLOWANCE	6 720	0.02%
	PARKING	72 770	0.21%
	BANK CHARGES	28 958	0.08%
	REFRESHMENTS	127 503	0.37%
	ENTERTAINMENT	4 200	0.01%
	PRINTING AND STATIONERY	220 308	0.63%
	WEBSITE CONSULTING	0	0.00%
	TECHINICAL/SOFTWARE CONSULTING	346 429	1.00%
	ADVERTISING BROCHURES & PAMPHLETS	262 566	0.76%
	PUBLIC RELATIONS	0	0.00%
	NEWSPAPER AND MAGAZINE SUBSCRIPTION	46 769	0.13%
	COURIER SERVICES	34 195	0.10%
	POSTAGE AND STAMPS	1 200	0.00%
	TELEPHONES/TELEFAXES	47 503	0.14%
	CELL PHONES	6 900	0.02%
	INTERNET SERVICES	80 007	0.23%
	EMAIL ARCHIVING	46 993	0.14%
	FIRST AID	360	0.00%
	GIFTS AND FLOWERS	10 317	0.03%
	GENERAL HOUSEKEEPING	600	0.00%
	OFFSITE STORAGE	58 091	0.17%
	INSURANCE	100 434	0.29%
OTHER IT EXPENSES	LEASE- PHOTOCOPIER	144 246	0.41%
	COMPUTER SOFTWARE	546 750	1.57%
	R&M COMPUTERS	995 296	2.86%
REPAIRS/MAINTENANCE	LOOSE TOOLS	20 000	0.06%
	FUEL, R&M MOTOR VECHILES	22 302	0.06%
	REPAIRS & MAINTENANCE	3 000	0.01%
DEPRECIATION	DEPRECIATION	1 139 697	3.28%
CAPITAL EXPENDITURE	COMPUTER EQUIPMENT - COST	759 800	2.18%
	INTANGIBLE ASSETS	575 000	1.65%
	FURNITURE AND FITTINGS - COST	0	0.00%
	MOTOR VECHILE - COST	0	0.00%
	OFFICE EQUIPMENT	25 000	0.07%
TOTAL		34 275 827	98.17%
APPEAL COURT		499 291	1.44%
TOTAL EXPENDITURE		34 775 117	99.61%
SURPLUS/ (DEFICIT)		-	

Annexure D: Audited Actual, Estimated and Medium Term Targets

Goal Statement 1: To ensure effective and efficient adjudication on matters brought before the Tribunal.

Strategic objective statements	Outcome	KPI	Target						
			Audited actual Performance		Estimated Performance 2014/2015	Medium Term Targets			
			2011/2012	2012/2013		2013/2014	2015-2016	2016-2017	2017-2018
1.1 Matters brought before the Tribunal are heard within the adopted delivery time frames	Hearings are set down within required timeframes	% of large mergers to be set down for the beginning of a hearing or a pre-hearing, within 10 days of filing of the Merger Referral	71%	81%	74%	75%	75%	75%	75%
			71%	57%	100%	75%	75%	75%	
1.2 Improvement in the issuing of judgements/decisions in line with adopted timeframes	Expeditious Conclusion of matters	% Large mergers orders issued to parties within 10 business days of last hearing date % Large mergers reasons issued within 20 business days of order being	100%	100%	100%	95%	95%	95%	95%
			100%	100%	100%	70%	70%	70%	

Strategic objective statements	Outcome	KPI	Target														
			Audited actual Performance			Estimated Performance 2014/2015	Medium Term Targets										
			2011/2012	2012/2013	2013/2014		2015-2016	2016-2017	2017-2018								
		issued															
		% Intermediate mergers orders issued to parties within 10 business days of last hearing date	100%	100%	No orders were issued in this period	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
		% Intermediate mergers reasons issued within 20 business days of order being issued	70%	13%	No reasons were issued in this period	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%
		Reasons for Prohibitive Practices Cases issued to parties in accordance with the delivery timeframes per category: A, B or C	New annual target			N/A for this year											
		% Procedural matters orders issued within 20 business days of the last hearing date	74%	89%	83%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%
		% Consent Orders - orders issued within 10 business days of the last hearing date	89%	100%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%

Strategic objective statements	Outcome	KPI	Target						
			Audited actual Performance			Estimated Performance 2014/2015	Medium Term Targets		
			2011/2012	2012/2013	2013/2014		2015-2016	2016-2017	2017-2018
		% Interim Relief reasons issued within 20 business days of last hearing date.	No reasons issued during this period	No reasons issued during this period	0%	100%	100%	100%	100%
1.3 Enhancing record keeping, performance information and case flow management by harnessing facility and functionality of business applications	Improved management information to inform strategic decision making and access to historical data	Enhancement of case management system facility in line with project plan	New annual target			N/A for this year	User Acceptance Testing of Case 360 Phase II development completed by December	Feasibility study of automation opportunities completed by December	Dependent on outcome of feasibility study and associated plans
		Reduced reliance on manual performance reporting by 2020 according to agreed plan	New annual target				Plan and process for reporting enhancement established and signed off by December	25% of plan implemented	50% of plan implemented

Goal Statement 2: To build and develop effective stakeholder relationships.

Strategic objective statements	Outcome	KPI	Target						
			Audited actual Performance			Estimated Performance 2014/2015	Medium Term Targets		
			2011/2012	2012/2013	2013/2014		2015-2016	2016-2017	2017-2018
2.1 Ensure that an integrated Communication plan is developed and implemented	A structured and focussed process to create and enhance awareness of	Communication Plan developed and implemented in line with EXCO requirement and agreed timeframes	New annual target			N/A for this year	Communication plan approved by EXCO by September 2015		Review plan based on performance and achievement and obtain approval by June 2017

Strategic objective statements	Outcome	KPI	Target								
			Audited actual Performance			Estimated Performance 2014/2015	Medium Term Targets				
			2011/2012	2012/2013	2013/2014		2015-2016	2016-2017	2017-2018		
2.2 Ensure communication pertaining to Tribunal's adjudicative process is issued to the stakeholders within adopted delivery timeframes	the work of the Tribunal	Monitored performance and implementation against approved plan	New annual target			N/A for this year				Implement plan against agreed timeframes	Implement plan against agreed timeframes
	Timely and compliant communication of Adjudication outcomes	% of press releases of final merger decisions communicated within 2 business days of order date	78%	93%	98%	75%			75%	Report on implementation against plan by March 2017	75%
		% of press releases of final decisions in prohibited practices communicated within 2 business days of order date	78%	93%	98%	100%			100%		100%
		% of non-confidential version (ncv) reasons posted on website within 2 business days of issue date of ncv	87%	92%	100%	100%			100%		100%
		Number of Tribunal Tribunes published annually and distributed according to agreed distribution list	2 to 71 stakeholders	3 to 69 stakeholders	3 to 86 stakeholders	3 annually			3 annually	3 annually	3 annually

Strategic objective statements	Outcome	KPI	Target							
			Audited actual Performance			Estimated Performance 2014/2015	Medium Term Targets			
			2011/2012	2012/2013	2013/2014		2015-2016	2016-2017	2017-2018	
	Level of stakeholder satisfaction	Stakeholder satisfaction survey results			75% satisfaction level	N/A for this year	Planned and implemented actions against stakeholder satisfaction survey results			Satisfaction survey is conducted by March 2018 and Satisfaction levels are 75%

Goal Statement 3: To ensure the Tribunal has effective strategic leadership, administration and management through adherence to good corporate governance and sound business practices.

Strategic objective statements	Outcome	KPI	Target							
			Audited actual Performance			Estimated Performance 2014/2015	Medium Term Targets			
			2011/2012	2012/2013	2013/2014		2015-2016	2016-2017	2017-2018	
3.1 Increase the level of compliance with the prescripts of good governance	Accountable and transparent Public Entity	Achieve an unqualified Audit Outcome year on year	New annual target			N/A for this year	Unqualified audit – no issues of governance raised	Unqualified audit – no issues of governance raised	Unqualified audit – no issues of governance raised	Unqualified audit – no issues of governance raised
3.2 Maintain effective oversight structures that promote solid business practice	Sound Business Practice	Achieve an unqualified Audit Outcome year on year	New annual target			N/A for this year	Unqualified audit – no issues of governance raised	Unqualified audit – no issues of governance raised	Unqualified audit – no issues of governance raised	Unqualified audit – no issues of governance raised
3.3 ensure financial management that promotes effective and efficient use of resources	Optimal financial resource allocation and	Achieve an unqualified Audit Outcome year on year	New annual target			N/A for this year	Unqualified audit – no findings of fruitless/wasteful expenditure	Unqualified audit – no findings of fruitless/wasteful expenditure	Unqualified audit – no findings of fruitless/wasteful expenditure	Unqualified audit – no findings of fruitless/wasteful expenditure

Strategic objective statements	Outcome	KPI	Target									
			Audited actual Performance			Estimated Performance 2014/2015	Medium Term Targets					
			2011/2012	2012/2013	2013/2014		2015-2016	2016-2017	2017-2018			
3.4 Ensure a sound control environment and monitor and maintain compliance and ensure that all reporting requirements are met	utilisation											
	Compliance to requirements as an accountable, transparent Institution	Submission against annual deadline and no material misstatements for May Submission	New annual target			N/A for this year	No material misstatements on May submission	No material misstatements on May submission	No material misstatements on May submission	No material misstatements on May submission	No material misstatements on May submission	No material misstatements on May submission
3.5 Ensure that the Tribunal effectively leverages employee skills by recruiting, retaining and developing high quality people	Integrated risk management processes and combined assurance	Achieve an unqualified Audit Outcome year on year	New annual target			N/A for this year	Unqualified audit – no issues of risk management raised	Unqualified audit – no issues of risk management raised	Unqualified audit – no issues of risk management raised	Unqualified audit – no issues of risk management raised	Unqualified audit – no issues of risk management raised	Unqualified audit – no issues of risk management raised
	Strengthen the Tribunal's organisational capacity and performance to deliver on its legislative Mandate	Implementation of Case Management Graduate internships against plan	New annual target			N/A for this year	Graduate internship policy and plan implemented	Graduate internship targets meet plan requirements	Graduate internship targets meet plan requirements	Graduate internship targets meet plan requirements	Graduate internship targets meet plan requirements	Graduate internship targets meet plan requirements

Annexure E: Annual performance indicators, quarterly and annual targets

Goal Statement 1: To ensure effective and efficient adjudication on matters brought before the Tribunal.

	Outcome	KPI	Base Line	Annual	Target				Budget	Actual - Ytd
					Q.1	Q.2	Q.3	Q.4		
1.1 Matters brought before the Tribunal are heard within the adopted delivery time frames	Hearings are set down within required timeframes	% of large mergers to be set down for the beginning of a hearing or a pre-hearing, within 10 days of filing of the Merger Referral	75%	75%	75%	75%	75%	75%	R 19 174 141.26	
					75%	75%	75%	75%		
1.2 Improvement in the issuing of judgments/decisions in line	Expeditious Conclusion of matters	% Large merger orders issued to parties within 10 business days of last hearing date	100%	95%	95%	95%	95%	95%		
					95%	95%	95%	95%		

Outcome	KPI	Base Line	Annual	Target				Budget	Actual - Ytd
				Q1	Q2	Q3	Q4		
with adopted timeframes	% Large merger reasons issued within 20 business days of order being issued	68%	70%	70%	70%	70%	70%		
	% Intermediate merger orders issued to parties within 10 business days of last hearing date	100%	95%	95%	95%	95%	95%		
	% Intermediate merger reasons issued within 20 business days of order being issued	41%	60%	60%	60%	60%	60%		
	Reasons for Prohibitive Practices Cases issued to parties in accordance with the delivery timeframes per category: A, B or C	New annual target	A - 100 business days B - 125 business days C - 150 business days	A - 100 business days B - 125 business days C - 150 business days	A - 100 business days B - 125 business days C - 150 business days	A - 100 business days B - 125 business days C - 150 business days	A - 100 business days B - 125 business days C - 150 business days		
	% Procedural matter orders issued to parties	82%	85%	85%	85%	85%	85%		

	Outcome	KPI	Base Line	Annual	Target				Budget	Actual - Ytd
					Q 1	Q 2	Q 3	Q 4		
		within 20 business days of last hearing date								
		% Consent order parties within 10 business days of last hearing date	96%	90%	90%	90%	90%			
		% Interim relief reasons issued to parties within 20 business days of last hearing date	0%	100%	100%	100%	100%			
1.3 Enhancing record keeping, performance information and case flow management by harnessing facility and functionality of business applications	Improved management information to inform strategic decision making and access to historical data	Enhancement of case management system facility in line with project plan	New annual target	User Acceptance Testing of Case 360 Phase II development completed by December						R 1 589 693.56
		Reduced reliance on manual performance reporting by 2020 according to agreed plan	New annual target	Plan and process for reporting enhancement established and signed off by December					Plan and process for reporting enhancement established and signed off by	

Outcome	KPI	Base Line	Annual	Target				Budget	Actual - Ytd
				Q1	Q2	Q3	Q4		
							December		

Goal Statement 2: To build and develop effective stakeholder relationships.

Strategic Objective Statement	Outcome	KPI	Base Line	Annual	Target				Budget	Actual
					Q1	Q2	Q3	Q4		
2.1 Ensure that an integrated Communication plan is developed and implemented	A structured and focussed process to create and enhance awareness of the work of the Tribunal	Communication (Comm) Plan developed and implemented in line EXCO requirements and agreed timeframes	New annual target (previously communication activities were attended to but no integrated strategy)	Comm plan, developed, approved and implemented against agreed timeframes	Comm plan developed and first draft presented to EXCO by June 2015	Comm plan approved by EXCO by September 2015	Implement plan against agreed timeframes	Implement plan against agreed timeframes	R 834 756.18	
					75%	75%	75%	75%		
2.2 Ensure communication pertaining to final decisions in mergers and prohibited cases are made public within adopted delivery	Timely and compliant communication of Adjudication outcomes	% press releases of final merger decisions and prohibited practice decisions communicated within 2 business days of order date	Mergers 90% Prohibited practices 93%	75%	100%	75%	100%	75%	100%	

Strategic Objective Statement	Outcome	KPI	Base Line	Annual	Target				Budget	Actual
					Q.1	Q.2	Q.3	Q.4		
timeframes		% of non-confidential version (ncv) of reasons posted on website within 2 business days of issue date of ncv	Website - new target no baseline	75%	75%	75%	75%	75%		
2.3 Identify and address stakeholder needs and expectations in order to meet or exceed requirements	Level of stakeholder satisfaction	Number of Tribunal Tribunes published annually and distributed according to agreed distribution list Planned and implemented actions against stakeholder satisfaction survey results	3 to 75 annually Adjudicative process - 75% stakeholder satisfaction	3 annually 100% corrective actions implemented as per action plan				3 annually 60% of Corrective actions implemented as per action plan 25% of Corrective actions implemented as per action plan Develop Corrective action plan and timeframes for implementing by end June 2015		

Goal Statement 3: To ensure the Tribunal has effective strategic leadership, administration and management through adherence to good corporate governance and sound business practices.

Strategic Objective Statement	Outcome	KPI	Base Line	Annual	Target				Budget	Actual - Ytd	
					Q1	Q2	Q3	Q4			
3.1 Increase the level of compliance with the precepts of good governance	Accountable and transparent Public Entity	Achieve an unqualified Audit Outcome year on year	New annual target	Unqualified audit – no issues of governance raised	-	Unqualified audit – no issues of governance raised	-	-	-	R 4 575 294.44	
3.2 Maintain effective oversight structures that promote solid business practice	Sound Business Practice	Achieve an unqualified Audit Outcome year on year	New annual target	Unqualified audit – no issues of governance raised	-	Unqualified audit – no issues of governance raised	-	-	-		
3.3 Ensure financial management that promotes effective and efficient use of resources	Optimal financial resource allocation and utilisation	Achieve an unqualified Audit Outcome year on year	New annual target	Unqualified audit-no findings of fruitless /wasteful expenditure	-	Unqualified audit –no findings of fruitless/ wasteful expenditure	-	-	-	R 3 550 933.41	
3.4 Ensure a sound control environment and monitor	Compliance to requirements as an accountable,	No material misstatements for May submission	New annual target	No material misstatement on May submission		No Material Misstatements on May submission					

Strategic Objective Statement	Outcome	KPI	Base Line	Annual	Target				Budget	Actual - Ytd
					Q1	Q2	Q3	Q4		
compliance and ensure that all reporting requirements are met	transparent institution	Submission against annual deadline		Annual reporting submission dates met May and July	Annual reporting submission dates met May and July					
	Integrated risk management processes and combined assurance	Achieve an unqualified Audit Outcome year on year	New annual target	Unqualified audit – no issues of risk management raised	Unqualified audit –no issues of risk management raised					
3.5 Ensure that the Tribunal effectively leverages employee skills by recruiting, retaining and developing high quality people	Strengthen the Tribunal's organisational capacity and performance to deliver on its legislative Mandate	Implementation of Case Management Graduate internships against plan	New annual target	Graduate internship implemented	Graduate internship targets meet plan requirements	Graduate internship targets meet plan requirements	Graduate internship targets meet plan requirements	Graduate internship targets meet plan requirements	R 2 266 140.05	

Annexure F: Expenditure allocation by objective MTEF submission July 2014

R thousand	Audited Outcome		Audited Outcome		Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate		
	2011/12	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Administration	8 188	10 285	14 168	15 648	24.1%	40.8%	14 871	15 567	16 332	
Promote and maintain competition within South Africa	13 511	14 405	16 179	15 632	5.0%	51.9%	16 146	16 906	17 662	
Educate and create awareness of competition matters to tribu	559	622	729	782	11.9%	2.3%	828	873	917	
Enhance the expertise of tribunal staff	628	991	980	1 424	31.4%	3.4%	1 072	855	898	
Competition Appeal Court	402	476	429	543	10.5%	1.6%	499	526	553	
	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	
Total expense	23 287	26 789	32 485	34 029	13.5%	100.0%	33 416	34 727	36 362	

Annexure G: Materiality Framework

Materiality Framework in terms of Treasury Regulation 28.3.1

1 Definitions

Accounting Authority : The Competition Tribunal Chairperson

Executive Authority : Minister of Economic Development

PFMA : The Public Finance Management Act (Act 1 of 1999 as amended by Act 29 of 1999)

Treasury Regulations as issued in terms of section 76 of the Public Finance Management Act, 1999.

2 Introduction

28.3.1 For purposes of material [section 55(2) the Act] and significant [section 54(2) of the Act], the accounting authority must develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority.

3 Framework

PFMA Section	Quantitative [Amount]	Qualitative [Nature]
	Materiality figure for the year ending March 2016 is R 444 000	
S55 Annual report and financial statements (PFMA Section 55) (2) The annual report and financial statements referred to in subsection (1) (d) must— (a) fairly present the state of affairs of the public entity, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned; (b) include particulars of—		
(i) <u>any material losses</u> through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year: (ii) any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure; (iii) any losses recovered or written off; (iv) any financial assistance received from the state and commitments made by the state on its behalf; and (v) any other matters that may be prescribed; and	1. Losses through criminal conduct –any loss identified. 2. Losses through irregular / fruitless / wasteful expenditure.	Any identified loss through criminal conduct.

PFMA Section	Quantitative [Amount]	Qualitative [Nature]
<p>S54</p> <p>Information to be submitted by accounting authorities (PFMA section 54)</p> <p>(2) Before a public entity concludes any of the following transactions, the accounting authority for the public entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its executive authority for approval of the transaction:</p> <p>(b) participation in a <u>significant</u> partnership, trust, unincorporated joint venture or similar arrangement;</p> <p>(c) acquisition or disposal of a <u>significant</u> shareholding in a company;</p> <p>(d) acquisition or disposal of a <u>significant</u> asset;</p> <p>(e) commencement or cessation of a <u>significant</u> business activity</p>	<p>Not applicable</p> <p>Not applicable</p> <p>Not applicable</p> <p>Not applicable</p>	<p>Not applicable</p> <p>Not applicable</p> <p>Any asset that would increase or decrease the overall operational functions of the Tribunal, outside of the approved strategic plan and budget</p> <p>Not applicable</p>

4 Authorisation

This framework was adopted by the Tribunal in September 2014

Determination of Materiality

	% max	2013/2014 (audited)	1%
Materiality bases			
Gross Revenue (excl. EDD grant)	1	11 860 104.65	118 601.05
Total expenses	1	32 484 097.29	324 840.97
Materiality figure			443 442.02

- Due to the nature of the business of the Competition Tribunal (it is not a capital intensive business) the best indicator with regard to business activity is revenue and expenditure. The Tribunal has taken the average of 1% of actual revenue and actual expenditure in 2013/2014 to determine the materiality figure for 2015/2016.
- Using the calculation described above the Tribunal's recommended materiality figure for 2015/2016 is R 444 000.00.

Annexure H: Technical Indicator Descriptions

(DUE TO THE SIZE OF THIS DOCUMENT IT IS SUBMITTED AS A SEPARATE DOCUMENT)