



Competition Tribunal Strategic Plan

For the fiscal years

2012 . 2017
[5 years beginning with 2012]

Date
31 January 2012

Foreword

We have inherited an economy with high levels of economic concentration in sectors of the economy, with evidence of pervasive abuse of market dominance and price fixing. The society pays a high price through stunted growth and inadequate employment performance.

At the same time, government has adopted a New Growth Path that places employment and decent work at the centre of economic policy.

Effective competition policy and implementation is therefore vital if we are to achieve the goal of 5 million new jobs by 2020.

Fortunately, South Africa has well-run competition authorities and the Competition Tribunal in particular has been key institution in ensuring that the objectives of the Competition Act are realised.

The Competition Tribunal has developed a Strategic Plan, based on the policy framework set out in the Competition Act.

We look forward to the successful implementation of this Strategic Plan.

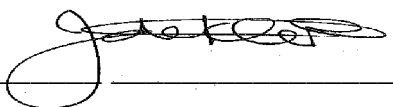
Ebrahim Patel
Minister of Economic Development
Executive Authority of the Competition Tribunal

Official sign-off

It is hereby certified that this Strategic Plan of the Competition Tribunal for the period 2012 . 2017:

- Was developed by the management of the Competition Tribunal under the guidance of the Economic Development Department.
- Takes into account all the relevant policies, legislation and other mandates for which the Competition Tribunal is responsible.
- Accurately reflects the strategic outcome oriented goals and objectives which the Competition Tribunal will endeavour to achieve over the period 2012 . 2017.


Janeen de Klerk

Signature:  _____

**Head of Corporate Services
Competition Tribunal**

Date: 8 March 2012

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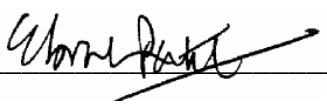
Signature:  _____

**Chairperson
Competition Tribunal**

Date: 8 March 2012

Approved for submission to Parliament by:

Ebrahim Patel

Signature:  _____

**Minister
Economic Development Department**

Date: 8 March 2012

COMPETITION TRIBUNAL STRATEGIC PLAN

1st APRIL 2012/2013 – 31st MARCH 2016/2017

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COMPETITION TRIBUNAL STRATEGIC PLAN 1st APRIL 2012/2013 – 31st MARCH 2016/2017

PART A: STRATEGIC OVERVIEW

1. Vision

To be fair, objective and independent.

2. Mission

To create credible competition law and an effective structure for administering the law.

3. Values

In pursuing its legislated mandate the Tribunal strives to:

- Fairness, objectivity and independence.
- Timeous decisions of high calibre.
- Effective communication of our work with the public.
- Courteous, efficient, informed interaction with our customers.

4. Legislative and other mandates

4.1 Constitutional mandate

The Competition Tribunal's constitutional mandate is contained in Section 34 of The Constitution of the Republic of South Africa, 1996 which states that "Everyone has the right to have any dispute that can be resolved by the application of law decided in a fair public hearing before a court or, where appropriate, another independent and impartial tribunal and forum."

4.2 Legislative mandate

In 1999 the Competition Act (Act 89 of 1998) was promulgated, thereby establishing a Competition Commission, a Competition Appeal Court and the Competition Tribunal (referred to hereafter as the Tribunal) - The latter being responsible to adjudicate matters pertaining to restrictive practices, abuse of dominant position and mergers.

The Tribunal derives its legislative mandate from this Act and its purpose is to promote and maintain competition in the Republic in order to:

- (a) Promote efficiency, adaptability and development of the economy;
- (b) Provide consumers with competitive prices and product choices;
- (c) Promote employment and advance the social and economic welfare of all South Africans;
- (d) Expand opportunities for South African participation in world markets;
- (e) Recognise the role of foreign competition;
- (f) Ensure that small and medium-sized enterprises have an equitable opportunity to participate in the economy; and
- (g) Promote a greater spread of ownership, in particular to increase the ownership stakes of historically disadvantaged people.

4.3 Policy mandate

In October 2010, Cabinet approved the New Growth Path that places employment at the centre of economic policy and management. The New Growth Path identified a strong role for competition policy and for the competition authorities. The new focus on employment is consistent with the objectives of the Competition Act and the public interest considerations set out in the Act, that the Tribunal is obliged to consider

In addition at the Cabinet Lekgotla in January 2010, 12 outcomes were adopted that reflect the Government's mandate and are derived from the Medium Strategic Framework. The EDD has accordingly determined performance outcomes and policy drivers that would assist the Government in achieving these outcomes.

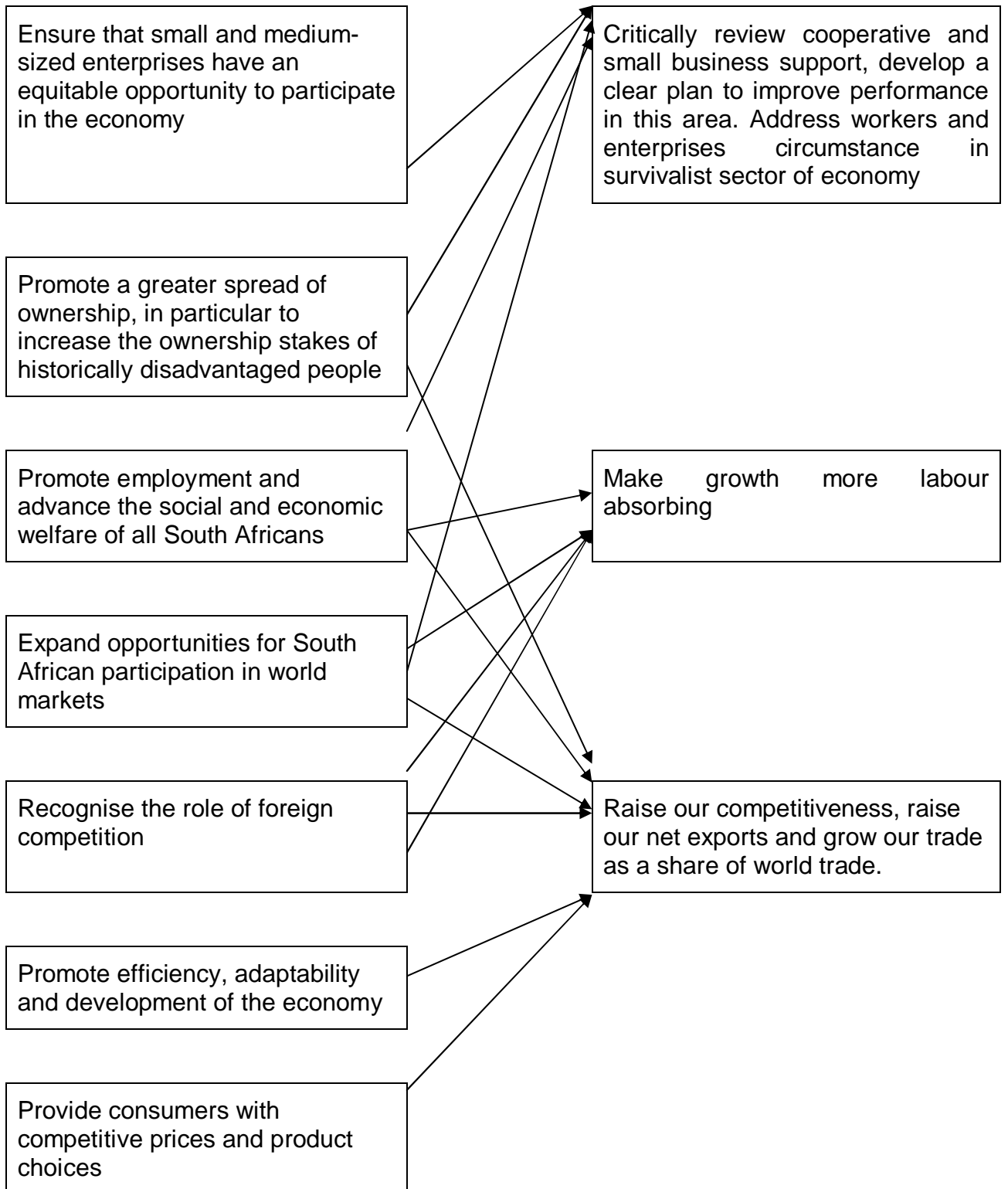
The Tribunal, in pursuing its legislated mandate, will give effect to the strategic outcomes and objectives identified later in this strategic plan. However, being an adjudicative body means the Tribunal is limited in its ability to set objectives and therefore has very little influence/effect in terms of its contribution to the outcomes and policy drivers identified by the EDD.

In drafting the strategic plan, the Tribunal has accordingly aligned its legislative mandate (see Section 4.2) to the EDD's drivers, outcomes and/or outputs. This alignment is illustrated in the diagram on the next page.

Further alignment may be necessary in future years as different dimensions of the New Growth Path are considered by the Tribunal for its work and operations.

Tribunal's legislative mandate outcomes

The EDD's performance



As an adjudicative body we cannot be the driver as such but only be driven

The Competition Commission is the largest driver of the Tribunal's agenda, and to the extent that it aligns its priorities with those of the department, in terms of the cases it brings, so it will align our activities as well with those of the department.

The largest contribution the Tribunal can make is with regard to the policy driver competitiveness and competition policy as our core function deals specifically with this area. Any other effects/contributions are likely to be by products of the promotion of competition and very difficult to measure.

Another of the drivers that we have an impact upon, albeit modest, is employment. To the extent that mergers and structural remedies in prohibited practice cases may have a negative effect on employment, we may in appropriate cases be able to impose conditions to alleviate the adverse effects.

Later in the plan we draw attention to a strategic focus area Access to justice. This focus area is specifically relevant to broader government policies in the justice system and has an indirect effect on the EDD's policies - the greater the access to justice the more people use the regulatory system designed to improve competitiveness which in itself is a key driver of the department.

While the Tribunal, due to its adjudicative nature does not participate in research or policy it can provide access to case archives which provide rich resources for research. Part of our interaction with the department will be to encourage researchers linked to the department or its institutions to use these resources and to alert them to new and useful information.

5. Situational analysis

5.1 Core Business

The core business of the Tribunal is the adjudication of mergers and prohibited practice cases. The Tribunal is expected to expeditiously decide cases brought to it in terms of the Act.

In line with the Constitution, Tribunal hearings are public and written reasons are provided for all decisions and orders of the Tribunal.

The Act and Rules prescribe time frames, which must be followed. The decisions of the Tribunal have the same legal weight as the judgments of the High Court and may be taken on appeal only to the Competition Appeal Court.

The Tribunal Members are committed to making high quality decisions, based on the criteria stipulated in the Act. The members are supported in their decision making by the Tribunal secretariat that provides efficient and effective administrative, research and organisational assistance.

5.2 Products and Services

The Tribunal has jurisdiction throughout South Africa and its role is to adjudicate cases brought to it either by the Commission or directly by aggrieved parties.

Upon a matter being referred to it in terms of the Competition Act, the Tribunal will initiate proceedings to consider the matter in terms of the Competition Act and Rules and may:

- (a) authorise a merger, with or without conditions, or prohibit a merger.
- (b) adjudicate in relation to any conduct prohibited in terms of the Act by determining whether prohibited conduct has occurred, and if so, impose a remedy provided for in the Act.
- (c) grant an exemption from a relevant provision of the Act.
- (d) grant an order for costs.

The Tribunal is an independent and impartial institution and is required to perform its functions without fear, favour, or prejudice; subject only to the Constitution and the law. It is expected that each organ of state will assist the Tribunal, to retain its independence and impartiality, to exercise its powers and to carry out its duties.

5.3 Stakeholder Profile

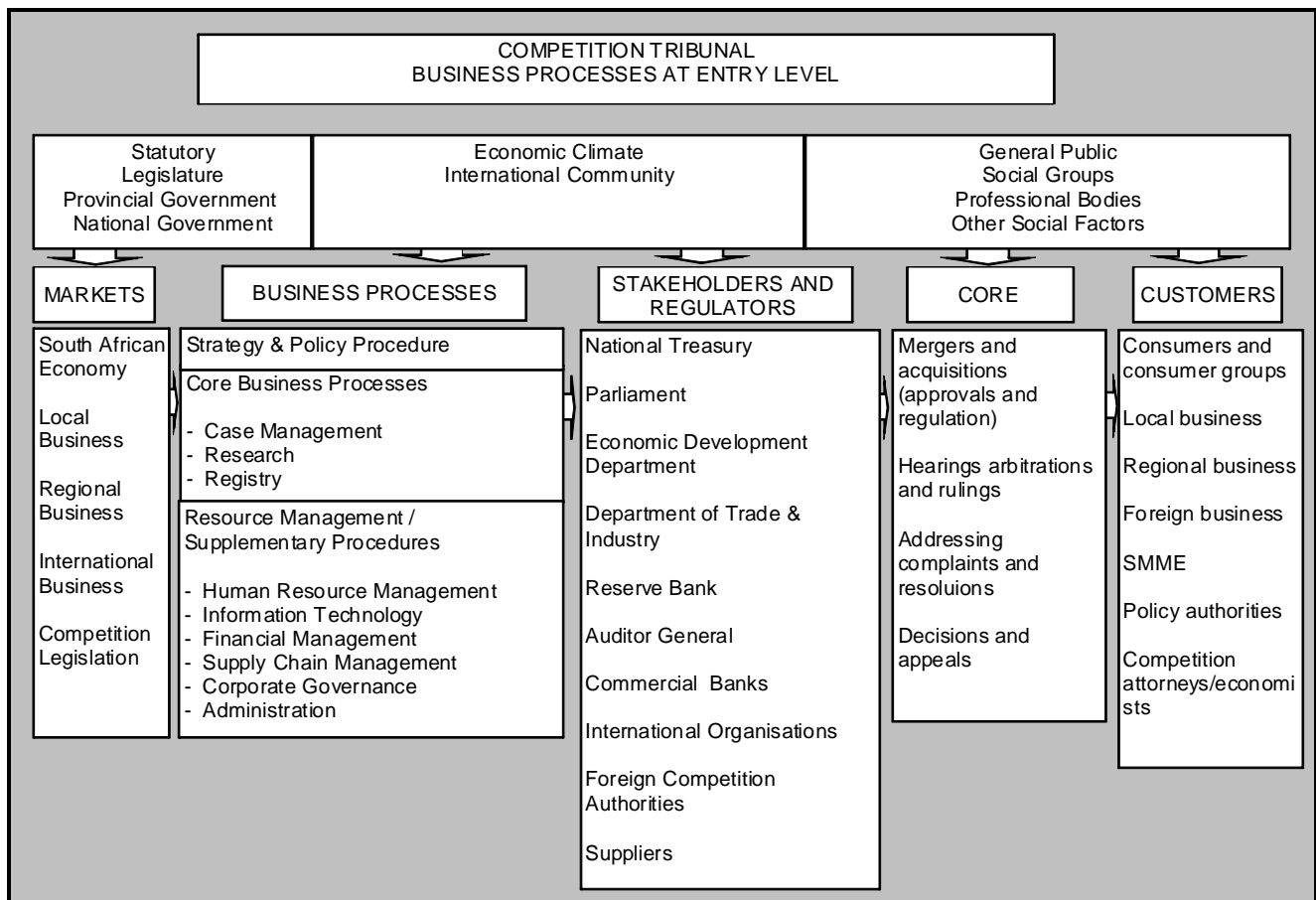
The Competition Act impacts numerous stakeholders and the Tribunal will establish and maintain professional and appropriate relationships with key stakeholders with the ultimate objective of contributing to the welfare of all South Africans.

The Tribunal's external stakeholders may be categorized as follows:

- (a) Stakeholders with whom the Tribunal has direct contact in the course of fulfilling its functions. These include:
 - The Competition Commission (referred to hereafter as the Commission) which refers and prosecutes cases before the Tribunal.
 - Complainants, respondents, interested parties, expert witnesses and their legal representatives who participate in or have a direct interest in a case before the Tribunal. These may be local or international businesses, trade unions, consumers, legal firms, or any other affected individual or organization.
- (b) Stakeholders with whom the Tribunal may not be in direct contact but who are affected by Tribunal decisions. These include consumers, competitors, customers and suppliers of firms directly affected by Tribunal decisions.

- (c) Sector. specific regulators such as ICASA who enjoy concurrent jurisdiction with the Competition authorities.
- (d) Stakeholders to whom the Tribunal is accountable with respect to its functions. These include the Economic Development Department, Parliament, the Minister of Economic Development, National Treasury.
- (e) Stakeholders who act as reputational agents in providing policy and peer feedback on the standard and quality of work in the Tribunal. These include the financial press, academics, the judiciary and other competition agencies, the OECD, the WTO, SADC, and the International Competition Network (ICN) etc.
- (f) Government stakeholders that Tribunal may interact with e.g. the dti.

The following business model illustrates the Tribunal's stakeholders and processes that characterize these relationships.



5.4 The role of the Tribunal in implementing economic policy

The policy parameters and objectives of the Competition Act are consistent with the objectives of government's economic policy as enunciated in policy documents of the EDD and the dti as well as the New Growth Path and are given effect in the analysis and decision-making of the adjudicative panels, which assess merger transactions, allegations of restrictive practices and abuse of dominance and exemption applications.

Although, the Tribunal's decisions are primarily taken on competition grounds, the Act also requires that it take into account specified public interest factors some of which correlate with other objectives of the government's economic policy in particular concerns about employment.

Merger Regulation - Structural Remedies

The Tribunal through its merger regulation powers considers the impact of mergers and acquisitions on the structure of a particular market.

In its consideration of mergers or acquisitions, the Tribunal initially determines whether the transaction will substantially prevent or lessen competition in the market in which the transaction occurs. In the event that it does, the Tribunal is then required to evaluate whether any efficiency and technology gains arise from the merger. If it is decided that the merger has generated pro-competitive, efficiency gains that outweigh the lessening of the competition then the merger may be approved. In addition, the Tribunal must always (that is, regardless of whether or not the merger is found to lessen competition) consider the impact of the transaction on specified public interest criteria. An anti-competitive merger may be approved if it is found that a positive impact on public interest outweighed the negative impact on competition. By the same token, it is possible to prohibit a merger that did not lessen competition if its impact on public interest, for example employment, was negative.

The following are the public interest criteria that must be considered:

1. impact on a particular industrial sector or region
2. employment
3. the ability of small businesses, or firms owned by historically disadvantaged persons, to become competitive
4. the ability of national industries to compete in international markets.

Prohibited practices - Behavioural Remedies

The Tribunal regulates anti-competitive conduct or behaviour by firms in a particular market through its powers to regulate prohibited practices.

The Act prohibits practices between firms in vertical (that is between suppliers and customers) and horizontal (that is between competitors) relationships. Dominant firms (as defined by the Act) are also prohibited from engaging in certain practices. While the Act specifies certain per se prohibitions in each of these categories, other specified conduct, if found to be anti competitive, must be weighed against countervailing technological, efficiency, or other pro competitive gains that may arise from the conduct.

The Tribunal anticipates an increase in prohibited practice cases brought to it. Its decisions on prohibited practice cases potentially have sector-wide and economy-wide implications and are likely to impact significantly on business behaviour. It is in this area that IEAP objectives on competitiveness, black economic empowerment and SMME development are most directly advanced. Restrictive practices are prohibited by the act precisely to improve the competitiveness of firms, to prevent abuse by dominant firms, to lower barriers to entry and to allow for markets to be contested.

Exemptions

A firm may apply to the Commission for exemption from the provisions of Chapter 2 of the Act. However, persons affected by the Commission's decisions may appeal those decisions to the Tribunal.

Exemptions may be granted if they contribute to any of the following objectives:

1. Maintenance or promotion of exports
2. Promotion of the ability of small businesses, or firms controlled or owned by historically disadvantaged persons, to become competitive
3. Change in productive capacity necessary to stop the decline of an industry
4. The economic stability of any industry designated by the Minister of Economic Development, after consulting with the Minister responsible for that industry.

Consideration of the above factors in its adjudication provides for government policy objectives to be taken into account by the Tribunal.

Public policy and participation

The general approach of the Tribunal is to encourage participation of interested parties in its proceedings. This allows for less powerful groupings to articulate their interests and maximizes the information available to the Tribunal. In the cases to date we have had representation from competitors, customers, franchisees, trade unions, industry associations and non-government agencies (NGOs).

The Act also allows for the Minister of Economic Development to make representation on public interest grounds, in merger transactions of which the Minister must be notified so as to enable him to intervene if he so decides. The Commission may also exempt an agreement or practice from prohibitions contained in Chapter 2 of the Act if it contributes to the economic stability of an industry designated by the Minister of Economic Development. The Minister of Economic Development may make direct representation before the Tribunal on any aspect of government policy that is relevant to a case.

5.5 Communicating the work of the Tribunal

The Tribunal strives to be an accessible institution and to ensure that the public remain informed about the Competition Act and the Tribunal's functions and activities. All hearings and decisions of the Tribunal are communicated to the media and all of the Tribunal's decisions can be accessed by the general public from the Tribunal's website or its offices.

5.6 Organisational Environment

The Act provides for 11 members appointed by the President of South Africa. A vacancy in the Tribunal is currently being addressed through the Economic Development Department. A secretariat of 15 provides administrative assistance to the panel members.

The organogram in **Appendix A** illustrates the current structure of the organization. A functional organogram is contained in **Appendix B**.

Tribunal members

The Act specifies that Tribunal members should collectively represent a broad section of the South African population. The duties and responsibilities of the Tribunal members are onerous and require a high level of technical skill and experience. Tribunal members are required to take decisions of major commercial and economic significance and it is therefore necessary (and stipulated in the Act) that they should have qualifications and experience in law, economics, commerce, industry and public affairs. Adjudicative panels of the Tribunal comprise three Tribunal members.

Tribunal members are appointed by the President of South Africa, on recommendation of the Minister for a 5-year term of office. Currently the Tribunal consists of three full time members and seven part time members.

In order to deal with the increases in case load and decision writing we have made a request to the Minister to increase the current number of full-time members from 3 to 4. The budget has been drafted assuming we will have 4 full-time members. We will during the current year discuss the matter further with the Minister.

Appendix C provides a detailed list of current serving Tribunal members and their respective qualifications.

Tribunal secretariat

The Tribunal's secretariat structure consists of three departments;

- Research
- Registry
- Corporate Services

The Chairperson of the Tribunal fulfils the role of Chief Executive Officer while other responsibilities have been devolved to department heads who report directly to the Chairperson.

The Chairperson therefore has a hands on+ involvement in the day-to-day management of the Tribunal which is consistent with the Chairperson's responsibility as accounting officer of the institution and is consistent with his powers in terms of the Competition Act.

Certain executive functions can be and are delegated to the other two full time members and all delegated responsibilities are reported at the Executive Committee.

The Head of Corporate Services is responsible for compliance, financial management, financial reporting and all other service aspects of the Tribunal.

The Head of Registry (Registrar) is the first point of interface between the Tribunal, the Commission and the public. The Registrar is responsible for guiding interested parties through the workings of the Tribunal and for the efficient movement of cases from the Registry to the Chairperson and panel members while the Head of Research is responsible for the efficient operation of the research unit and the management of cases referred by the Registry.

The remaining staff of eleven provides secretariat support (administration, registry, logistics, research and financial management) to the Tribunal.

Appendix D details the names and positions held by Tribunal staff and provide some statistics pertaining to the profile of the secretariat.

5.7 Description of the strategic planning process

The Tribunal is the court of first instance for competition matters and being a quasi . judicial body and creature of statute can only do what the statute allows it to do.

The quasi-judicial nature of the Tribunal precludes the Tribunal from setting proactive objectives or embarking on focused interventions which target any

particular sector or emphasise any specific criterion in its decision-making. Setting targets would pre-empt the Tribunal's decisions in a manner, which would compromise the natural justice principles underpinning the Tribunal's adjudicative role.

In summary the Tribunal cannot set any objectives that are not directly expressed by or provided for in the law and in addition has no control over the number and types of cases brought before it. The Tribunal caseload is determined entirely by complaint referrals and notified mergers and each case is adjudicated on its own merits.

6. Strategic outcome orientated goals of the Tribunal

In giving effect to the objectives of the relevant Acts governing the Tribunal's operations, the Tribunal has set itself the following three strategic outcomes that enable it to operate within their mandate as a credible institution within the Public Service and pursue its commitment to educate and inform the Public.

Strategic Outcome Oriented Goal 1	Promote and maintain competition within South Africa through the implementation of the Competition Act.
Goal Statement 1.1	Hold hearings and adjudicate matters brought before the Tribunal.
Strategic Outcome Oriented Goal 2	Educate and create awareness of Competition Matters to the Tribunal's stakeholders.
Goal Statement 2.1	Communicate the activities and decisions of the Competition Tribunal effectively.
Strategic Outcome Oriented Goal 3	Strengthen the Tribunal's organisational capability and performance to deliver on its legislative mandate
Goal Statement 3.1	Enhance the expertise of Tribunal staff.
Goal Statement 3.2	Improve the service of the Tribunal to our customers.

7. Strategic Objectives

7.1 Strategic objectives of the Tribunal

Given the quasi-judicial nature of the Tribunal it is difficult to separate the strategic objectives from strategic outcomes and there is some overlap. The Tribunal has accordingly categorised these strategic outcomes/ objectives into the following three strategic focus areas:

Strategic Focus Area 1:	Tribunal hearings and decisions
Strategic Objective 1.1	To promote and maintain competition within South Africa by holding hearings and adjudicate on matters brought before the Tribunal that pertain to large and intermediate mergers, interim relief cases, procedural matters, opposed as well as unopposed prohibited practices within the adopted delivery timeframes.
Strategic Focus Area 2:	Stakeholder awareness
Strategic Objective 2.1	To educate and to create awareness of competition matters to our stakeholders by communicating the activities and decisions of the Competition Tribunal by way of the internet, press releases, the Government Gazette as well as internal publications within the adopted delivery timeframes.
Strategic Focus Area 3:	Operational effectiveness
Strategic Objective 3.1	To enhance the expertise of Tribunal members and staff by sending them on planned International as well as local conferences and training courses.
Strategic Objective 3.2	To improve the Tribunal's service to customers through obtaining positive feedback on the performance of the Tribunal.

For each focus area and strategic objective specific outputs, performance indicators and targets have been assigned for the period 2012 to 2017. These objectives, outputs, indicators and targets are tabulated in **Appendix E**.

The targets set by the Tribunal against these objectives and outputs are generally constant over the five year period as the Tribunal is a service organisation providing a constant level of service to its clients. Targets have been set at less than 100% as non . performance is not always attributable to the Tribunal but sometimes due to the request of parties to the proceedings who may have valid reasons for the delays. For example parties may not be ready for a hearing when it has been set down.

7.2. Resource and financial management considerations

7.2.1 Key Challenges

In giving consideration to current resources and the Tribunal's ability to meet its strategic objective the two key challenges detailed below will need to be addressed.

i) Legislative framework

Amendments to the Act have recently been promulgated and in terms of this cartel activity may be subject to criminal sanction. The criminalization of cartels provides a significant challenge because while the Tribunal will retain civil jurisdiction it will not possess criminal jurisdiction.

ii) Financial constraints

The Tribunal has in the past been able to rely on accumulated surpluses to fund shortfalls in expenditure and transfer payments from the dti and the EDD have not increased significantly year on year. In addition reliance has been placed on the Tribunal's ability (through filing fees) to generate additional revenue to fund expenditure.

While at present the accumulated surpluses are sufficient to cover the Tribunal's funding over the MTEF period changes in thresholds may lead to a decrease in filing fees. It is therefore necessary that the Tribunal, the EDD and National Treasury engage on this matter to ensure that the EDD provides sufficient funding to cover the Tribunal's expenses and thus ensure that the Tribunal's ability to operate as required by legislation is not compromised. This challenge is discussed further in section 7.2.2.

7.2.2 Financial Resources and budget requirements

Businesses filing merger applications with the Commission pay a filing fee to the Commission and in terms of a memorandum of agreement with the Commission and the Tribunal; the Tribunal receives a percentage of these filing fees (large and intermediate mergers).

The Competition Commission in its projection for 2012/2013 anticipates receiving 76 large mergers and 219 intermediate mergers and the Tribunal has used these figures to arrive at an estimate for filing fee revenue in the 2012/2013 financial year. The Tribunal has used the projections made by the Commission with regard to its merger activity to determine the expected filing fee revenue for the Tribunal over the MTEF period.

Any changes in filing fee revenue received or expected from the Commission will impact on the Tribunal's funding requirements from the EDD.

In November 2009 the Tribunal received permission from National Treasury to retain accumulated surpluses of approximately R19.8 m. Approval was received in March 2011 and again in December 2011 to retain the small operating surplus generated by the Tribunal at the end of the 2009/2010 financial year and for the retention of a small cash surplus of R 0.92m generated for the 2010/2011 financial year.

These surpluses have not arisen because the Tribunal has failed to spend allocated funds but in the main they represent income generated (filing fees) by the Tribunal while performing its legislated objective. Since its inception the Tribunal has received total income of approximately R 158.73 m with 52.28 % of these representing filing fees and has spent R136.03 m (exclusive of capital expenditure).

In terms of Vote 27 the Competition Tribunal has been allocated the following funding over the MTEF period beginning 2012/2013 and ending 2014/2015:

2012/2013 . R 15.60 m

2013/2014 . R 16.46 m

2014/2015 . R 17.45

In the five year budget attached as **Appendix F** the Tribunal has inflated goods and services by 5.5% in 2013/2014 and then by 5% for all subsequent years..

The Economic Development Department is currently addressing a request from the Tribunal to appoint an additional full-time Tribunal member and the remuneration associated with this position is provided for in the 2012/2013 budget hence the large increase in personnel expenses.

Apart from this change personnel has been inflated by 6% in 2013/2014 and 5.5% in subsequent years. Figures are projected until 2016/2017.

The PFMA does not allow entities to budget for a surplus or deficit and bearing this in mind the budgets for the period 2012/2013 to 2016/2017 have been drawn up assuming the use of accumulated surpluses just sufficient to cover the predicted shortfall between estimated income and estimated expenditure.

National Treasury has indicated that given the economic recession and the budget cuts affected no additional funding would be made available to the Tribunal. The Tribunal will therefore need to continue to use accumulated surpluses to cover the shortfall predicted.

The current accumulated surplus of R 20.33m can be used to fund these budget shortfalls until 2012/2013.

The Tribunal will therefore have to liaise very closely with the EDD with regard to future funding requirements as the 5 year budget compiled indicates that

surpluses generated will reduce over time and the Tribunal will therefore require increasingly larger transfer payments from the EDD.

The table on the next page illustrates the Tribunals funding requirements (inclusive of capital expenditure) for the next 6 years from 2011/2012. The schedule reflects the use of accumulated surpluses to cover the shortfall of expected income over expected expenditure assuming the receipt of annual filing fees from the Commission based on their projections).

Year	Total budget requirement	Expected MTEF allocation	Expected filing fees from Commission	Expected interest	Use of accumulated surplus	Additional funding requirements
	(in R'm)	(in R'm)	(in R'm)	(in R'm)	(in R'm)	(in R'm)
2011/2012	26.40	15.18	7.84	0.7	2.68	0
2012/2013	31.11	15.60	9.08	0.6	5.83	0
2013/2014	32.08	16.46	9.91	0.6	5.11	0
2014/2015	33.69	17.45	10.63	0.5	5.11	0
2015/2016	35.40	No allocation as yet	11.17	0.4	0	23.83
2016/2017	36.75	No allocation as yet	11.73	0.3	0	24.72

The annual budget was initially drawn in September/October 2011 and has undergone some revision since then. The budget will be reviewed again in July 2012 prior to submission of the MTEF.

As indicated earlier the Tribunal, being an adjudicative body is reactive as opposed to proactive in terms of the cases brought before it. This in turn means that management experiences difficulty with regard to arriving at an accurate prediction of the number of cases to be heard on an annual basis.

Budgeting accurately therefore poses some difficulties as many of the line items are based on an estimated number of cases for the financial 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, inevitably, variances in actual expenditure as opposed to budgeted expenditure arise. The trend over the last 5 years has been towards actual expenditure being more closely equated to the budget and therefore smaller variances (as illustrated in the table below) and we hope that this trend will continue.

Year	Actual expenditure incl. of capital expenditure (in Rm's)	Budget (in Rm's)	% Budget spent
2005	9.25	11.54	80.15
2006	10.64	12.41	85.23
2007	13.22	15.81	83.62
2008	15.56	16.60	93.73
2009	17.71	20.35	87.03
2010	18.48	26.40	70.00
2011	21.94	27.41	80.04

The Tribunal Executive reviews the monthly financial statements and discusses variances prior to submission of these statements to the EDD. In addition quarterly reports that highlight financial activity, include a detailed report on the Tribunal's other activities and report on performance with regard to objectives set are produced and submitted to the EDD.

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

The Tribunal secretariat provides the registry function for the Competition Appeal Court (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.

A five year budget is attached as **Appendix F** while the table on the next page illustrates the percentage distribution of budgeted expenditure (inclusive of the CAC) for the current financial year and the predicted budgeted expenditure distribution for the next four years.

Expenditure Category	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
	%	%	%	%	%	%
Capital	7.96	8.07	5.63	5.35	5.06	3.79
Administration	7.43	6.54	6.90	6.90	6.90	6.98
Personnel	55.99	58.89	60.55	60.83	61.12	62.03
Training	5.95	5.39	5.52	5.52	5.52	5.58
Recruitment	0.45	0.43	0.44	0.44	0.44	0.44
Professional Services	19.53	18.56	19.00	18.99	18.99	19.19
Appeal court	2.69	2.11	2.16	2.16	2.16	2.19
Total	100	100	100	100	100	100

It is difficult to predict the direct impact of the development of a dedicated cartel unit within the Commission on the Tribunal's activities. Investigations conducted by the unit may not necessarily lead to additional hearing demands as parties may choose to settle directly with Commission requiring the Tribunal to only have to confirm the consent agreement which would not involve a protracted hearing. The impact, if any, will be on expenses and not revenue as any fines/penalties imposed are paid to the National Revenue Fund and not to the Tribunal or Commission. No filing fee is payable by the Commission for bringing this type of case to the Tribunal.

The long term budgets reflected above have taken into account the costs associated with the development and maintenance of the electronic case management system referred to later in this document. We have also provided budget for hardware requirements though these are difficult to predict accurately.

7.2.3 Personnel

The Tribunal is an equal opportunity employer and is committed to achieving employment equity in its workplace. The Tribunal respects diversity and subscribes to the constitutional ethos of equality and non-discrimination in all its policies, practices and activities. These principles are adhered to with respect to the recruitment of staff and human resource policy development.

As can be seen in the organisational structure attached as **Appendix A**, the Tribunal does not have a hierarchy of positions to which professional staff can aspire. However some mechanisms have been developed in order to ensure the retention of organizational memory and to provide some career progression albeit limited.

In Registry, it is possible for someone to enter the Tribunal as a Registry Clerk and eventually progress to Registry Administrator or Registrar. In Research personnel can enter as junior case managers and progress to senior level over a period of 3 . 5 years.

In general staff turnover in the Tribunal is not high and 35% of the secretariat has been with the Tribunal since inception (11 years ago). The highest turnover occurs in the case management area where we find researchers spend 3 . 4 years in the Tribunal and as their marketability increases they are attracted by higher salaries and more growth opportunities to the legal profession or the Commission. We are aware of this trend and are aware that in many senses this is the intellectual capital of the organisation, for this reason we created a managerial position in this department and appointed a leader to set the direction and pace of research activities in the organisation.

The Tribunal is in the initial process of developing a case document management system that simultaneously manages case documents and provides a wide range of information required for case management and performance information reporting. The development and implementation of this project is likely to have an impact on the nature and volume of current work requirements and may require increased capacity or restructuring of current capacity. We will therefore need to carefully monitor the process and in addition that change management and training is effectively implemented.

7.2.3 Internship

The Tribunal is a small organisation and is therefore limited in its ability to generate significant employment or offer a substantial number of internships. Despite this the Tribunal has over the last two years focussed on increasing the internships it offers. Through a joint collaboration with the University of Pretoria internships are offered to final year LLB students as part of the supervised internship programme. We will continue to offer internships in Corporate Services and the Registry.

We are also very excited about an initiative we are attempting to embark on with DEAFSA whereby we will offer a casual position (three days per week) to someone to work in the Corporate Services section. The person offered the position will assist with administrative and financial functions and will be trained in order to further assist the Tribunal and in addition provide the incumbent to develop their own skills.

7.2.4 Capacity development

The Tribunal is committed to capacity building and recognises that proactive steps need to be taken to train and develop staff given the extreme shortage of skills in South Africa. This is consistent with maximizing the human resource potential of all employees, which is necessary to ensure efficiency and performance excellence.

Training includes in-house and on the job training with respect to the case management system and is undertaken so as to provide assistance to staff with the development of experience and skills in the area of competition law and economics.

External training service providers are utilized for specialized training courses. Furthermore, exposure to international best practice in competition law and policy is facilitated through attendance at international conferences/workshops, staff exchange programmes and visits by international experts.

Tribunal members in particular need to keep abreast of the extensive international case law in the field as well as legal and economic analysis in academic and practitioner journals in order to be able to perform their duties adequately.

The Tribunal facilitates this process by identifying the training needs of the Tribunal members and continues to facilitate the attendance of Tribunal members at international meetings/conferences (like International Competition Network (ICN) conference/working groups, the Annual Fordham Antitrust conference and the Organisation for Economic Co-operation and Development (OECD) Competition Committee meetings).

These meetings provide the Tribunal members with a forum to review their work and to keep up to date with aspects of competition economics and law. The budget provides for representation at these conferences and forums.

Tribunal members are appointed for a five year period and when new members are appointed there is a need to engage them in more intensive training thus familiarising them with competition law. We therefore find that training expenses will vary year on year depending on the needs of Tribunal members.

Full time Tribunal members will continue to lecture university students and will remain active in international bodies such as the ICN.

Since 2006 the Tribunal and the Commission have been observer members of the Competition Committee of the OECD a body at the international cutting edge of new developments in competition law and policy. The budget provides for attendance on an annual basis at three of these meetings.

7.3. Risk management

The Tribunal is committed to the optimal management of risk in order to achieve its vision, its principal tasks and key objectives.

An enterprise wide approach to risk management is adopted in the Tribunal. All identified key risks in the entity are included in a structured and systematic process of risk management and within a unitary framework that is aligned to the Tribunal's corporate governance responsibilities.

A risk management framework that describes the Tribunal's risk management policies, structures, processes and standards is documented and operative within the Tribunal. Through this framework the Tribunal is able to prioritize and identify major risks.

In terms of this framework, the Risk Management Committee meets quarterly and reports quarterly to the Audit Committee.

A Risk Coordination Committee assists the Risk Management Committee with the process of risk management and ensures that risk management is integrated into the day to day activities of the Tribunal. This committee reviews the risk register, obtains assurance on controls in place to mitigate these risks and monitors action plans identified.

An annual risk assessment is generally facilitated by the audit firm contracted to perform the Tribunal's internal audit while risk monitoring and management is the responsibility of the accounting authority and senior management.

During this process risks are identified and then ranked in terms of probability of occurrence (likelihood) and potential impact. Controls, mitigations or interventions that are designed to contain the potential impact or likelihood of the risk are identified and evaluated. These controls form the basis of an assurance plan and may be tested by the internal audit process or other independent means of evaluation.

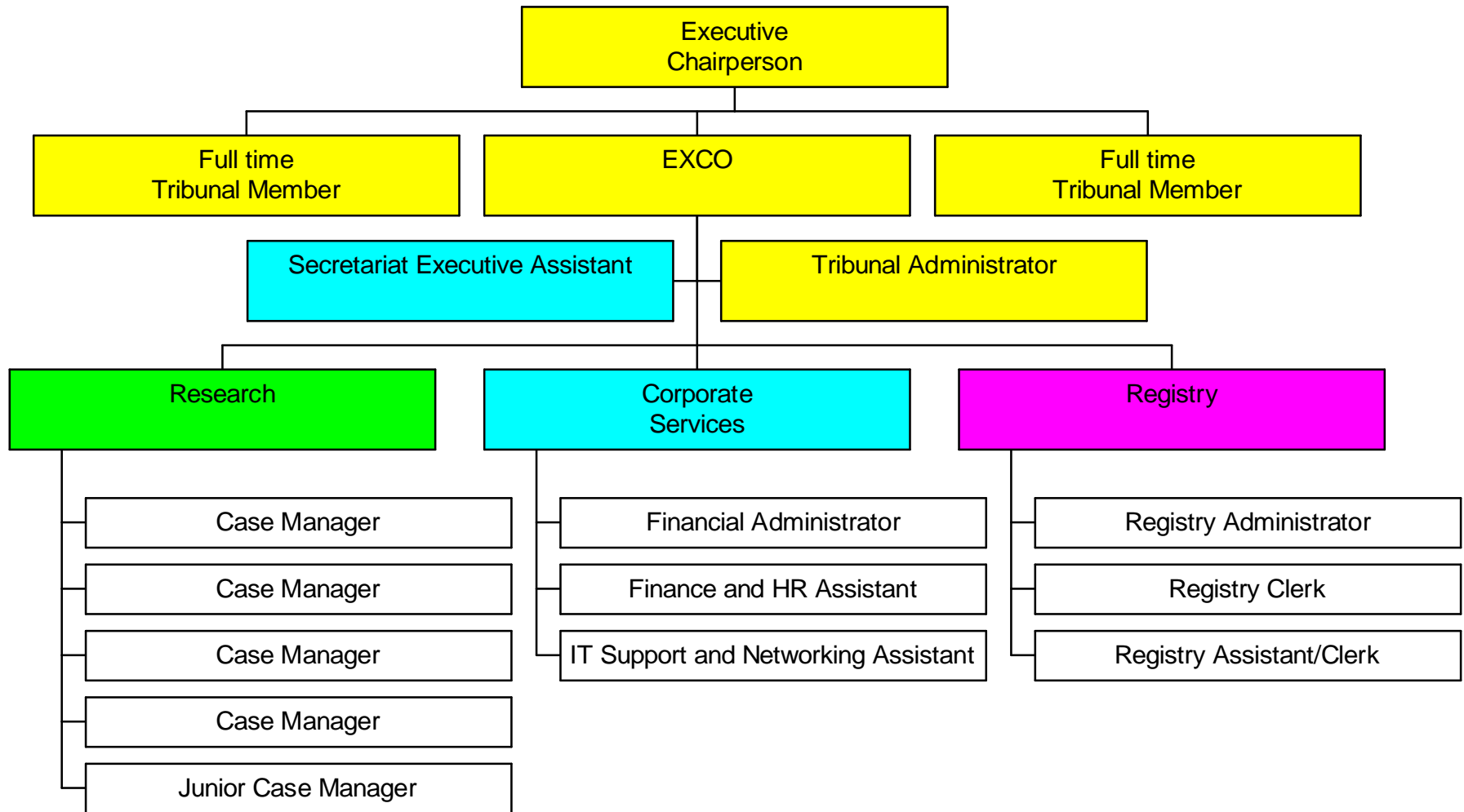
For the purpose of the risk assessment a risk/threat is defined as "Any possible situation and/or problem that may hinder/influence the achievement of the strategic objective/focus area."

The risk assessment is designed to minimize the audit risk and is used to allocate resources efficiently and effectively when developing the internal audit plan (annual and 3 year strategic).

The current risk register is attached as **Appendix G**.

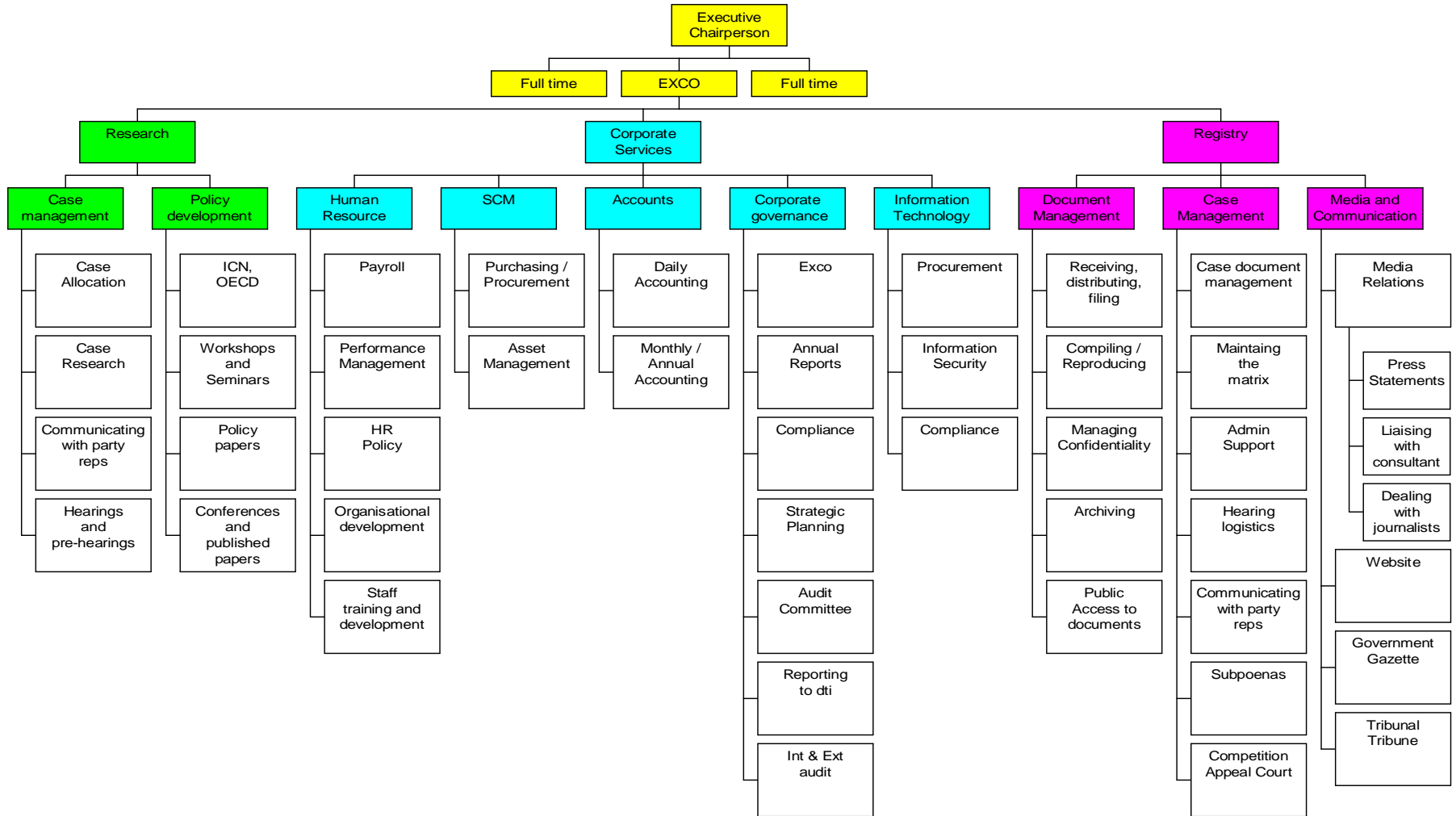
APPENDIX A – ORGANOGRAM

Organisational Structure of the Competition Tribunal as at November 2010



APPENDIX B – FUNCTIONAL ORGANOGRAM

Functional Structure of the Competition Tribunal as at November 2010



APPENDIX C – MEMBERS OF THE COMPETITION TRIBUNAL

Chairperson

Norman Manoim (BA, LLB), from 01 August 2009

Deputy Chairperson (Part-time)

Mbuyiseli Madlanga (BJuris, LLB, LLM), from 01 August 2009

Full-time members

Yasmin Carrim (BSc, LLB)

Andreas Wessels (BCom Hons, MCom), from 01 August 2009

Part-time members

Merle Holden (BCom Hons, MA, PhD)

Medi Mokuena (Dip Juris, LLB, LLM)

Thandi Orleyn (BJuris, BProc, LLB, honorary PhD)

Lawrence Reyburn (BSc, LLB)

Takalani Madima (LLM, MBA, PhD), from 01 August 2009

Andiswa Ndoni (BProc, LLB, Dip Business Management, Cert- Corporate Governance) from 01 August 2009

APPENDIX D – COMPETITION TRIBUNAL SECRETARIAT

Departmental heads

Janeen de Klerk (corporate services)

Lerato Motaung (registry)

Rietsie Badenhorst (research/case management)

Case managers

Londiwe Senona

Ipeleng Selaledi

Songezo Ralarala

Thabani Ngilande

Nicola Ilinger

Registry

Tebogo Mputle, registry administrator
Vacant . registry assistant/driver
David Tefu, registry clerk/court orderly

Corporate Services

Kirsteen Kunneke, financial administrator
Colin Venter, IT support and network administrator
Lufuno Ramaru, Tribunal administrator
Lethabo Monyeki, executive assistant

Gender and Race Composition

Gender	Black	White	Asian	Total	Percentage
Male	3	1	0	4	28.57
Female	6	4	0	10	71.43
Total	9	5	0	14	100
Percentage	64.29	35.71	0	100	

APPENDIX D – STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS AND TARGETS

Strategic Focus Area 1:	TRIBUNAL HEARINGS AND DECISIONS							
Goal Statement:	Hold hearings and adjudicating matters brought before the Tribunal.							
Strategic Outcome:	Promote and maintain competition within South Africa through the implementation of the Competition Act.							
STRATEGIC OBJECTIVE	OUTPUT	PERFORMANCE INDICATORS	BASELINE (2006/07 - 2009/10 average)	TARGETS				
				2012/13	2013/14	2014/15	2015/16	2016/17
To promote and maintain competition within South Africa by holding hearings and adjudicating matters brought before the Tribunal that pertain to large and intermediate mergers, interim relief cases, procedural matters, opposed as well as unopposed prohibited practices within the adopted delivery timeframes.	Large Mergers and reconsidered mergers:							
	Merger notices	Mergers set down in accordance with the delivery timeframes	74.01%	75% of mergers set down within 10 business days of the merger being filed	75% of mergers set down within 10 business days of the merger being filed	75% of mergers set down within 10 business days of the merger being filed	75% of mergers set down within 10 business days of the merger being filed	75% of mergers set down within 10 business days of the merger being filed
	Orders	Orders issued to parties in accordance with the delivery timeframes	98.88%	98% of orders issued within 10 business days of the last hearing date	98% of orders issued within 10 business days of the last hearing date	98% of orders issued within 10 business days of the last hearing date	98% of orders issued within 10 business days of the last hearing date	98% of orders issued within 10 business days of the last hearing date
	Reasons for decision documents	Reasons for decisions issued to parties in accordance with the delivery timeframes	51.33%	56% of "reason for decisions" issued within 20 business days of order being issued	56% of "reason for decisions" issued within 20 business days of order being issued	56% of "reason for decisions" issued within 20 business days of order being issued	56% of "reason for decisions" issued within 20 business days of order being issued	56% of "reason for decisions" issued within 20 business days of order being issued
	Opposed Prohibited Practices:							
	Prehearing invitations	Pre-hearing invitations sent to parties in accordance with the delivery timeframes	New indicator in 2011/2012	90% of pre-hearing invitations sent to parties within 20 business days of close of pleadings	90% of pre-hearing invitations sent to parties within 20 business days of close of pleadings	90% of pre-hearing invitations sent to parties within 20 business days of close of pleadings	90% of pre-hearing invitations sent to parties within 20 business days of close of pleadings	90% of pre-hearing invitations sent to parties within 20 business days of close of pleadings
	Order and reasons for decision documents	Order and reasons for decisions issued to parties in accordance with the delivery timeframes	80.59%	80% of orders and reasons for decisions issued within 60 business days of the hearing date	80% of orders and reasons for decisions issued within 60 business days of the hearing date	80% of orders and reasons for decisions issued within 60 business days of the hearing date	80% of orders and reasons for decisions issued within 60 business days of the hearing date	80% of orders and reasons for decisions issued within 60 business days of the hearing date
	Consent Orders:							
	Orders	Orders issued to parties in accordance with the delivery timeframes	New indicator in 2011/2012	75% of consent orders issued within 10 business days of the last hearing date	75% of consent orders issued within 10 business days of the last hearing date	75% of consent orders issued within 10 business days of the last hearing date	75% of consent orders issued within 10 business days of the last hearing date	75% of consent orders issued within 10 business days of the last hearing date

Strategic Focus Area 1:	TRIBUNAL HEARINGS AND DECISIONS							
Goal Statement:	Hold hearings and adjudicating matters brought before the Tribunal.							
Strategic Outcome:	Promote and maintain competition within South Africa through the implementation of the Competition Act.							
STRATEGIC OBJECTIVE	OUTPUT	PERFORMANCE INDICATORS	BASELINE (2006/07 - 2009/10 average)	TARGETS				
				2012/13	2013/14	2014/15	2015/16	2016/17
To promote and maintain competition within South Africa by holding hearings and adjudicating matters brought before the Tribunal that pertain to large and intermediate mergers, interim relief cases, procedural matters, opposed as well as unopposed prohibited practices within the adopted delivery timeframes.	Procedural Matters:							
	Orders	Orders issued to parties in accordance with the delivery timeframes	94.21%	85% of orders issued within 20 business days of the last hearing date	85% of orders issued within 20 business days of the last hearing date	85% of orders issued within 20 business days of the last hearing date	85% of orders issued within 20 business days of the last hearing date	85% of orders issued within 20 business days of the last hearing date
	Interim Relief cases:							
	Reasons for decision documents	Reasons for decisions issued to parties in accordance with the delivery timeframes	New indicator in 2011/2012	85% of "reasons for decisions" issued within 20 business days of the last hearing date	85% of "reasons for decisions" issued within 20 business days of the last hearing date	85% of "reasons for decisions" issued within 20 business days of the last hearing date	85% of "reasons for decisions" issued within 20 business days of the last hearing date	85% of "reasons for decisions" issued within 20 business days of the last hearing date

Strategic Focus Area 2:	STAKEHOLDER AWARENESS							
Goal Statement:	Communicate the activities and decisions of the Competition Tribunal effectively.							
Strategic Outcome:	Educate and create awareness of Competition Matters to the Tribunal's stakeholders.							
STRATEGIC OBJECTIVE	OUTPUT	PERFORMANCE INDICATORS	BASELINE (2006/07 - 2009/10 average)	TARGETS				
				2012/13	2013/14	2014/15	2015/16	2016/17
To educate and to create awareness of competition matters to our stakeholders by communicating the activities and decisions of the Competition Tribunal by way of the internet, press releases, the Government Gazette as well as internal publications within the adopted delivery timeframes.	"Reasons for Decision" documents	Turnaround time for all the "reasons for decisions" to be posted on the website after release	94.22%	97% of reasons for decisions posted on the Tribunal website within 24 hours of release	97% of reasons for decisions posted on the Tribunal website within 24 hours of release	97% of reasons for decisions posted on the Tribunal website within 24 hours of release	97% of reasons for decisions posted on the Tribunal website within 24 hours of release	97% of reasons for decisions posted on the Tribunal website within 24 hours of release
	Tribunal Tribunes produced	Tribunal Tribune's distributed to Stakeholders	New indicator in 2011/2012	Three Tribunal Tribunes distributed to 50 stakeholders by 31 March 2013	Three Tribunal Tribunes distributed to 50 stakeholders by 31 March 2014	Three Tribunal Tribunes distributed to 50 stakeholders by 31 March 2015	Three Tribunal Tribunes distributed to 50 stakeholders by 31 March 2016	Three Tribunal Tribunes distributed to 50 stakeholders by 31 March 2017
	Notice of final merger orders	Merger orders published in the Government Gazette	New indicator in 2011/2012	100% of the merger orders issued sent to the Government Gazette for publishing within 20 days of the final decision	100% of the merger orders issued sent to the Government Gazette for publishing within 20 days of the final decision	100% of the merger orders issued sent to the Government Gazette for publishing within 20 days of the final decision	100% of the merger orders issued sent to the Government Gazette for publishing within 20 days of the final decision	100% of the merger orders issued sent to the Government Gazette for publishing within 20 days of the final decision
	Press releases	Press releases of final decisions for mergers issued to media	New indicator in 2011/2012	Issue press releases for 75% of final merger issued by the Tribunal by 31 March 2013	Issue press releases for 75% of final merger issued by the Tribunal by 31 March 2013	Issue press releases for 75% of final merger issued by the Tribunal by 31 March 2013	Issue press releases for 75% of final merger issued by the Tribunal by 31 March 2013	Issue press releases for 75% of final merger issued by the Tribunal by 31 March 2013
	Press releases	Press releases of final decisions of prohibited practices issued to the media	New indicator in 2011/2012	Issue press releases for 100% of final prohibited practices decisions issued by the Tribunal by 31 March 2013	Issue press releases for 100% of final prohibited practices decisions issued by the Tribunal by 31 March 2013	Issue press releases for 100% of final prohibited practices decisions issued by the Tribunal by 31 March 2013	Issue press releases for 100% of final prohibited practices decisions issued by the Tribunal by 31 March 2013	Issue press releases for 100% of final prohibited practices decisions issued by the Tribunal by 31 March 2013

Strategic Focus Area 3	OPERATIONAL EFFECTIVENESS							
Goal Statement:	Enhance the expertise of Tribunal staff.							
	Improve the service of the Tribunal to our customers.							
Strategic Outcome:	Strengthen the Tribunal's organisational capability and performance to deliver on its legislative mandate							
STRATEGIC OBJECTIVE	OUTPUT	PERFORMANCE INDICATORS	BASELINE (2006/07 - 2009/10 average)	TARGETS				
				2012/13	2013/14	2014/15	2015/16	2016/17
To enhance the expertise of Tribunal members and staff by sending them on planned International as well as local conferences and training courses.	Training feedback form	Conferences and training courses attended	New indicator in 2011/2012	Tribunal members and research staff attend 75% of the budgeted international and national conferences/workshops/training courses by 31 March 2013	Tribunal members and research staff attend 75% of the budgeted international and national conferences/workshops/training courses by 31 March 2014	Tribunal members and research staff attend 75% of the budgeted international and national conferences/workshops/training courses by 31 March 2015	Tribunal members and research staff attend 75% of the budgeted international and national conferences/workshops/training courses by 31 March 2016	Tribunal members and research staff attend 75% of the budgeted international and national conferences/workshops/training courses by 31 March 2017
To improve the Tribunal's service to customers through obtaining positive feedback on the performance of the Tribunal.	Customer satisfaction survey	Bi-Annual customer satisfaction survey results	New indicator in 2011/2012		75% of the customers surveyed by 31 January 2012 are satisfied with the service of the Tribunal		75% of the customers surveyed by 31 January 2014 are satisfied with the service of the Tribunal	

APPENDIX F – 5 YEAR BUDGET

Summarised budget:

	ACTIVITY	2010-2011 (Previous year's budget)	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
INCOME	EDD GRANT REQUIRED	0	0	0	0	0	23 803 234	24 739 982
	COMMITTED EDD GRANT	13,625,000	15,175,000	15,600,000	16,458,000	17,445,480	0	0
	FEES RECEIVED	5,760,000	7,250,000	9,075,000	9,910,000	10,635,000	11,166,750	11,725,088
	BAL BFWD	7,322,971	3,273,931	5 837 045	5 109 673	5 105 484	0	0
	INTEREST RECEIVED	700,000	700,000	600,000	600,000	500,000	400,000	300,000
TOTAL INCOME		27,407,971	26,398,931	31 112 045	32 077 673	33 685 964	35 369 984	36 764 950
EXPENDITURE	PERSONNEL	14,083,472	14,780,056	18 322 766	19 422 132	20 490 350	21 617 319	22 806 271
	TRAINING	1,572,087	1,571,259	1,678 374	1,770 685	1,859 219	1,952 180	2,049 789
	PROF SERVICES	4,422,218	5,154,731	5,775,798	6,093,466	6,398,140	6,718,047	7,053,949
	RECRUIT COSTS	108,149	119,677	132,592	139,884	146,879	154,223	161,934
	ADMIN EXPENSES	1,994,171	1,961,051	2 034 352	2,152 528	2,260 154	2 373 162	2,491 820
	FACIL AND CAPITAL	4,477,382	2,101,682	2,511 019	1,798,357	1,795,938	1,790,705	1,394,799
TOTAL		26,657,480	25,688,455	30 454 902	31 384 386	32 958 013	35 605 636	35 958 562
APPEALS COURT BUDGET		750,492	710,475	657,144	693,286	727,951	764,348	806,387
TOTAL EXPENDITURE		27,407,971	26,398,930	31 112 045	32 077 673	33 685 964	35 369 984	36 764 950
ANTICIPATED SURPLUS/ (DEFICIT)		0	0	0	0	0	0	0

- The budget is calculated by taking the 2012/2013 budget and inflating figures as follows:
Goods and services by 5.5% in 2013/2014 and then 5% in subsequent years
Personnel by 6% in 2013/2014 and then 5.5% in subsequent years
- The budget is based on a guestimate of fees due given by the Commission for 2012/2013 to 2014/2015 and then 5% for the next 2 years thereafter.
- The budget provides for an additional full-time member
- The budget provides for the purchase of a new motor vehicle in 2015/2016
- At the end of the 2010/2011 year the Tribunal had surpluses of approx R 20.3 m these are drawn down over the MTEF period

Detailed budget:

	ACTIVITY	2010-2011 (Previous year's budget)	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
INCOME	ADDITIONAL EDD GRANT REQUIRED	0	0	0	0	0	23 803 234	24 739 862
	COMMITTED GRANT EX THE EDD	13 625 000	15 175 000	15 600 000	16 458 000	17 445 480	0	0
	FEES RECEIVED	5 760 000	7 250 000	9 075 000	9 910 000	10 635 000	11 166 750	11 725 088
	BAL BFWD	7 322 971	3 273 931	5 837 045	5 109 673	5 105 484		
	INTEREST RECEIVED	700 000	700 000	600 000	600 000	500 000	400 000	300 000
TOTAL INCOME		27 407 971	26 398 931	31 112 045	32 077 673	33 685 964	35 369 984	36 764 950
EXPENDITURE								
PERSONNEL	SALARIES & ALLOWANCES	11 251 159	11 539 073	14 229 661	15 083 441	15 913 030	16 788 247	17 711 600
	COMPANY CONTRIBUTIONS	431 742	699 480	788 858	836 190	882 180	930 700	981 889
	CASUAL LABOUR	3 600	3 600	3 600	3 816	4 026	4 247	4 481
	TRIBUNAL MEMBERS	1 694 000	1 760 000	2 438 800	2 585 128	2 727 310	2 877 312	3 035 564
	PERFORMANCE BONUS	702 971	777 903	861 847	913 558	963 804	1 016 813	1 072 737
TRAINING	TRAINING LOCAL	162 224	179 516	198 888	209 827	220 318	231 334	242 901
	TRAINING OVERSEAS	813 285	758 664	785 825	829 045	870 498	914 023	959 724
	CONFERENCES & SEMINARS	379 994	397 771	451 896	476 750	500 587	525 617	551 898
	BURSARIES AND SCHOLARSHIPS	54 075	59 839	66 296	69 942	73 439	77 111	80 967
	ICN WORKSHOPS	162 510	175 470	175 470	185 121	194 377	204 096	214 301
PROFESSIONAL SERVICES	PROF FEES - CC	465,885	381,786	382,533	403,572	423,751	444,938	467,185
	PROF FEES - dti	1,367,367	1,775,901	1,775,901	1,873,576	1,967,254	2,065,617	2,168,898

	ACTIVITY	2010-2011 (Previous year's budget)	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
	BANK CHARGES	16 725	18 387	21 404	22 581	23 710	24 895	26 140
	LEGAL FEES	262 800	262 800	262 800	277 254	291 117	305 673	320 956
	TECHINICAL	66 000	60 774	372 392	392 873	412 517	433 143	454 800
	OTHER	696 896	746 387	722 959	762 722	800 858	840 901	882 946
	RECORDING SERVICES	521 040	470 906	454 048	479 020	502 971	528 120	554 526
	EXTERNAL FEE	406 732	637 592	701 351	739 926	776 922	815 768	856 556
	SUNDRY EXPENSES	71 596	183 992	410 476	433 053	454 705	477 440	501 313
	INTERNAL FEE	547 178	616 207	671 934	708 890	744 334	781 551	820 629
RECRUITMENT COSTS								
	RECRUITMENT FEES	108 149	119 677	132 592	139 884	146 879	154 223	161 934
	STAFF ADVERTISING	0	0	0	0	0	0	0
ADMINISTRATIVE EXPENSES								
	LOCAL TRAVEL	497 060	459 129	429 894	453 538	476 215	500 026	525 027
	HOTEL ACCOMODATION - LOCAL	89 800	121 200	85 200	89 886	94 380	99 099	104 054
	CAR RENTAL	32 400	32 400	32 400	34 182	35 891	37 686	39 570
	PER DIEM ALLOWANCE	2 880	2 880	2 880	3 038	3 190	3 350	3 517
	REFRESHMENTS	59 087	89 255	127 034	134 021	140 722	147 758	155 146
	ENTERTAINMENT	16 200	16 200	16 200	17 091	17 946	18 843	19 785
	PRINTING AND STATIONERY	84 164	112 178	103 005	108 670	114 103	119 808	125 799
	ADVERTISING WEB SITE	252 000	65 132	65 132	75 000	78 750	82 688	86 822
	ADVERTISING BROCHURES & PAMPHLETS	204 000	217 000	217 000	228 935	240 382	252 401	265 021
	PUBLIC RELATIONS	381 413	441 000	485 100	511 781	537 370	564 238	592 450
	NEWSPAPER/ MAGAZINE SUBSCRIPTIONS	44 829	38 598	63 150	66 623	69 955	73 452	77 125

	ACTIVITY	2010-2011 (Previous year's budget)	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
	COURIER SERVICES	14 818	11 501	25 472	26 873	28 216	29 627	31 109
	POSTAGE AND STAMPS	1 980	1 500	1 500	1 583	1 662	1 745	1 832
	TELEPHONES/TELEFAXES	34 680	38 040	47 368	49 974	52 472	55 096	57 851
	CELL PHONES	104 280	100 800	116 400	122 802	128 942	135 389	142 159
	INTERNET SERVICE	42 000	51 000	80 400	84 822	89 063	93 516	98 192
	FIRST AID	360	360	360	380	399	419	440
	GIFTS AND FLOWERS	14 300	14 300	14 300	15 087	15 841	16 633	17 465
	GENERAL HOUSEKEEPING	600	600	600	633	665	698	733
	OFFSITE STORAGE	14 400	34 800	34 800	36 714	38 550	40 477	42 501
	INSURANCE	102 919	113 178	86 157	90 896	95 441	100 213	105 224
FACILITY AND CAPITAL	LEASE- PHOTOCOPIER	196 838	206 441	201 579	212 666	223 300	234 465	246 188
	COMPUTER EQUIPMENT - COST	132945	408 500	290 000	100 000	75 000	78 750	82 688
	COMPUTER SOFTWARE	2 139 196	203 734	239 321	100 000	105 000	110 250	115 763
	ONGOING SUPPORT FOR CDM	500 000	496 584	590 976	295 488	310 262	325 776	342 064
	ADDITIONAL HARDWARE FOR CDM	500 000	100 000	50 000	25 000	125 000	25 000	25 000
	R&M COMPUTERS	1 800	17 800	21 800	22 999	24 149	25 356	26 624
	LOOSE TOOLS (ASSETS UNDER R2000)	20 000	20 000	20 000	21 100	22 155	23 263	24 426
	OFFICE EQUIPMENT	0	50 000	25 000	12 500	6 250	6 563	6 891
	MOTOR VECHILE - COST	300 000	0	0	0	0	300 000	0
	MOTOR VECHILES- FUEL R&M	14 400	7 042	7 042	7 429	7 801	8 191	8 600

	ACTIVITY	2010-2011 (Previous year's budget)	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
	FURNITURE & FITTINGS - COST	50 000	100 000	220 000	100 000	0	0	0
	REPAIRS AND MAINTENANCE	3 000	3 000	3 000	3 165	3 323	3 489	3 664
	DEPRECIATION	619 203	488 581	842 301	905 343	901 032	649 604	512 892
TOTAL		26 657 480	25 688 455	30 454 902	31 384 386	32 958 013	34 605 636	35 958 562
APPEALS COURT		750 492	710 475	657 144	693 286	727 951	764 348	806 387
TOTAL EXPENDITURE		27 407 971	26 398 931	31 112 045	32 077 673	33 685 964	35 369 984	36 764 950
SURPLUS/ (DEFICIT)		0	0	0	0	0	0	0

APPENDIX G – RISK MANAGEMENT IN THE TRIBUNAL

The Competition Tribunal has established an Enterprise Risk Management (ERM) process to proactively identify and manage risks that prevent the Tribunal from achieving its objectives and in order to comply with best practice risk management

Each risk is evaluated in terms of its impact, likelihood of occurrence and the effectiveness of controls in place to manage the risks according to the criteria set out below:

Impact: The table is used to assist management in quantifying the potential impact a risk exposure may have on the Tribunal

Severity Ranking	Continuity of Supply	Safety & Environmental	Technical Complexity	Financial
Catastrophic 100	Risk event will result in widespread and lengthy reduction in continuity of supply to customers of greater than 48 hours	Major environmental damage Serious injury (permanent disability) or death of personnel or members of the public Major negative media coverage	Use of unproven technology for critical system / project components High level of technical interdependencies between system / project components	Significant cost overruns of >20% over budget. Affect on revenue / asset base of >10%. Affect on profit before tax of >5%.
Critical 70	Reduction in supply or disruption for a period ranging between 24 & 48 hours over a significant area	Significant injury of personnel or public Significant environmental damage Significant negative media coverage	Use of new technology not previously utilised by the University for critical systems / project components	Major cost overruns of between 10 % & 20 % over budget Affect on revenue / asset base of between 5% & 10% Affect on profit before tax of between 3% & 5%
Serious 50	Reduction in supply or disruption for a period between 8 & 24 hours over a regional area	Lower level environmental, safety or health impacts. Negative media coverage	Use of unproven or emerging technology for critical systems / project components	Moderate impact on revenue, assets base and share price
Significant 30	Brief local inconvenience (work around possible)	Little environmental, safety or health impacts	Use of unproven or emerging technology for systems / project components	Minor impact on revenue, assets base and share price
Minor	Loss of an asset with minor impact on operations	Limited negative media coverage		
	No impact on business or core systems	No environmental, safety or health impacts and/or negative media coverage	Use of unproven or emerging technology for non-critical systems / project components	Insignificant financial loss

Likelihood

Probability Factor	Qualification Criteria	Rating
Almost Certain	The risk is almost certain to occur in the current circumstances	90%
Likely	More than an even chance of occurring	65%
Possible	Could occur quite often	40%
Unlikely	Small likelihood but could happen	20%
Rare	Not expected to happen - Event would be a surprise	10%

The table above is used to assist management in quantifying the probability of a specific risk occurring while the table below is used to quantify the perceived effectiveness of the controls to mitigate/reduce the impact of specific risks

Control Effectiveness

Effectiveness Factor	Qualification Criteria	Rating
Very Good	Risk exposure is effectively controlled and managed	80%
Good	Majority of risk exposure is effectively controlled and managed	60%
Satisfactory	There is room for some improvement	35%
Weak	Some of the risk exposure appears to be controlled, but there are major deficiencies	20%
Unsatisfactory	Control measures are ineffective	10%

Inherent risk (no controls in place)

Inherent Risk	Rating
Extreme	>50
High	35 < 50
Moderate	25 < 35
Low	15 < 25
Insignificant	< 15

Residual Risk Exposure (controls in place)

Residual Risk	Rating
Priority 1	> 25
Priority 2	17.5 < 25
Priority 3	12.5 < 17.5
Priority 4	7.5 < 12.5
Priority 5	< 7.5

COMPETITION TRIBUNAL RISK REGISTER

Ranking	Risk name	Root cause	Consequence of the risk	Impact	Likelihood	Inherent risk exposure
1	Poor case management	Hearing process compromised <i>Lack of security over confidential information</i> Use of confidential information for own benefit <i>Public perception</i> Documents sent to incorrect recipient <i>Documents go missing</i> Hearings not recorded <i>Improper communication with CT Members (poor planning)</i> Poor stakeholder relations <i>Inefficiency in process</i>	Harm to reputation and credibility	Catastrophic	Almost Certain	Extreme
2	Decision-making compromised	Decisions are not impartial <i>Decisions are uninformed</i> Perception of bias and lack of independency <i>Lack of security over confidential information</i> Use of confidential information for own benefit <i>Public perception</i> Bad precedents created <i>Decisions not timely</i>	Harm to reputation and credibility <i>Appeals</i>	Catastrophic	Almost Certain	Extreme
3	Inadequate performance management	Inadequate performance <i>information reporting</i>	Non-compliance with legislation <i>Business decisions based on incorrect / inadequate information</i> Inability to measure / monitor performance	Critical	Almost Certain	Extreme
4	Inability to attract and retain key critical positions within the organisation	Adequacy of remuneration <i>Job satisfaction</i> Ability to progress within the Institution	Inability to operate fully in terms of the Act	Critical	Almost Certain	Extreme
5	Insufficient funding from EDD	Inadequate lobbying <i>Inaccurate budgeting</i>	Inadequate funds to fulfil mandate <i>Financial constraints</i>	Critical	Possible	Moderate
6	Inadequate financial management	Inadequate financial reporting <i>Inadequate disclosures in Annual Financial Statements</i> Non-compliance to accounting standards	Improper asset valuation <i>Inappropriate depreciation methods</i> Omission of liabilities and expenses <i>Improper capitalisation of expenses</i> Inappropriate related party disclosures	Catastrophic	Possible	High

Ranking	Risk name	Root cause	Consequence of the risk	Impact	Likelihood	Inherent risk exposure
		<p><i>Electronic Funds Transfer (EFT) payments not subject to any validation checks</i></p> <p>Inadequate management of payments</p> <p><i>Inadequate supporting documentation</i></p> <p>Inappropriate recording of transactions</p> <p><i>Expenditure incurred and payments are effected without proper authorisation and approval</i></p> <p><i>Inadequate expenditure management</i></p> <p>Officials implementing the supply chain management system are inadequately trained</p> <p><i>Unauthorised withdrawal and diversion of cash investments</i></p> <p>Inadequate cash management</p>	<p><i>Inappropriate accounting changes</i></p> <p>Unauthorised changes to bank account details</p> <p><i>Fictitious vendors/ invoices / receipt notes</i></p> <p>Ghost employees</p> <p><i>Fictitious overtime claims (rates and hours)</i></p> <p>Fictitious subsistence and travel claims</p> <p><i>Abuse of leave policies</i></p> <p>Internet & telephone abuse</p> <p><i>Use of Tribunal resources to further private business</i></p> <p>Unauthorised payments / expenditure</p> <p><i>Fruitless and wasteful expenditure</i></p> <p>Irregular expenditure</p> <p>Fraudulent activities</p> <p><i>Tender process not followed</i></p> <p>Conflict of interest between procurement officers and prospective service providers</p> <p><i>Accepting bribes</i></p>			
7	Business interruption	<p>Inadequate back-ups and disaster recovery procedures</p> <p><i>Force Majeure</i></p>	<p>Loss of information</p> <p><i>Loss of / damage to assets</i></p> <p>Inability to perform functions / fulfil mandate</p>	Catastrophic	Unlikely	Low
8	Ineffective and untimely reporting to EDD	Ineffective reporting	<p>Non-compliance to legislation</p> <p><i>Inaccurate budgeting</i></p>	Critical	Possible	Moderate
9	Lack of and untimely approval of strategic submission to EDD	<p>Lack of / late approval of strategies, budgets, etc.</p> <p><i>Lack of administrative support / involvement from EDD</i></p>	<p>Non-compliance to legislation</p> <p><i>Inaccurate budgeting</i></p>	Critical	Possible	Moderate
10	Inadequate information security	<p>Lack of physical controls over access to the server</p> <p><i>Unauthorised transactions</i></p> <p>Hacking</p> <p><i>Viruses</i></p>	<p>Unauthorised access to server</p> <p><i>Leakage of sensitive information</i></p> <p>Loss of information</p> <p>Inadequate data integrity</p> <p><i>Abuse, misuse, theft and vandalism of/to:</i></p> <p><i>Property, plant and equipment</i></p> <p><i>Intellectual property</i></p> <p>Confidential information</p>	Catastrophic	Possible	High

Ranking	Risk name	Root cause	Consequence of the risk	Impact	Likelihood	Inherent risk exposure
11	Inability to attract and retain competent Tribunal members	Loss of skills / difficulty in retaining expertise <i>Lack of succession planning for full time and part-time members</i>	Loss of skills / difficulty in retaining expertise	Critical	Unlikely	Insignificant
12	Loss of assets	Inadequate physical security Inadequate security systems Non-adherence to policies and procedures <i>Non-compliance</i>	Abuse, misuse, theft and vandalism of/to property, plant and equipment	Serious	Possible	Low
13	Poor corporate governance / business ethics	Lack of transparency <i>Non adherence to legislation</i> Lack of accountability <i>Relevant statutory reporting requirements are not met</i>	Harm to reputation	Critical	Unlikely	Insignificant
14	Late / non-appointment of Tribunal members by EDD	Lack of succession planning <i>Delays in appointments</i> Lengthy appointment processes	Inability to operate fully in terms of the Act	Critical	Rare	Insignificant