



competitioncommission
south africa

ANNUAL PERFORMANCE PLAN 2016/17

BASED ON STRATEGIC PLAN 2015-2020

Submitted to the Economic Development Department on 29 January 2016

FOREWORD

The Competition Commission plays an important role as one of the institutions responsible for implementing an effective competition policy. Its role is derived from the objectives of the Competition Act, 1998 and given effect by regulating, investigating, prosecuting and enforcing restrictive practices, abuse of dominant positions, cartel conduct, exemption applications and mergers.

Just as the Competition Commission has aligned its strategic priorities with those of the National Development Plan, it has also aligned its annual priorities with those of the EDD in its Annual Performance Plan. The Commission's commitment to contributing towards a growing and inclusive economy during this difficult economic period which faces South Africa is laudable.

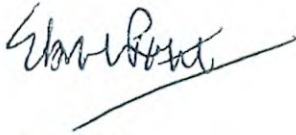
I commend the Competition Commission in its efforts to retain jobs by setting conditions to ensure that businesses contemplating a merger or an acquisition realise their responsibilities towards employees and the national development goal of growing employment and promoting inclusive growth. Merger control has become more complex as the emphasis to evaluate the public interest implications that result from mergers has become very important in light of the challenging economic circumstances and resultant high unemployment rate in South Africa.

I expect the Commission to continue to critically engage with public interest issues which arise in merger applications, particularly in large mergers. I note the filing of the landmark InBev/SABMiller merger with the South African competition authorities, deemed to be the one of the largest global merger transactions in history. The merger, which has been filed in multiple jurisdictions, invokes particular national interest, given South African Breweries significance in the South African economy.

I welcome the commencement of the market inquiry into the retail grocery sector, especially in light of the challenges South Africa faces in the Food & Agricultural sector, exacerbated by the drought which the country faces. The inquiry has the potential to clarify or address market challenges which lead to inflated food prices, and to the promotion of sustainable small businesses, and its outcomes could benefit many South Africans, particularly the most vulnerable in society.

I equally look forward to the outcomes of the market inquiry into Private Healthcare, which the Commission will be finalising this year.

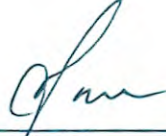
I endorse the Competition Commission's Annual Performance Plan for 2016/2017 and will provide the Commission with my support to ensure the implementation thereof.



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

OFFICIAL SIGN-OFF

This document constitutes Competition Commission's Annual Performance Plan for the period 2016-2017, as agreed upon by its senior management and with the approval of its executive authority, the Minister of Economic Development. It is premised on the 2015-2020 Strategic Plan and reflects the performance targets which the Commission will endeavour to achieve over the period.

Signature:  _____

F/ Ms Khanyisa Qobo, Head: Strategy & Planning

Date: 09-03-2016

Signature:  _____

Mr Molathlegi Kgauwe, Acting Chief Financial Officer

Date: 09/03/2016

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Mr Tembinkosi Bonakele, Commissioner

Date: 09/03/2016

Signature:  _____

Minister Ebrahim Patel MP, Minister of Economic Development

Date: 09/03/2016

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1. INTRODUCTION

The Commission has developed its 2016/17 Annual Performance Plan (APP) on the basis of the 2015-2020 Strategic Plan. In this second year of the 5-year strategy, the Commission has set out indicators and targets which will enable it to achieving its strategic objectives and its vision of *Competition Regulation for a Growing and Inclusive Economy*.

This Annual Performance Plan 2016/17 comprises three (3) sections.

- Part 1 provides a strategic overview of the performance delivery environment, both internally and externally.
- Part 2 is the programs and sub-programs which the Commission will effect during the 2016/17 Annual Performance Plan, including the performance indicators and targets for a one-year and five-year basis.
- Part 3 is the 2016/17 budget and MTEF estimates.

The APP has two annexures, the first of which highlights the Vision, Mission and Strategic Goals as set out in the 2015-2020 Strategic Plan. The second annexure is the Technical Indicators Definitions which accompany the 2016/17 APP.



PART 1: STRATEGIC OVERVIEW: PERFORMANCE DELIVERY ENVIRONMENT

2. THE EXTERNAL ENVIRONMENT

2.1. The Economic Landscape

South Africa's economic objectives over the short and medium-term are anchored on the National Development Plan (NDP). The aims of the National Development Plan are to eliminate poverty and reduce inequality by 2030. In order to achieve these aims, South Africa needs structured economic growth at a concerted rate, particularly to counter the current socio-economic challenges which the country faces.

The NDP's implementation framework is the New Growth Path (NGP). The New Growth Path's key pillars include: 1) industrialisation, to expand the productive economy, 2) infrastructure rollout, to provide both economic and social platforms for development, 3) investment, in new industries and new productive capacity, 4) innovation, to stimulate new product development, new ways of doing things as the means of capturing or retaining markets, 5) integration, to expand the size of markets by bringing together the economies of African countries, and 6) inclusion, through growth that is employment-creating, that pulls in black South Africans and young people into the economy. South Africa's growth strategy aims to improve the environment for, and growth in, employment, investment and infrastructure, trade and competition.

The Industrial Policy Action Plan (IPAP) addresses the manufacturing component of this framework. The IPAP's focus is on the development of high-growth, high-labour absorbing sectors such as manufacturing, mineral resources and agriculture. The IPAP advances that South Africa shifts from producing raw minerals to becoming a secondary and tertiary producer of goods through beneficiation. The "green" industry also carries economic potential, particularly in the area of energy diversification.

Through the National Infrastructure Plan, South Africa is investing in a strong network of economic and social infrastructure designed to support the country's medium- and long-term economic and social objectives. This economic infrastructure is a precondition for providing basic services such as electricity, water, sanitation, tele-communications and public transport,

and it needs to be robust and extensive enough to meet industrial, commercial and household needs. The NDP envisages a greater role for domestic capital in funding investment. Annual growth in output and incomes of 5.4 per cent should create favourable conditions for a higher level of savings and thus establishing a virtuous circle, linking savings, investment and growth.

2.2. The Year Ahead

South Africa has experienced a turbulent economic period in the past year, evidenced by contracting growth. The low rate of growth has resulted in a negative macro and micro economic outlook linked to a decline in the currency value and the downgrading of the country's ratings status, amongst others.

The country has faced challenges such as in the supply of energy, a high inflation rate and declining global commodity prices. These and other factors have been compounded a crippling drought, which has affected large parts of the country. The impact has been most acute in the agriculture industry, which has had the largest decline in economic activity during 2015, contracting by 12,6%. The decreases in the production of field crops (such as maize, sunflower and sugar cane) contributed to the industry's decline¹, and pose a threat to regional food supply and thereby food prices.

The Commission thus enters 2016 within this challenging service delivery environment and constrained outlook. As one of the economic role-players, the Commission has a responsibility to contribute solutions to these challenges, if it is to attain its vision of a Growing and Inclusive Economy. The challenges require a strategic approach, where the Commission is both responsive to the environment and proactive in contributing to solutions.

As such, the Commission's 2016/17 work program will be geared to responding to such, particularly to the challenges in the agricultural sector. The Food & Agro-Processing sector remains one of the priority areas for the organisation, in which it will be undertaking its advocacy and enforcement work during the financial year. Some of the initiatives the Commission will be undertaking in the sector during the financial year include the monitoring

¹ StatsSA (www.statsa.gov.za) "South Africa's Economy Narrowly Avoids Recession", 24 November 2015.

of some food prices, particularly in those industries which affect the poorest households. It will also continue its engagement with critical stakeholders, such as the Department of Agriculture, Fishing & Forestry (DAFF) on long and short-term policy matters. The Commission will also continue to critically assess the impact of merger transactions for positive public interest outcomes, particularly in this sector.

The Commission will be paying attention to other critical sectors of the economy, which have a bearing on economic growth and the livelihood of most South Africans, such as healthcare. The completion of the Market Inquiry into Private Healthcare is one such priority project. Other priority sectors, in addition to Healthcare and Food and Agro-Processing, include Energy, Intermediate Industrial Inputs, Construction & Infrastructure, Banking & Financial Services and Information & Communication Technology sector.

2.3. Global Trends

The emergence of competition authorities in China and India has shifted the global attention from the traditional anti-trust jurisdictions, largely from the West, into these important emerging economies. Further, there is a growing importance of the BRICS² nations' role in the global economy. The establishment of the BRICS Competition Forum provides a platform to debate competition matters from an emerging economy perspective. However, the current competition policy discourse tends to be dominated by a perspective which elevates efficiency considerations above developmental objectives.

Another noteworthy trend is that which is transpiring among global competition institutions; where some jurisdictions are re-aligning their regulatory institutions in order to reduce regulatory inefficiencies. France, Portugal, and Spain have combined two existing competition agencies into one, for example, whilst Brazil recently folded its three competition bodies into a single new institution. The Netherlands is poised to combine its regulators responsible for competition law, consumer protection, and the postal and tele-communications sectors into a new body. Spain has unified the competition agency with as many as six separate sectoral regulators. Other countries have modified substantive aspects of their competition law (e.g.

² An acronym for Brazil, Russia, India, China and South Africa, an emerging-economy group of countries.

by adding criminal penalties or enhancing private rights of action), which will predictably affect the institutional dynamics in which competition agencies operate.

At a regional level, the issue of harmonization of competition laws is one which is on the agenda of the Southern African Development Community and Southern African Customs Union. This is a discussion which is transpiring in the context of regional trade integration, in light of the inter-connectedness of the economy of these countries. This trend also echoes that which has been happening elsewhere across the globe- the Americas, East Asia, the Nordic countries and of course, the European Union.

3. ORGANISATIONAL ENVIRONMENT

An assessment of the key internal factors which contribute to the Commission's performance is articulated below:

3.1. Improving the Case Management Process

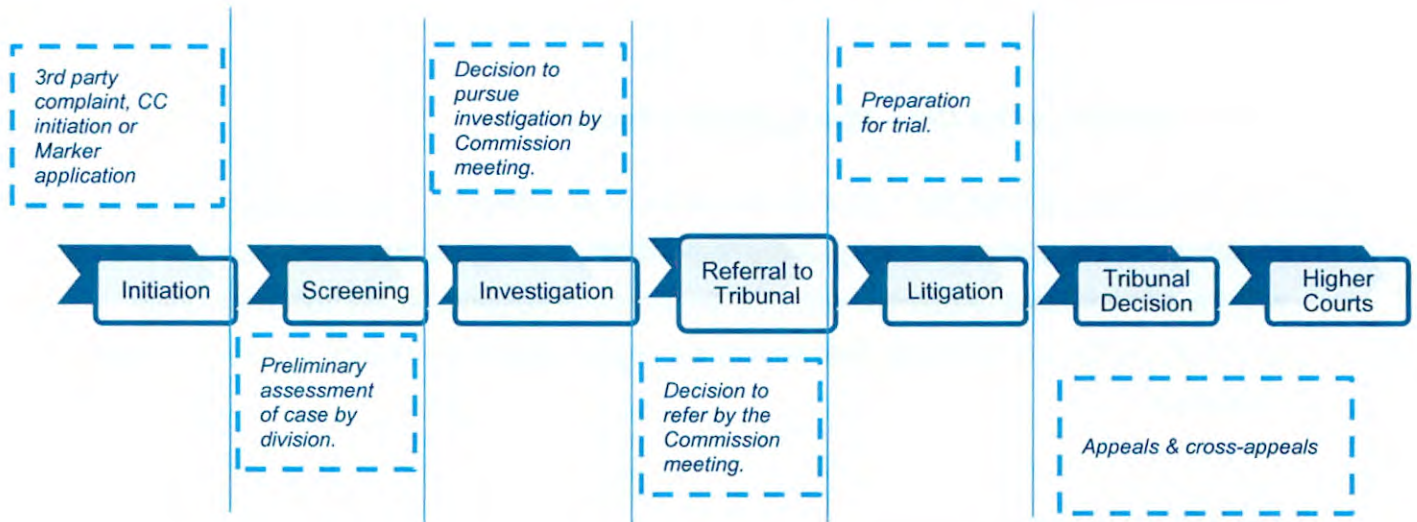
The Commission is organised into eight (8) divisions as outlined in Table 1 below. The Core Divisions are those who have the primary responsibility to carry out the mandate of the Act, with the administrative support provided by the Support Divisions. Aside from back-office functions, the Support Divisions also ensure the organisation's compliance to relevant legislations.

Table 1: Divisions of the Commission

Core Divisions	Support Functions
– Mergers and Acquisitions	– Finance
– Enforcements and Exemptions	– Corporate Services
– Cartels	– Office of the Commissioner (Stakeholder Relations, Communications, International Relations, Company Secretary, Strategy & Planning)
– Legal Services	
– Policy and Research	

The manner in which cases are managed involves an interface of all the core and core support divisions, whose work and contribution to the case is vetted and decided upon at various levels of the organisation, and culminating at the Commissioner's meeting. This is referred to as the case pipeline process. There are many checks and balances in this process, with vetting of process and divisions happening at every stage. The Commissioner's meeting makes final decisions at key points in the process, particularly concerning decisions to initiate cases and decisions to refer cases. An example of the pipeline process for enforcement cases is depicted in the diagram below.

Figure 1: The Case Pipeline Process- Enforcement



There are several constraints in the Commission’s workflow, including ‘bottlenecks’ arising in the process and challenges related to litigation. These challenges are occasioned by a number of factors, which the 2016/17 Annual Performance Plan aims to address.

In order to minimise bottlenecks in the case pipeline process, one of the initiatives for 2016/17 is to share the role of prosecuting cartels between the Cartels and Legal Services division (LSD)³. As such, the Cartels division will be assuming a role beyond investigation during 2016/17, by performing a prosecutorial role in some selected cases. The additional role to be performed by the Cartels division includes the negotiation and finalisation of settlement agreements, and preparing for, and appearing before the courts. It is envisaged that this practice will streamline the volume of the litigation roll for which the Legal Services division (LSD) has been solely responsible, and thereby enable LSD to provide legal and prosecutorial services in the Commission’s complex and strategic cases.

Other initiatives to improve the Case Pipeline process include the development of an internal Litigation Strategy in order to streamline and empower our internal legal processes; a revision

³ See Accountable Program in Indicator 9 in the APP table.

of the IT and Knowledge Management System towards a more integrated model, in order to enable improved knowledge sharing and security; and a revised Organisational Structure in order to improve workflow design and the organisation of competencies.

3.2. The Prioritisation of Sectors

'Prioritisation' refers to the Commission's approach of identifying and selecting strategic sectors in which it will focus its enforcement and advocacy work. This principle was adopted in 2008, and has served the organisation well with regards to its enforcement and advocacy initiatives. The selection of priority sectors has allowed for effective allocation of resources and it has ensured the alignment between the focus areas of the Commission and those of Government. The identification and defining of priority sectors has also benefited the Commission in its relationships with partners and stakeholders- allowing for greater collaboration and synchrony on economic policy. Prioritisation has also allowed for targeted impact of the Commission's work in significant areas of the economy.

A comprehensive review of the 2008-2014 priority sectors was undertaken in 2015/16 to determine which ones the Commission will continue its focus on in the coming five years. This exercise necessitated the consideration of new sectors which were deemed as emergent priorities, in light of a continuously shifting market landscape.

The sectors identified for prioritisation during 2016/17 are:

1. **Food & Agro Processing-** *entire value chain (production, processing, distribution and retail).*
2. **Intermediate Industrial Input Products-** *inputs into strategic manufacturing products such as steel, chemicals, fertilizers and automotive.*
3. **Construction & Infrastructure-** *includes construction products & services and transport & logistics (movement of goods & products).*
4. **Healthcare-** *entire value chain, including services and pharmaceutical market.*
5. **Energy-** *includes markets related to Electricity, Renewables, LPG (industrial and domestic usage), Nuclear and Fuel.*
6. **Banking & Financial Services-** *entire sector, including industries such as Insurance and Retail & Corporate banking activities.*

7. Information & Communication Technology- telecoms services and products, including markets related to inter-connection.

It is envisaged that a review exercise will be undertaken periodically to ensure continued relevance of the focus areas, including the identification of particular industries within the selected sectors, on which to focus on, as well as identifying new sectors where there are grounds to prioritise them

3.3. Scoping Studies

Scoping studies refers to intelligence-gathering economic work the Commission undertakes in select markets. Candidate markets are largely drawn from the patterns and trends emerging from the Commission's enforcement work, public complaints and the priority sectors of the Commission. The outcomes of a scoping study can lead to several actions:

- an investigation;
- a market inquiry;
- advocacy intervention; or
- no action at all.

Scoping studies are a mechanism which the Commission uses to generate its own work. Scoping studies are in fact, the catalytic agent to the principle of sector prioritisation- for they enable the Commission to initiate work in the targeted sectors, without undue reliance on public complaints. Undertaking scoping studies in targeted markets ensures strategic focus- both with regards to the allocation of resources and assessment of desired impact.

Scoping studies are a fundamental pillar to the Commission's strategic performance, and as such, will be carried through in 2016/17. The intention behind the intended scoping studies is to generate actionable research which can lead to enforcement of cartel or abuse of dominance conduct.

3.4. Market Inquiries

In the latter part of the previous strategy, the Commission received powers to undertake Market Inquiries.⁴ A market inquiry “means a formal inquiry in respect of the general state of competition in a market for particular goods or services, without necessarily referring to the conduct or activities of any-particular firm”⁵.

In the period since the provisions were promulgated, the Commission has initiated market inquiries into the Private Healthcare sector, Liquid Petroleum Gas and Supermarket Retailers. The Commission intends to draw lessons from these three market inquiries, and position itself to initiate further inquiries in the future. As such, it has set targets for the initiation and completion of market inquiries in its 2016/17 Annual Performance Plan. These market inquiries will be undertaken in various markets, in varying formats and the Commission will allocate resources of different magnitudes accordingly.

The new market inquiries function has resource implications for the Commission, particularly regarding human capital. The Commission’s Human Resource planning for 2015-2020 takes this into account. More importantly, a proposed revised organisational structure takes into consideration matters related to work allocation and the positioning of the market inquiries function within the institution.

3.5. Impact Assessments

The Commission has identified impact assessments as a strategic priority. ‘Impact assessments’ refers to the economic studies the Commission undertakes to evaluate its work. The purpose of undertaking impact assessments is to demonstrate to stakeholders the harm of anti-competitive conduct and the gains arising to the public from the Commission’s interventions. Impact assessments are carried out under three main categories, namely:

- Estimation of the impact of anti-competitive conduct;
- Ex-post evaluation of specific enforcement interventions; and
- Evaluation of the broader impact

The outcomes of impact assessments are seldom an exact exercise: the relationship between competition law enforcement and economic outcomes is complicated by various exogenous factors.

⁴ The law was promulgated in April 2014.

⁵ Competition Amendment Act 1 of 2009, s.43A

In the past few years, the Commission has sought to quantitatively demonstrate the results of its work by undertaking several impact assessments. These include studies in Wheat flour, Concrete products (concrete pipes and culverts) and more recently, in Cement. This is an area which the Commission intends to build upon, with the aim of producing five (5) impact assessment studies in the 2016/17 financial year.

3.6. Human Capital Management

The attraction and retention of the right skills is an area which the Commission intends to remain vigilant in. This is with regards to attracting and retaining the right people- with appropriate skills, talents and profiles. The Commission has initiated multiple Human Resource interventions aimed at addressing issues of succession planning, career mobility, remuneration, reward and engagement.

The organisation has undertaken a Culture Survey during the 2015/16 financial year, with the aim of understanding the organisational culture and values. The outcomes of this process will be taken into the 2016/17 financial year, with the aim of concluding a set of defining values and behaviours for the organisation.

Capacity-building is another critical investment the Commission is making, having offered staff access to more focussed training, multi-skilling opportunities, competency ladders and mentoring and coaching. Addressing these human capital issues requires a capable Human Resource function which is able to transcend beyond an administrative role to a strategic one. As such, the HR department has re-engineered its business delivery model during 2015/16, applying a business partner approach. This is a capability which will be further developed in the 2016/17 period.

Finally, with the development of the 2015-2020 Strategy, an appropriate organisational structure is required. A review of the current organisational structure was deemed to be a strategic imperative. The Commission's staff complement will continue to grow to ensure that it achieves its mandatory strategic goals effectively and efficiently. A great deal of work is already underway and several steps which include presenting the proposed structure to the EDD for approval, defining requisite job descriptions and performing job grading are targeted for 2016/17. The budget allocation for the revised structure will be undertaken in consultation

of the EDD as well as National Treasury to ensure alignment with the Medium Term Expenditure Framework (MTEF).

3.7. Leadership

In the past year, the Commission has filled most of its vacant positions, particularly at management level. This has led to stability and increased staff morale in the organisation.

The senior vacancies which the Commission intends to fill during 2016/17 include the positions of Company Secretary and Chief Financial Officer. These two posts are critical and the Commission intends to finalise appointment within the first quarter of 2016/17.

3.8. Consolidating the Office of the Commissioner

The Office of the Commissioner operates as an engine room for the Commission, with the critical functions of corporate governance and risk management (Company Secretary), strategy (Strategy & Planning), records management (Registry) and communication (Spokesperson) located therein. In order to enable effective operations, the Communications & Stakeholder Relations division, which comprised of Stakeholder Relations, International Relations and Communications, has been incorporated into the office of the Commissioner effect from the 2016/17 financial year. The purpose of the re-organisation is to consolidate these complimentary and overlapping functions to enhance rationalization of resources.

3.9. Resource Management & Compliance

The Commission has demonstrated responsible custodianship of its financial resources and received a clean audit for 2014/15 for the first time since 2008. This is an even higher standard of achievement to the unqualified audit opinion which it has been receiving since its establishment. The Commission aims to maintain the record of prudent resource management and governance, and has included it as a standard indicator for the 2016/17 financial year and beyond.

4. REVISIONS TO LEGISLATIVE AND OTHER MANDATES

4.1. Amendments to the Competition Act

In the course of the previous years' strategy, several legislative amendments were made to the Competition Act (1 of 2009). The aim of the amendments was to provide better tools to the Commission to address practices that tended to prevent or distort competition in the economy. Further amendments will be promulgated in phases as institutional capacity is expanded. The provisions related to market inquiries, which were promulgated in April 2013, are a case in point. During the period of this strategic plan, the Commission anticipates that the provisions related to Complex Monopolies, Criminalisation and Concurrent Jurisdiction will be effected. The Commission is also aware of the intent by policy makers to review the Competition Act, which will have implications on how the competition authorities operate in the future.

5. LINKS TO OTHER PLANS

5.1. The National Development Plan (NDP)

The National Development Plan (NDP) is the vision and long-term plan for South Africa. It is the framework under which Government develops its policies and programmes, geared at stimulating a social pact among South Africans for economic growth and job-creation, with the aim of eliminating poverty and reducing inequality by 2030.

The NDP's diagnosis of the country's challenges is accompanied by a precise direction in which South Africa must go in order to resolve its challenges. Economic regulatory agencies such as the Commission have a critical role to play in this regard, and are a critical partner in ensuring inclusive economic growth. The specific areas emergent in the NDP in which the Commission has a role to play are covered in the 2015-2020 Strategic Plan.

5.2. The New Growth Path

The New Growth Path (NGP) is South Africa's economic growth framework that seeks to place jobs at the centre of economic policy. It is premised on the restructuring of the South African economy to improve its performance in terms of labour absorption as well as the

composition and rate of growth. The NGP sets a target of 5 million jobs to be created by 2020 and sets out five jobs drivers:

- a) Public investment in **infrastructure**;
- b) Target labour absorbing activities across **main economic sectors**- agricultural and mining value chains, manufacturing and services;
- c) Opportunities in **new economies** in knowledge and green economies;
- d) Investing in social capital in social economy and public services (this includes health, education and policing);
- e) Fostering rural development and regional integration through **spatial development**.

In addition to job drivers, the NGP identifies institutional and policy drivers which will move the economy towards growth, decent work and equity. Competition policy is one of the microeconomic policy drivers identified, as a tool to support an inclusive economy. The role identified in the NGP for competition policy and the areas of alignment are captured in the Commission's 5-year strategic plan.

5.3. The Industrial Policy Action Plan (IPAP)

The key objectives of the IPAP are for South Africa to achieve inclusive growth through manufacturing growth and beneficiation. In this regard, the IPAP seeks to bring about significant structural change in the economy, reverse the threat of deindustrialisation and strengthen and diversify South Africa's manufacturing base through beneficiation. The IPAP considers competition policy as one of the important pillars of industrial development. IPAP identifies three key problematic areas:

- a. Concentrated supply chains of certain strategic inputs into manufacturing and other production processes (e.g. carbon and stainless steel, aluminium, chemical polymers and fertilizers);
- b. Concentration of purchasing of inputs meaning that value-adding and labour absorbing manufacturers face upward and downward price pressures; and
- c. Wage goods and other products (especially food) purchased largely by poor and working-class households, pose a problem.

Towards this end, the IPAP identifies a range of policy instruments that the state and its agencies should pursue, which include price-regulation, supplier development, local

procurement, development financing and competition policy, among others. The Commission's response to these are captured in its 5-year strategic plan.

5.4. The Medium Term Strategic Framework (MTSF)

The Medium Term Strategic Framework (MTSF) is designed by Cabinet to guide Government and its entities in its planning and to ensure the achievement of common outcomes at a national level. The 2014-2019 MTSF identifies 14 key outcomes which departments and entities must align with and pursue, as outlined below.

The Commission's strategy responds particularly to two of the MTSF Outcomes, namely,

- 1) "Decent employment through inclusive growth" and
- 2) "An efficient, competitive and responsive economic infrastructure network".

5.5. Alignment to Government Outcomes

The Commission's strategic response to Government's policies and planning outcomes during the period 2015-2020 includes the following:

- a) Considering socio-economic outcomes in case analysis, particularly in cases which have a large impact on the price of goods, public access to resources and market entry for small firms and historically disadvantaged individuals;
- b) Designing conditions and remedies which address employment, market concentration and other socio-economic challenges, and monitoring compliance thereof;
- c) Expanding the opportunities for South African participation in world markets, in line with the promotion of economic growth through the use of enforcement, exemptions and merger instruments;
- d) Continued advocacy and enforcement in regulated sectors to drive competitive conduct;
- e) The Commission's selection of its priority sectors to include those with high-growth and jobs potential;
- f) Considering the linkages between trade policy and competition policy in its work. This includes ensuring alignment of the Commission's priority sectors to IPAP-designated sectors and pursuing Market Inquires in economically-strategic sectors;
- g) Collaborations and partnerships to be pursued with other state actors on economic policy;
- h) Continued advocacy and training work with municipalities, trade unions and the general public, particularly on bid-rigging and competition awareness.

PART 2: PROGRAM & SUB-PROGRAM PLANS

6. PROGRAMS FOR THE 2016/17 ANNUAL PERFORMANCE PLAN

6.1. Mergers & Acquisitions Division (M&A)

The Mergers & Acquisitions (M&A) division is tasked with ensuring that merger transactions do not lead to a substantial lessening of competition, to the detriment of consumers and the public interest in terms of Chapter 3 of the Competition Act. The Commission has the authority to approve, conditionally approve, or prohibit intermediate mergers, while recommendations are made to the Tribunal in respect of large mergers. Small mergers may be notified to the Commission on a voluntary basis although the Commission may in certain circumstances require that the small merger be notified.

It is difficult to predict merger activity with certainty, since merger activity is an outcome of market conditions and firm activity. The Commission has over the years set targets with regards to the key outputs of mergers approved, mergers approved with conditions and mergers prohibited against the total number of mergers notified on the basis of observed trends. These assumptions have sometimes been incorrect, as they are largely outside of the control of the Commission. The Commission has thus developed performance indicators that are within its control, and thus has set merger targets in relation to turnaround times.

Merger regulation plays an important role in preventing anti-competitive structures in the economy. The Commission will continue to monitor the compliance of firms against merger remedies and conditions imposed, during this period. Compliance monitoring is an important step in ensuring that public interest and competition outcomes are realised in the economy.

The M&A program also analyses mergers in priority sectors as an input into the enforcement work of the Commission and monitor and analyse merger trends with a view to assessing merger activity that leads to job losses. Further, with the support of Legal Services, the program also monitors and litigates against the implementation of mergers prior to their approval.

6.2. Cartels Division

The Cartels programme focuses on investigating cartel activities in terms of Section 4(1)(b) of the Competition Act and also administers the Commission's Corporate Leniency Programme. Cartel conduct includes price fixing, market allocation and collusive tendering or bid rigging.

The Commission has had significant successes with uncovering cartel conduct through its Corporate Leniency Programme. The Fast Track Construction Settlement Project, for example, provided the Cartels Division with the necessary experience to manage large scale interventions into cartel activity in priority sectors. It has also enabled the division to build additional capacity.

The Cartels Division has embarked on a more proactive approach to uncovering cartel behaviour, including the undertaking of more search and seizure operations than in the past. Going forward the Cartels Division will consolidate its case pipeline by developing capacity to shift to real time investigations.

6.3. Enforcement & Exemptions Division (E&E)

The Enforcement and Exemption programme (E&E) focuses on restrictive vertical practices and the abuse of dominant positions. Abuse of dominance includes excessive pricing, price discrimination, refusal to deal with competitors and predatory pricing.

During this strategy period the E&E programme will focus sharply on establishing a more proactive approach to investigating abuse of dominance cases in terms of Section 8 and 9 of the Competition Act. The Commission has undertaken a process of rationalising and streamlining the number of cases under investigation. This rationalisation process will assist in releasing staff resources tied up in a high number of investigations to focus on investigating abuse of dominance cases and preparing to deal with complex monopolies in expectation of the relevant provisions of the Competition Amendment Act 1 of 2009.

The capacity within the E&E Division to focus on abuse of dominance contraventions is available and will, through effective leadership and performance management be harnessed to ensure that it becomes an effective instrument of competition regulation during this period.

6.4. Legal Services Division (LSD)

The Legal Services division (LSD) is responsible for managing all the Commission's litigation before the Tribunal, Competition Appeal Court (CAC), High Court, Supreme Court of Appeal (SCA) and Constitutional Court. The division represents the Commission in courts, in briefing attorneys and counsel, and directing and managing the Commission's strategy in respect of litigation. Legal support is also provided to analysing merger applications. The division serves as the exit point for the recommendation of large mergers to the Competition Tribunal and merger decisions which are appealed. The division is also responsible for negotiating and concluding settlement agreements, with the input of other divisions. The settlement process enables the Commission to conclude cases speedily and in the least costly manner.

In this strategic period, the Legal Services division will be focussed on improving its level of success in the courts. Successful prosecution or settlement of cases is an important indicator of success for the Commission.

6.5. Policy & Research Division (P&R)

The Policy and Research Division (P&R) provides economic analysis for complex merger and enforcement cases, conducting market studies on the existence and implications of possible anticompetitive structure and behaviour, and developing policy briefs and reports. In addition to analysis for these investigations, the division is involved in substantial work for submissions to the Tribunal for complex enforcement cases, including settlements.

Considerable progress has been made on conceptualising and operationalizing the impact assessment procedures of the Commission. The approach is set out in the Guidelines for Impact Assessment. The approach incorporates calculating direct savings to consumers using ex ante estimates, assessing competitive developments through ex-post monitoring and review

of selected cases and conducting on-going research on the wider benefits of the work of the Competition Authorities. This work is located within the Commission's Performance Management Framework. The P&R division is also responsible for the additional function of Market Inquiries. During 2016/17, the division will initiate and complete several of these in prioritised sectors.

Further, the advocacy function of the Commission will be under the custodianship of the P&R division. This is a function which complements the Commission's enforcement activities to bring about the desired compliance and is a far less costly approach to getting firms to comply with the requirements of the law. This is a tool which can also be used to promote competition principles in government policy and interventions, particularly in regulated markets.

6.6. Office of the Commissioner (OTC)

The primary role of the Office of the Commissioner (OTC) is oversight on the implementation of the Commission's strategic goals and objectives. In addition to crafting and setting the strategic direction of the Commission and providing necessary insight and guidance, the Office of the Commission will ensure that appropriate processes, procedures and structures are in place to enable all programmes to achieve against its stated objectives. The primary mechanism to achieve this is the continued operation of the Commission's corporate governance programme which maintains critical policies and procedures required to support the Commission's sound corporate governance record. The Company Secretary, Registry and the Strategy & Planning departments are located in the OTC, in addition to the departments noted below:

6.6.1. Stakeholder Relations

The Stakeholder Relations department is responsible for stakeholder awareness and education, media relations and stakeholder management of the Commission's key stakeholders in Government, Business and Labour.

The Commission will continue to maintain relations with Small and Medium Enterprises (SMEs) and Trade Unions during 2016/17 while focusing on key constituencies within government and business. Furthermore, strategic interactions with stakeholders will involve

making use of the stakeholder analysis undertaken in the previous financial year to prioritise the key stakeholders with whom the Commission needs to engage.

6.6.2. Communications

The Communications department is primarily responsible for conveying the Commission's key messages to both internal and external stakeholders with the purpose of advocating and advancing competition.

Some of its activities for 2016/17 include the implementation of a revitalised digital strategy, including website and social media interactions. A much more proactive approach to media engagement will be consolidated during this period. Generating frequent thought pieces to critically analyse trends in the external political economy will also inform the Commission's approach.

6.6.3. International Relations

Cabinet has set out guidelines on cost-containment and reduction, including on international travel by all public entities. Participation in important international networks and fora will be structured within these guidelines during 2016/17 as it provides the Commission with an opportunity to both follow international competition developments, and promote the consistent application of competition principles, while promoting the importance of developmental perspectives in domestic and international competition law discourses. The Commission aims to strengthen strategic bilateral relations with key foreign competition agencies, particularly its African and BRICS counterparts, through identified research projects and continued case cooperation. The Commission will continue to contribute to the building of strong competition institutions in the region through capacity building and technical assistance initiatives.

6.7. Corporate Services Division

The Corporate Services Division (CSD) comprises of the following departments: Information Technology, Human Resources and Security & Facilities. Together, they manage and oversee

the Commission's human and material assets, and provide an enabling environment for the performance of the core divisions.

The support programmes are aimed at ensuring that the services rendered by the Commission to external stakeholders are delivered effectively. The three programmes are expected to deliver specialised services, advice and support to the other programmes of the Commission.

6.7.1. Human Resources Department

The Human Resources (HR) programme plays a critical role in ensuring that staff are motivated and committed to the Commission through its recruitment and selection processes, employee wellbeing, remuneration, learning and development, labour relations and strategic interventions. The Commission seeks to embed a strategic, rather than a transactional approach, to the delivery of its human resource management services. For this reason, work on a retention strategy and succession planning will be consolidated and effectively implemented during the strategic period. Central to these initiatives is the roll-out of a revised Performance Management system during 2016/17.

6.7.2. Information Technology Department

The role of the Information Technology (IT) services is to understand the problems and needs of the Commission as the basis for determining how IT can be used to bring about improvements for the business, leading to improved business processes, improved information systems, new or improved computer applications and knowledge sharing.

The priorities for the business unit are focused on: developing an integrated and highly effective IT system which entails the comprehensive review of the Commission's ICT; successfully implementing the Knowledge Management and Case Management System, with a particular focus on IT security; maintaining the email system; improving remote access across all zones; managing all financial, HR, research and other applications and managing the website.

6.7.3. Security & Facilities Department

The Security and Facilities department is responsible for ensuring a safe and secure environment for all the Commission staff and visitors. The department oversees security



enabling and guarding services, including access control, within the proper guidelines and procedural responsibilities that will ensure a secure physical environment.

The department also focuses on effectively utilising the limited available space within the Commission to provide its staff with a suitable, safe and comfortable work environment. Regulatory measures around Occupational Health and Safety Act are effected to ensure that Commission can provide a safe environment for its staff and visitors.

6.8. Finance

The key financial management services include budget development, implementation and monitoring, effective financial management, procurement, management of resources, financial reporting and performance management.

Emphasis is placed on continuously improving the budgeting process in a manner that reflects the strategic priorities of the Commission, cash flow management, timeous financial reporting and ensuring that policies and activities comply with regulatory frameworks and guidelines. Compliance with statutory and regulatory frameworks remains an important focus as well as improving the data analysis and reporting functions. In its continuous pursuit to maintain a clean audit, the Finance department has set a target for a clean audit for the entire strategic period.

7. PERFORMANCE MANAGEMENT

The Commission has historically measured its performance against the targets it sets in the Annual Performance Plan. These “outputs” are the tangible deliverables which the organisation produces and on which it can be held accountable to by the public. One or more “key performance indicators”, with correlated targets, are developed for each “output”, thus allowing the Commission to qualitative and quantitative measurements thereto.

To enhance its performance management, the Commission has adopted the results-based approach. This is consistent with National Treasury and Department of Performance Monitoring & Evaluation guidance. It is important that the Commission is able to track its performance at an ‘Outcomes’ and ‘Impact’ level as well. “Outcomes” refers to the change in behaviour, attitudes, commitment or institutional practices that arise to the Commission's primary stakeholders as a consequence of the Commission undertaking its work. Further, the Commission intends that the outcomes of its work will yield transformative societal level results; that is positive impact at a macro level. These outcomes emerge from the three strategic goals and can be regarded as the “sub-goals” of the strategic plan.

The 2015-2020 strategy is underpinned by a performance monitoring and evaluation system. The Commission has inculcated principles of SMART⁶ in developing its performance indicators and targets, and sought to ensure that they are within the Commission's control to achieve. The Tables below depict the Commission's five (5) year and 2016/17 performance targets.

⁶ Acronym for “Specific”, “Measurable”, “Achievable”, “Realistic”, “Time-Bound”

8. CHANGES FROM THE 2015/16 TO 2016/17 APP

8.1. Change to the Communications & Stakeholder Relations (CSR) program.

Due to the consolidation of the Office of the Commissioner (OTC)⁷, the Communications and Stakeholder Relations (CSR) program has been replaced by the OTC program in the 2016/17 APP.

8.2. Change to Accountable Program in Indicator 9.

The achievement of the target is the responsibility of the both the LSD and Cartels division⁸.

8.3. Clarity on Efficiency Targets by insertion of symbol.

The meaning of the target has been further clarified by the insertion of the “*less than, equal to*” or “*greater than, equal to*” symbol in the expression of the target, with further reference of the same in the Technical Indicators Definitions (TIDs). The following indicators are affected:

- Indicators 1-5, 8-10, 12, 13, 15 and 33.

⁷ See section 3.8 on Consolidating the Office of the Commissioner.

⁸ See section 3.1 on Improving the Case Management Process.

Table 2: Three-Year Performance Plan

MEDIUM-TERM PERFORMANCE PLAN: 2016/17 - 2018/19								
STRATEGIC OUTCOMES	OUTPUTS	Nr	KEY PERFORMANCE INDICATORS	ACCOUNTABLE PROGRAM	ESTIMATED PERFORMANCE 2015/16	MEDIUM-TERM TARGETS		
						2016/17	2017/18	2018/19
STRATEGIC GOAL 1								
“EFFECTIVE COMPETITION ENFORCEMENT & MERGER REGULATION”								
1. Efficient and effective merger regulation <i>And</i> 3. Improved public interest outcomes <i>(as relating to jobs, industrialisation, exports, development of black-owned businesses and SMMEs.)</i>		1	Average turnaround time for Phase 1 merger investigations.	M&A	≤ 20 days	≤ 20 days	≤ 20 days	≤ 20 days
		2	Average turnaround time for Phase 2 merger investigations.	M&A	≤ 45 days	≤ 45 days	≤ 45 days	≤ 45 days
		3	Average turnaround time for Phase 3 intermediate merger investigations.	M&A	≤ 60 days	≤ 60 days	≤ 60 days	≤ 60 days
		4	Average turnaround time for Phase 3 large merger investigations.	M&A	≤ 120 days	≤ 120 days	≤ 120 days	≤ 120 days
		5	% of merger decisions upheld by Tribunal and/or courts.	LSD	≥ 75%	≥ 75%	≥ 75%	≥ 75%



MEDIUM-TERM PERFORMANCE PLAN: 2016/17 - 2018/19

MEDIUM-TERM PERFORMANCE PLAN: 2016/17 - 2018/19						MEDIUM-TERM TARGETS		
STRATEGIC OUTCOMES	OUTPUTS	Nr	KEY PERFORMANCE INDICATORS	ACCOUNTABLE PROGRAM	ESTIMATED PERFORMANCE 2015/16	2016/17	2017/18	2018/19
	c) Compliance-monitoring for merger conditions	6	% of merger conditions monitored.	M&A	100%	100%	100%	100%
2. Competitive markets	a) Cartel Investigations	7	No. of cartel cases initiated.	Cartels	50	12	14	16
And 3. Improved public interest outcomes (as relating to jobs, industrialisation, exports, development of black-owned businesses and SMMEs.)	b) Cartel Prosecutions	8	% of cartel investigations completed within 12 months.	Cartels	≥75%	≥75%	≥80%	≥85%
		9	% of cartel cases won at the Tribunal and the courts.	LSD & Cartels	≥70%	≥75%	≥80%	≥85%
2. Competitive Markets	a) Investigations of abuse of dominance and restrictive cases	10	% of abuse of dominance investigations completed within 24 months.	E&E	≥55%	≥65%	≥70%	≥75%
And 3.								



MEDIUM-TERM PERFORMANCE PLAN: 2016/17 - 2018/19

STRATEGIC OUTCOMES	OUTPUTS	Nr	KEY PERFORMANCE INDICATORS	ACCOUNTABLE PROGRAM	ESTIMATED PERFORMANCE 2015/16	MEDIUM-TERM TARGETS			
						2016/17	2017/18	2018/19	
Improved public interest outcomes (as relating to jobs, industrialisation, exports, development of black-owned businesses and SMMEs.)		11	No. of abuse of dominance conduct cases initiated in prioritised sectors.	E&E	2	3	3	4	
	b) Prosecution of abuse of dominance and restrictive cases	12	% of abuse of dominance cases won at the Tribunal and the courts.	LSD	≥50%	≥50%	≥50%	≥50%	
	c) Decisions on exemptions applications	13	% of exemption applications completed within 12 months.	E&E	≥75%	≥75%	≥75%	≥75%	
4. Increased competition compliance.	a) External Guidelines on the application of the Act	14	No. of Guidelines on the application of the Act issued to stakeholders.	LSD	1	1	1	1	



MEDIUM-TERM PERFORMANCE PLAN: 2016/17- 2018/19

		MEDIUM-TERM TARGETS						
STRATEGIC OUTCOMES	OUTPUTS	Nr	KEY PERFORMANCE INDICATORS	ACCOUNTABLE PROGRAM	ESTIMATED PERFORMANCE 2015/16	2016/17	2017/18	2018/19
	b) Advisory Opinions	15	% of Advisory Opinions issued within 3 months.	LSD	65%	≥65%	≥70%	≥80%
5. Improved understanding of market dynamics in priority sectors.	a) Industry scoping studies	16	No. of industry scoping studies conducted in prioritised sectors.	P&R	4	5	6	5
	b) Market inquiries	17	No. of market inquiries initiated.	P&R	1	1	2	3
	c) Impact assessments on Commission decisions or competition policy.	18	No. of market inquiries completed within 24 months.	P&R	1	1	1	1
		19	No. of impact assessment studies completed.	P&R	4	5	6	6



MEDIUM-TERM PERFORMANCE PLAN: 2016/17 - 2018/19

STRATEGIC OUTCOMES	OUTPUTS	Nr	KEY PERFORMANCE INDICATORS	ACCOUNTABLE PROGRAM	ESTIMATED PERFORMANCE 2015/16	MEDIUM-TERM TARGETS		
						2016/17	2017/18	2018/19
STRATEGIC GOAL 2 "STRATEGIC COLLABORATION & ADVOCACY"								
6. Improved coordination on the application of economic policy and competition policy.	a) Working partnerships with relevant economic stakeholders.	20	No. of workshops or seminars on competition, trade/industrial policy and regulatory matters hosted.	P&R	4	4	5	6
		21	No. of submissions or responses to policy or regulation.	P&R	4	5	6	7
	b) Working relationship with Criminal Justice (CJ) system counterparts on anti-cartel activities.	22	No. of training & capacity-building initiatives with criminal justice system counterparts hosted.	OTC	0	1	1	
7. Increased importance of developmental perspectives in domestic and international competition law	a) Relationship-building engagements with BRICS and African competition agencies.	23	No. of competition conferences and workshops with African and BRICS partners hosted or participated in.	OTC	10	8	8	8



MEDIUM-TERM PERFORMANCE PLAN: 2016/17- 2018/19

MEDIUM-TERM PERFORMANCE PLAN: 2016/17- 2018/19						MEDIUM-TERM TARGETS		
STRATEGIC OUTCOMES	OUTPUTS	Nr	KEY PERFORMANCE INDICATORS	ACCOUNTABLE PROGRAM	ESTIMATED PERFORMANCE 2015/16	2016/17	2017/18	2018/19
discourse.		24	No. of Commission-initiated media engagements.	OTC	10	12	12	14
		25	c) Thought leadership on competition and development issues.	OTC	4	4	4	4
8. Improved compliance and awareness.		26	Annual competition conferences hosted.	OTC	1	1	1	1
		27	No. of stakeholder training and education workshops conducted.	OTC	3	3	3	3
		28	No. of forums with Business, Labour and Government hosted.	OTC	4	4	4	4
	d) Domestic Outreach initiatives.	29	No. of public exhibitions hosted.	OTC	2	2	2	2



MEDIUM-TERM PERFORMANCE PLAN: 2016/17 - 2018/19

STRATEGIC OUTCOMES	OUTPUTS	Nr	KEY PERFORMANCE INDICATORS	ACCOUNTABLE PROGRAM	ESTIMATED PERFORMANCE 2015/16	MEDIUM-TERM TARGETS		
						2016/17	2017/18	2018/19
STRATEGIC GOAL 3 "A HIGH-PERFORMANCE AGENCY"								
9. Improved organisational efficiency.	a) Integrated IT and Knowledge Management System (IMS)	30	Implemented IT and Knowledge Management system (IMS).	CSD	Completed IMS design.	Approved implementation report of the IMS.	0	0
			A clean audit.	Finance	Clean audit.	Clean audit.	Clean audit.	
10. Accountably managed resources.	a) Clean financial audit.	31	A clean audit.	Finance	Clean audit.	Clean audit.	Clean audit.	Clean audit.
			Completed re-design of the Performance Management Systems (PMS).	CSD	Completed PMS design.	Approved implementation report of the PMS.	0	0
11. Highly motivated and productive people.	a) Human Capital Management systems.	33	% retention rate of staff complement.	CSD	85%	≥85%	≥85%	≥90%
			Completed re-design of the Organisational Structure.	CSD	Completed Organisational Structure design.	Approved implementation report of the Organisational Structure.	0	0



Table 3: The Annual Performance Plan 2016/17

THE 2016/17 ANNUAL PERFORMANCE PLAN									
STRATEGIC OUTCOMES	OUTPUTS	Nr	KEY PERFORMANCE INDICATORS	ACCOUNTABLE PROGRAM	ANNUAL TARGET	QUARTERLY TARGETS			
						Q1	Q2	Q3	Q4
STRATEGIC GOAL 1									
“EFFECTIVE COMPETITION ENFORCEMENT & MERGER REGULATION”									
1. Efficient and effective merger regulation And 3. Improved public interest outcomes (as relating to jobs, industrialisation, exports, development of black-owned businesses and SMMEs.)	a) Merger & acquisition decisions	1	Average turnaround time for Phase 1 merger investigations.	M&A	≤ 20 days	≤ 20 days	≤ 20 days	≤ 20 days	≤ 20 days
		2	Average turnaround time for Phase 2 merger investigations.	M&A	≤ 45 days	≤ 45 days	≤ 45 days	≤ 45 days	≤ 45 days
		3	Average turnaround time for Phase 3 intermediate merger investigations.	M&A	≤ 60 days	≤ 60 days	≤ 60 days	≤ 60 days	≤ 60 days



<p>2. Competitive markets</p> <p>And</p> <p>3. Improved public interest outcomes (as relating to jobs, industrialisation, exports, development of black-owned businesses and SMMEs.)</p>		4	Average turnaround time for Phase 3 large merger investigations.	M&A	≤ 120 days	≤ 120 days	≤ 120 days	≤ 120 days	
		b) Merger litigation	5	% of merger decisions upheld by Tribunal and/or courts.	LSD	≥75%	≥75%	≥75%	≥75%
			6	% of merger conditions monitored.	M&A	100%	100%	100%	100%
			7	No. of cartel cases initiated.	Cartels	12	3	3	3
	b) Cartel Prosecutions	8	% of cartel investigations completed within 12 months.	Cartels	≥75%	≥75%	≥75%	≥75%	
		9	% of cartel cases won at the Tribunal and the courts.	LSD & Cartels	≥75%	≥75%	≥75%	≥75%	
	2. Competitive Markets	a) Investigations of abuse of dominance and restrictive cases	10	% of abuse of dominance investigations completed within 24 months.	E&E	≥65%	≥65%	≥65%	≥65%
			3.						



Improved public interest outcomes (as relating to jobs, industrialisation, exports, development of black-owned businesses and SMMEs.)	11	No. of abuse of dominance conduct cases initiated in prioritised sectors.	E&E	3	0	1	1	1
	12	b) Prosecution of abuse of dominance and restrictive cases	LSD	≥50%	≥50%	≥50%	≥50%	≥50%
	13	c) Decisions on exemptions applications	E&E	≥75%	≥75%	≥75%	≥75%	≥75%
	14	a) External Guidelines on the application of the Act	LSD	1	0	0	0	1



STRATEGIC GOAL 2 "STRATEGIC COLLABORATION & ADVOCACY"									
6. Improved co-ordination on the application of economic policy and competition policy.	a) Working partnerships with relevant economic stakeholders.	20	No. of workshops or seminars on competition, trade/industrial policy and regulatory matters hosted.	P&R	4	1	1	1	1
		21	No. of submissions or responses to policy or regulation.	P&R	5	1	1	1	2
	b) Working relationship with Criminal Justice (CJ) system counterparts on anti-cartel activities.	22	No. of training & capacity-building initiatives with criminal justice system counterparts hosted.	OTC	0	0	0	0	0



7. Increased importance of developmental perspectives in domestic and international competition law discourse.	a) Relationship-building engagements with BRICS and African competition agencies.	23	No. of competition conferences and workshops with African and BRICS partners hosted or participated in.	OTC	8	4	1	2	1
	8. Improved compliance and awareness.	c) Thought leadership on competition and development issues.	24	No. of Commission-initiated media engagements.	OTC	12	3	3	3
25			No. of issues of the Commission's newsletter published.	OTC	4	1	1	1	1
26		Annual competition conferences hosted.	OTC	1	0	1	1	0	0
27		No. of stakeholder training and education workshops conducted.	OTC	3	1	1	1	1	0
8. Improved compliance and awareness.	d) Domestic Outreach initiatives.	28	No. of forums with Business, Labour and Government hosted.	OTC	4	1	1	1	1



		29	No. of public exhibitions hosted.	OTC	2	0	1	0	1
STRATEGIC GOAL 3									
"A HIGH-PERFORMANCE AGENCY"									
9. Improved organisational efficiency.	a) Integrated IT and Knowledge Management System (IMS)	30	Implemented IT and Knowledge Management system (IMS).	CSD	Approved implementation report of the IMS.	0	0	0	Approved implementation report of the IMS.
	10. Accountably managed resources.	31	a) Clean financial audit.	Finance	Clean audit.	0	Clean audit.	0	0
11. Highly motivated and productive people.	a) Human Capital Management systems.	32	Completed re-design of the Performance Management Systems (PMS).	CSD	Approved implementation report of the PMS.	0	0	Approved implementation report of the PMS.	0
		33	% retention rate of staff complement.	CSD	≥85%	≥85%	≥85%	≥85%	≥85%
	b) A strategy-relevant Organisational Structure.	34	Completed re-design of the Organisational Structure.	CSD	Approved implementation report of the Organisational Structure.	0	0	0	Approved implementation report of the Organisational Structure.

PART 3: BUDGET & MTEF ESTIMATES

9. OVERVIEW OF 2016/17 BUDGET AND MEDIUM TERM EXPENDITURE FRAMEWORK ESTIMATES

Below are the Competition Commission's budgetary estimates (MTEF) for the first three-year period of the 2015-2020 Strategic Plan. These estimates are drawn from the intended work programs of the Commission for the period, as per the Strategic Plan and Annual Performance Plan.

9.1. Expenditure Analysis

The maintenance of the administrative activities of the Competition Commission is human resource-based. This is evident from the high financial requirements for human resources and administrative activities. The implementation of the Commission's policy on strategic priority sectors and prioritisation will further require substantial input during this period.

The Mergers & Acquisitions, Enforcement & Exemptions, Cartels, Legal Services and Policy & Research are the core programmes directly involved with the implementation of the Competition Act. Nonetheless, support activities such as Administration spend more than 80% of their resources offering support to the core activities. The following table summarises the projected expenditure per division:

Table 4: Expenditure Estimates by Programme

Expenditure per division	2015/16	2016/17	2017/18
R'000	Forecast	Forecast	Forecast
Administration	132,837	105,362	109,741
Mergers and acquisitions	24,548	21,289	24,303
Enforcements and exemptions	29,323	28,722	30,902
Cartel	26,601	25,682	26,965
Policy and research	48,944	37,554	39,431



Legal services	58,611	50,067	52,570
Private healthcare market Inquiry	46,580	–	–
Total Expenses	367,444	268,675	283,912

- The financial resources have been allocated to ensure that the Commission could focus on the identified strategic areas. As is customary, financial revisions are done during the financial year, and any adjustments are effected accordingly.

Table 5: Expenditure by Economic Classification

Expenditure per division	2013/14	2014/15	2015/16	2016/17	2017/18
	Actual	Actual	Forecast	Forecast	Forecast
HR Costs	121,468	174,915	168,318	166,207	175,115
Operational Costs	77,457	123 541	199,126	102,468	108,797
Total Expenditure	198,925	174,915	367,444	268,675	283,912

- Expenditure is high in 2015/2016 as a result of the finalisation of the Inquiry into Private Healthcare in that year which was planned to be completed in 2015/2016 financial year.
- The staff complement is expected to increase, occasioned by the additional mandate and strengthening of existing programs.
- The Commission will continuously improve its operational efficiencies and right-size its workforce, as per the proposed organisational structure.

Table 6: Revenue

Revenue	2015/16	2016/17	2017/18
R' 000	Forecast	Forecast	Forecast
Merger fees	56,228	58,228	62,726
Interest	3,128	1,128	1,378
Other income	738	778	840
Grant	233,129	208,541	218,968
Total Revenue	293,223	268,675	283,912

- We have assumed that mergers filed will increase as a result of the expected increase in economic activity.

- The decline in grant funding relates to additional funding being allocated to the Commission for the Inquiry into Private Healthcare and Office rental increase in 2015/2016 only.

10. MATERIALITY FRAMEWORK

Due to the nature of the business of the Competition Commission (it is not a capital intensive business) the best indicator with regard to business activity is expenditure. There is lower risk on revenue as 80% of the revenue is made up of voted funds. For this reason we have selected 0.5% of expenditure with regard to this framework. The implications, based on the estimated expenditure, are summarised as follows: -

Table 7: Materiality Framework for the MTEF 2016/17 to 2018/19

R'000	%	2016/17	2017/18
Expenditure Budget		268,675	283,912
Materiality	0.50%	1,343	1,420

ANNEXURE A: VISION, MISSION & STRATEGIC GOALS

VISION 2030: Competition Regulation for a Growing and Inclusive Economy

The Commission's Vision 2030, in line with the National Development Plan (NDP) is the attainment of a growing and inclusive economy that serves all South Africans, with a target of eradicating poverty and unemployment by 2030. The emphasis of the new vision is on the transformational role of the Commission in the economy.

This vision defines the Commission's role in contributing to a South African economy that is growing and is dynamic, in line with the NDP's operational plan, the New Growth Path. This vision will entail balancing the efficiency objectives with the public interest objectives of the Competition Act.

MISSION

The Commission's mission is to undertake Competition Regulation for A Growing and Inclusive Economy.

IMPACT

In developing its Strategic Plan for 2015-2020, the Commission simultaneously identified the positive, society-wide effects which it seeks to contribute to in the economy. These 'impact' areas are informed by Section 2 of the Competition Act (89 of 1998, as amended), which define the Commission's mandate. The Commission's impact areas, as per section 2 of the Competition Act, are as follows:

- 1) To promote the efficiency, adaptability and development of the economy;
- 2) To provide consumers with competitive prices and product choices;
- 3) To promote employment and advance the social and economic welfare of South Africans;
- 4) To expand opportunities for South African participation in world markets and recognise the role of foreign competition in the Republic;

- 5) To ensure that small and medium-sized enterprises have an equitable opportunity to participate in the economy;
- 6) To promote a greater spread of ownership, in particular to increase the ownership stakes of historically disadvantaged persons.

The Commission has developed means to quantifiably measure the results of its work in the economy at large, and particularly, in its selected priority sectors. This work shall be evaluated and reported on an annual basis in the annual report.

THE STRATEGIC GOALS

The Commission has identified three strategic goals which it aims to achieve in order to realise its vision of contributing to the attainment of a growing and inclusive economy during 2015-2020. These are articulated below:

Goal 1: Effective competition enforcement and merger regulation

In this goal, the Commission effectively uses its mandated instruments as per the Competition Act. This includes the regulation of mergers and acquisitions, the investigation and prosecution of instances of abuse-of-dominance and restrictive conduct, and the unmasking and dismantling of cartels. The primary tools utilised here are investigation, prosecution, and remedies.

Goal 2: Strategic Collaboration and Advocacy

In Goal 2, the Commission develops strategic partnerships with complementary stakeholders to attain inclusive growth.

Goal 3: A High-Performance Agency

In Goal 3, the Commission successfully delivers on its objectives through a cohesive, well-structured organisation in which people, processes and systems perform optimally.

This Annual Performance Plan articulates the work programs which the Commission will undertake under each strategic goal. The strategic goals have been cascaded into sub-goals, referred to as organisational outcomes. It is from these outcomes that deliverables (outputs) have been determined.

STRATEGIC OUTCOMES 2015-2020

As a means of contextualising its Strategic Goals, the Commission has developed a set of key outcomes which it seeks to realise. "Outcomes" in this context refers to the change (in status, behaviour, attitudes, commitment or institutional practices) that arises to the Commission's target stakeholders as a consequence of the achievement of its strategic goals. The eleven (11) outcomes for the 2015-2020 period are captured in the table below.

Table 8: Strategic Outcomes 2015-2020

Strategic Goals & Outcomes
<p>1. Effective competition enforcement and merger regulation:</p> <ul style="list-style-type: none"> a. Efficient and effective merger regulation. b. Competitive markets through action against cartels and abuse of dominance. c. Improved public interest outcomes in markets (relating to jobs, industrialisation, exports, development of black-owned businesses and SMMEs.) d. Increased competition compliance. e. Improved understanding of market dynamics in priority sectors.
<p>2. Strategic Collaboration & Advocacy:</p> <ul style="list-style-type: none"> a. Improved co-ordination on the application of economic policy and competition policy. b. Increased importance of developmental perspectives in domestic and international competition law discourse. c. Improved compliance and awareness.
<p>3. A High-performance Agency:</p>

- a. Improved organisational efficiency.
- b. Accountably managed resources.
- c. Highly motivated and productive people.

VALUES OF THE COMMISSION

The Commission's vision is supported by eight core values, captured in the table below, which underpin the workings of the Commission.

Table 9: Values of the Commission

Values	
<i>i.</i>	<i>To act independently, subject only to the constitution and the law.</i>
<i>ii.</i>	<i>To strive for an efficient, competitive economic environment.</i>
<i>iii.</i>	<i>To be objective in balancing the interests of workers, owners and consumers.</i>
<i>iv.</i>	<i>To create effective collaborations in regulation, service delivery and management.</i>
<i>v.</i>	<i>To execute duties with a sense of urgency and in a timely manner.</i>
<i>vi.</i>	<i>To undertake the work with rigorous analysis, integrity, teamwork, transparency and professionalism.</i>
<i>vii.</i>	<i>To act impartially without fear, favour or prejudice.</i>
<i>viii.</i>	<i>To act with respect for all.</i>



ANNEXURE B: TECHNICAL INDICATORS DEFINITIONS

Table 10: Technical Indicators Definitions 2016/17

STRATEGIC GOAL 1: "EFFECTIVE COMPETITION ENFORCEMENT & MERGER REGULATION"						
STRATEGIC OUTCOMES	OUTPUTS	Nr	KEY PERFORMANCE INDICATORS	TECHNICAL INDICATOR DEFINITION	ACCOUNTABLE PROGRAM	ANNUAL Target 2016/17
<p>1. Efficient and effective merger regulation</p> <p>And</p> <p>3. Improved public interest outcomes</p> <p>(as relating to jobs, industrialisation, exports, development of black-owned businesses and SMMEs.)</p>	<p>a) Merger & acquisition decisions</p>	1	Average turnaround time for Phase 1 merger investigations.	<p>Definition:</p> <ul style="list-style-type: none"> The Commission classifies merger notifications into 'phases', according to the complexity of the cases. Phase 1 investigations are non-complex. Phase 2 investigations require slightly more complex analysis and are unlikely to raise serious competition concerns. Phase 3 investigations require complex analysis, either because of the complex nature of the products and markets, the structure of the relevant markets or the public interest issues the transaction gives rise to. <p>Indicators 1-4 refer to the amount of time the Commission takes to make a decision in a merger review process.</p> <ul style="list-style-type: none"> The target is met if the outcome is less than or equal to the service standard. <p>Purpose/Importance:</p> <ul style="list-style-type: none"> The indicator is a measure of process efficiency. Efficient merger review is 	M&A	≤ 20 days
		2	Average turnaround time for Phase 2 merger investigations.		M&A	≤ 45 days
		3	Average turnaround time for Phase 3 intermediate merger investigations.		M&A	≤ 60 days
		4	Average turnaround time for Phase 3 large merger investigations.		M&A	≤ 120 days



				<p>important for service-delivery, particularly given the financial and economic implications of mergers.</p> <p>Collection of Data/Method of Calculation:</p> <ul style="list-style-type: none"> • Turnaround times are determined by calculating the number of business days following the day of notification until the decision date. The average is calculated by the total number of days divided by the number of transactions. • There is a database of cases generated as and when filed with the Commission. 		
<p>b) Merger litigation</p>	<p>5</p>	<p>% of merger decisions upheld by Tribunal and/or courts.</p>	<p>Definition:</p> <ul style="list-style-type: none"> • The percentage of the Commission's decisions on contested Large Mergers, reconsideration applications and merger reviews which are upheld at the Tribunal plus the percentage of appealed merger cases (any size) which the Commission wins at the courts. • This definition excludes cases which are under appeal at the end of the reporting period. • The indicator denotes percentage of achievement greater than, or equal to the target. 	<p>LSD</p>	<p>≥75%</p>	



	c) Compliance-monitoring for merger conditions	6	% of imposed merger remedies and conditions monitored.	<p>Purpose/Importance:</p> <ul style="list-style-type: none"> The rationality of Commission's decisions is best tested by the Tribunal and the Courts. Decisions upheld by the Tribunal and the Courts confirm the rigour applied by the Commission and the correctness of its decisions. <p>Collection of Data/Method of Calculation:</p> <ul style="list-style-type: none"> The indicator is determined from orders of the Tribunal and/or the Courts which pertain to mergers. Orders of the Tribunal/courts are accessible to the general public and the Commission keeps records thereof. <p>Definition:</p> <ul style="list-style-type: none"> The Commission can approve mergers subject to certain conditions being met by the merging parties; or can impose remedies which the merging parties must fulfil. The indicator refers to the monitoring of the implementation of such conditions or remedies. <p>Purpose/Importance:</p> <ul style="list-style-type: none"> The effectiveness of merger remedies imposed is only evident in their application. Remedies are also legally binding to the parties. It is thus important that the Commission monitors the compliance of the parties thereto. <p>Collection of Data/Method of Calculation:</p>	M&A	100%
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<p>2. Competitive markets And 3. Improved public interest outcomes (as relating to jobs, industrialisation, exports, development of black-owned businesses and SMMEs.)</p>				<ul style="list-style-type: none"> All cases approved with conditions or remedies are collected on a divisional database. Reports are received when due from the merging parties. 		
	<p>a) Cartel Investigations</p>	<p>7</p>	<p>No. of cartel cases initiated.</p>	<p>Definition:</p> <ul style="list-style-type: none"> Cartel conduct is agreement by competitors to fix prices, divide markets and tender collusively in contravention of section 4(1)(b) of the Competition Act. The indicator refers to the number of cases initiated into cartel conduct. The target has been set on the basis of initiations which the CC can control and commit to, within the bounds of its strategy and resources. There are anomalies which can arise (investigations which generate a high volume of cases) which are outside of the control of the CC. These anomalies cannot be viewed as trends- they are not indicative of future cases- and thus cannot be used as a basis for planning. <p>Purpose/ Importance:</p> <ul style="list-style-type: none"> Cartel conduct has a particularly egregious effect on consumers. The initiation of a case is the first step towards the prosecution of the conduct- a core business of the Commission. <p>Collection of Data/Method of Calculation:</p>	<p>Cartels</p>	<p>12</p>



	<ul style="list-style-type: none"> The Commission initiates investigation on the basis of its own research or on the basis of complaints received from members of the public. The initiation of a case is evidenced by a completed and signed CC1 form. Records of the CC1 form are kept by the Registry department. A list of initiated cases is kept in the Data Compilation Template (DCT) of the division. 		
	<p>Definition:</p> <ul style="list-style-type: none"> "Of the cartel cases completed in the quarter/year, what percentage was completed within 12 months?" The 'completion' of a case refers to the decision by the Commission to refer the case to the Tribunal for prosecution or to its decision to non-refer the case (i.e. not to pursue the case further). The indicator denotes percentage of achievement greater than, or equal to the target. <p>Purpose/Importance:</p> <ul style="list-style-type: none"> The Competition Act stipulates a time frame of 12 months within which the investigation of a complaint from 	<p>% of cartel investigations completed within 12 months.</p>	<p>8</p> <p>Cartels</p> <p>≥75%</p>



			<p>Definition:</p> <ul style="list-style-type: none"> The percentage of cartel cases, where a final decision of the Tribunal and or the Courts has been attained, which the Commission wins within the reporting period. This definition excludes cases which are under appeal at the time of reporting. The indicator includes cartel cases completed through settlement agreements, pre and post referral. The indicator denotes percentage of achievement greater than, or equal to the target. <p>Purpose/ Importance:</p> <ul style="list-style-type: none"> It is the Commission's goal to successfully prosecute cartellists. Success at the Tribunal and Courts confirms the rigour applied by the Commission and the correctness of its decisions. <p>Collection of Data/ Method of Calculation:</p> <ul style="list-style-type: none"> The indicator is determined from orders of the Tribunal and/or the Courts where cartel cases are under litigation.
	<p>b) Cartel Prosecutions</p>	<p>9</p>	<p>% of cartel cases won at the Tribunal and the courts.</p>
			<p>LSD & Cartels</p>
			<p>≥75%</p>



				<ul style="list-style-type: none"> Orders of the Tribunal/courts are accessible to the general public and the Commission keeps records thereof. The annual result must denote <i>actual wins/losses</i> as at year-end for the FY, and not as a cumulative result of the quarterly performance. The data is stored on a shared database on the KMS. 		
<p>2. Competitive Markets</p> <p>And</p> <p>3. Improved public interest outcomes (as relating to jobs, industrialisation, exports, development of black-owned businesses and SMMEs.)</p>	<p>a) Investigations of abuse of dominance and restrictive cases</p>	<p>10</p>	<p>% of abuse of dominance investigations completed within 24 months.</p>	<p>Definition:</p> <ul style="list-style-type: none"> "Of the abuse of dominance cases completed in the quarter/year, what percentage was completed within 24 months?" The 'completion' of a case refers to Commission's decision to refer the case to the Tribunal for prosecution or to its decision to non-refer the case (i.e. not to pursue the case further). 'Completed' cases include cases concluded at the 'screening' stage. The indicator denotes percentage of achievement greater than, or equal to the target. <p>Purpose/ Importance:</p> <ul style="list-style-type: none"> The Competition Act stipulates a time 	<p>E&E</p>	<p>≥65%</p>



		<p>frame of 12 months within which the investigation of a complaint from members of the public must be finalised. However, it does not stipulate time limits within which to complete investigations initiated by the Commission. Due to the complex nature of abuse of dominance investigations, certain matters may take longer than 12 months to finalise.</p>						
		<p>Collection of Data/ Method of Calculation:</p> <ul style="list-style-type: none"> • Minutes of the CC meeting will denote the decision for referral or non-referral of the abuse of dominance case. • The baseline for calculating the 24month timeline for the pool of abuse of dominance cases is the <i>preceding</i> financial year (e.g. 01 April 2014/15). • The baseline for the calculation of new/incoming cases is the actual date of receipt. • The data is captured on the divisional DCT, which indicates the date of the decision to refer or non-refer the case. This date will be subtracted from the baseline date to determine whether target has been achieved or not. • Annual performance is calculated as an average of the four quarters (i.e. $Q1+Q2+Q3+Q4/400 \times 100$) 						



				<p>Definition:</p> <ul style="list-style-type: none"> The number of abuse of dominance investigations initiated, which fall within the Commission's pre-determined priority sectors (see section on Prioritisation herein). <p>Purpose/Importance:</p> <ul style="list-style-type: none"> Abuse of dominance has a stifling effect on the economy, particularly in critical sectors. The initiation of a case is the first step towards the prosecution of the conduct- a core business of the Commission. <p>Collection of Data/ Method of Calculation:</p> <ul style="list-style-type: none"> The Commission initiates investigation on the basis of its own research and intelligence or on the basis of complaints received from members of the public. The initiation of a case is evidenced by a completed and signed CC1 form. Records of the CC1 form are kept by the Registry department. A list of initiated cases is kept in the Data Compilation Template (DCT) of the division. 	E&E	3
	11	No. of abuse of dominance conduct cases initiated in prioritised sectors.				



	<p>b) Prosecution of abuse of dominance and restrictive cases</p>	<p>12</p>	<p>% of abuse of dominance cases won at the Tribunal and the courts.</p>	<p>Definition:</p> <ul style="list-style-type: none"> • The percentage of abuse of dominance cases, where a final decision of the Tribunal and or the courts has been attained, which the Commission wins within the financial year. • This definition excludes cases which are under appeal at the time of reporting. • The indicator includes abuse of dominance cases completed through settlement agreements, both pre- and post-referral. • The indicator denotes percentage of achievement greater than, or equal to the target. <p>Purpose/Importance:</p> <ul style="list-style-type: none"> • It is the Commission's goal to successfully prosecute abuse of dominance contraveners. Success at the courts confirms the rigour applied by the Commission and the correctness of its decisions. <p>Collection of Data: Method of Calculation</p> <ul style="list-style-type: none"> • The indicator is determined from the number of Tribunal or court orders issued where abuse of dominance cases were under litigation. • Orders of the Tribunal/courts are 	<p>LSD</p>	<p>≥50%</p>
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				<p>accessible to the general public and the Commission keeps records thereof.</p> <ul style="list-style-type: none"> The annual result must denote <i>actual wins/losses</i> as at year-end for the FY, and not as a cumulative result of the quarterly performance. 		
c) Decisions on exemptions applications	13		<p>% of exemption applications completed within 12 months.</p>	<p>Definition</p> <ul style="list-style-type: none"> The Competition Act provides for firms to apply to the Commission for exemption of compliance to the Act, under specific circumstances. An exemption application is 'completed' once the Commissioners' meeting has taken a decision on the matter? / signed the letter to respondent? The Commissioners' decision is then published in the Government Gazette. The indicator denotes percentage of achievement greater than, or equal to the target. <p>Purpose/ Importance</p> <ul style="list-style-type: none"> The granting of exemptions can facilitate exports, bring about stability or growth in key industries or promote the participation of SMEs. It is important that decisions on applications are taken judiciously. <p>Collection of Data/ Method of Calculation:</p>	E&E	≥75%



				<p>4. Increased competition compliance.</p>
<ul style="list-style-type: none"> The 12 months is calculated from date in which the application is received by the Commission's Registry department, to the date of the CC meeting decision. Completion means a decision has been taken by the Commission meeting to either grant or refuse to grant an exemption. The Commission reports on the time it has taken to process exemption applications which it has taken a decision on. This number may differ from the pool of applications received in the quarter, some of which may not be decided upon at quarter-end. 				
	<p>Definition:</p> <ul style="list-style-type: none"> Guidelines are detailed explanatory directives on the Commission's policy approach to any aspect of the Competition Act. 	<p>Purpose/ Importance:</p> <ul style="list-style-type: none"> As the custodian of the Competition Act, the Commission issues Guidelines to stakeholders to guide them on the application of the Act in particular circumstances. 	<p>Collection of Data/ Method of Calculation:</p> <ul style="list-style-type: none"> The attainment of the target is denoted by the publication of the Guidelines in the Gazette. 	
		<p>No. of Guidelines on the application of the Act issued to stakeholders.</p>	<p>14</p>	
			<p>a) External Guidelines on the application of the Act</p>	
	<p>LSD</p>			<p>1</p>



				<ul style="list-style-type: none"> Details of timelines will be on divisional DCT. <p>Definition:</p> <ul style="list-style-type: none"> Advisory opinions are requests from firms or members of the public to for advice on competition matters. The Act prescribes a fee for advisory opinion requests. The Commission endeavours to respond to Advisory Opinions within 3 months of receipt of payment of prescribed fee for Advisory opinion request. The indicator denotes percentage of achievement greater than, or equal to the target. <p>Purpose/ Importance:</p> <ul style="list-style-type: none"> Providing an Advisory Opinion within 3 months of receipt of request and/or receipt of payment of prescribed fee denotes efficient service delivery. <p>Collection of Data/ Method of Calculation:</p> <ul style="list-style-type: none"> Payments which accompany Advisory Opinion requests are received by the Registry department and are confirmed through the creation of a case number. 	LSD	≥65%
b) Advisory Opinions	15		% of Advisory Opinions issued within 3 months.			



	<ul style="list-style-type: none"> The achievement of the target is denoted by the decision date of the CC meeting (relative to the when the case number for the request was issued). 			
	<p>Definition:</p> <ul style="list-style-type: none"> A scoping study is a report which comprises an economic study of a market or industry, largely to identify potential competition issues which the Commission can further probe. <p>Purpose/ Importance:</p> <ul style="list-style-type: none"> The Commission undertakes scoping studies to assess markets for potential anti-competitive conduct. This work assists the Commission in identifying not only cases to be initiated but also informs potential market inquiries to be initiated. <p>Collection of Data/ Method of Calculation:</p> <ul style="list-style-type: none"> The achievement of the indicator is denoted by a scoping study report which is in one of the Commission's pre-determined priority sectors, and which has been served at the Commission meeting. 	<p>No. of industry scoping studies conducted in prioritised sectors.</p>	<p>16</p>	<p>5</p>
	<p>Definition:</p> <ul style="list-style-type: none"> Market inquiries are a general inquiry into the state of competition in a market which the Commission undertakes under provisions in the Act. The initiation of a market inquiry refers to the publication of final Terms of Reference in the 	<p>No. of market inquiries initiated.</p>	<p>17</p>	<p>1</p>
		<p>a) Industry scoping studies</p>		
		<p>b) Market inquiries</p>		



			Government Gazette.			
			<p>Purpose/ Importance:</p> <ul style="list-style-type: none"> A market inquiry allows the Commission to undertake an in-depth probe of a market in order to understand competition dynamics, without initiating an investigation into particular conduct. <p>Collection of Data/ Method of Calculation:</p> <ul style="list-style-type: none"> The achievement of the indicator is determined by the publication of the market inquiry's final Terms of Reference in the Government Gazette. 			
			<p>Definition:</p> <ul style="list-style-type: none"> The 'completion' of a market inquiry refers to the submission of a Final Report on the inquiry to the Commissioner. <p>Purpose/ Importance:</p> <ul style="list-style-type: none"> The Final Report of a market inquiry can have actionable recommendations, which have an impact on the public, on Government or on the market. <p>Collection of Data/ Method of Calculation:</p> <ul style="list-style-type: none"> The achievement of the indicator is denoted by the approval of the final report by the CC meeting. 			
		18	No. of market inquiries completed within 24 months.			
					P&R	1



	c) Impact assessments on Commission decisions or competition policy.	19	No. of impact assessment studies completed.	<p>Definition:</p> <ul style="list-style-type: none"> Impact Assessment Studies are economic studies which have been undertaken by the Commission to measure the impact of its work on markets or regulation. 'Completed' refers to impact assessment studies which have served at the Commission meeting. <p>Purpose/ Importance:</p> <ul style="list-style-type: none"> The Commission seeks to qualitatively and quantitatively measure the impact of its decisions in particular sectors on consumers and the economy, to ensure its effectiveness. <p>Collection of Data/ Method of Calculation:</p> <ul style="list-style-type: none"> The achievement of the indicator is denoted by an impact assessment report which has been approved/ noted at the Commission meeting. 	P&R	5
STRATEGIC GOAL 2: "STRATEGIC COLLABORATION & ADVOCACY"						
6. Improved co-ordination on the application of economic policy and competition policy.	a) Working partnerships with relevant economic stakeholders.	20	No. of workshops or seminars on competition, trade/industrial policy and regulatory matters hosted.	<ul style="list-style-type: none"> Workshops or seminars which have been hosted by the Commission within the themes competition, trade and/or industrial policy. <p>Purpose/ Importance:</p> <ul style="list-style-type: none"> The Commission will partner with other economic role- 	P&R	4



				<p>players on competition, trade and industrial policy matters. This work will result in the sharing of ideas, alignment of priority sectors, alignment of policy actions, understanding of each other's priorities, amongst others.</p> <p>Collection of Data/ Method of Calculation:</p> <ul style="list-style-type: none"> The achievement of this indicator is evidenced by a post-workshop/seminar memorandum noted at the CC meeting. 		
	<p>21</p>	<p>No. of submissions or responses to policy or regulation.</p>	<p>Definition:</p> <ul style="list-style-type: none"> The Commission undertakes competition assessment of policy and regulation, according to s.21 of the Act. In addition to informing the Minister of anti-competitive legislation, the Commission submits written responses to the relevant policy-makers. <p>Purpose/ Importance:</p> <ul style="list-style-type: none"> Responding to policy or regulatory matters can lead to the promotion of competition which is a core mandate of the Commission. 	<p>P&R</p>	<p>5</p>	



7. Increased importance of developmental perspectives in domestic and international competition law	a) Relationship-building engagements with BRICS and African competition agencies.	23	No. of competition conferences and workshops with African and BRICS partners hosted or participated in.	<p>Definition:</p> <ul style="list-style-type: none"> The indicator refers to the hosting of, making presentations or delivering papers in conferences or workshops with BRICS and African partners. 	OTC	8
b) Working relationship with Criminal Justice (CJ) system counterparts on anti-cartel activities.	22	No. of training & capacity-building initiatives with criminal justice system counterparts hosted.	<p>Definition:</p> <ul style="list-style-type: none"> Events, workshops and other initiatives which are aimed at capacity-building on cartel enforcement, for role-players in the criminal justice system on. 	<p>Calculation:</p> <ul style="list-style-type: none"> The achievement of this indicator is evidenced by written submissions or policy responses which are approved by the CC meeting. 	OTC	0
			<p>Purpose/ Importance:</p> <ul style="list-style-type: none"> The Commission supports its CJ counterparts in the application of the Competition Amendment Act's (1 of 2009) provisions on 'criminalisation'. 	<p>Collection of Data/ Method of Calculation:</p> <ul style="list-style-type: none"> The achievement of this indicator is evidenced by a post-initiative report noted at the CC meeting. 		



discourse.				<ul style="list-style-type: none"> 'African' partners pertains to multilateral/regional bodies namely ACF, COMESA and SADC. 'BRICS' pertains to the BRICS member states. <p>Purpose/ Importance:</p> <ul style="list-style-type: none"> The Commission strengthens its ties with its African and BRICS counterparts and advances developmental perspectives in its international engagements. <p>Collection of Data/ Method of Calculation:</p> <ul style="list-style-type: none"> A database of details of events and Commission attendees is kept in the divisional DCT. The achievement of this indicator is evidenced reports tabled at CC meeting. <p>Definition:</p> <ul style="list-style-type: none"> This indicator denotes <i>pro-active engagements</i> with the media such as editorial pieces, CC profiles, in-depth features on TV and Radio and media events which the CC 		
8. Improved compliance and awareness.	c) Thought leadership on competition and development issues.	24	No. of Commission-initiated media engagements		OTC	12



		<p>hosts.</p> <ul style="list-style-type: none"> The definition excludes Commission statements, media releases and responses to media queries. <p>Purpose/ Importance:</p> <ul style="list-style-type: none"> The Commission promotes its work to reach stakeholders. The Commission also seeks to maintain strong and positive relationships with media outlets and thus hosts media events. <p>Collection of Data/ Method of Calculation:</p> <ul style="list-style-type: none"> Data for all media engagements is collected on the divisional DCT. 		
			<p>Definition:</p> <ul style="list-style-type: none"> The Commission's newsletter ("Competition News") with internally generated content for publication for internal and external stakeholder. It is published quarterly. <p>Purpose/ Importance;</p> <ul style="list-style-type: none"> The Commission wants to coordinate thought leadership 	<p>25</p> <p>No. of issues of the Commission's newsletter published.</p> <p>OTC</p> <p>4</p>



			perspectives on competition issues from industry experts.		
			<p>Collection of Data/ Method of Calculation:</p> <ul style="list-style-type: none"> The achievement of this indicator is evidenced by approved CC or EXCO minutes for the publication of the quarterly journal. 		
			<p>Definition:</p> <ul style="list-style-type: none"> A conference for the competition fraternity, hosted by the Commission, underpinned by the presentation of academic papers and talks by guest speakers on a particular theme. 		
			<p>Purpose/ Importance:</p> <ul style="list-style-type: none"> The annual conference is a meeting point where domestic and international stakeholders share experiences and perspectives on their work. The Commission will host its 9th conference in 2015/16. 		
			<p>Collection of Data/ Method of Calculation:</p> <ul style="list-style-type: none"> The achievement of this indicator is evidenced by a post-conference report noted at the CC meeting. 		
				Annual competition conferences hosted.	
		26			
	d) Domestic Outreach initiatives.				
					1
				OTC	



	<p>Definition:</p> <ul style="list-style-type: none"> Stakeholders include municipal and government officials, trade unions, organisations representing business and consumers and the general public. Workshops conducted refer to those initiated by the Commission or those to which the Commission is invited to present. 		
	<p>Purpose/ Importance:</p> <ul style="list-style-type: none"> Stakeholder education and awareness on competition law and policy is an advocacy mandate of the Commission. Stakeholders are taught about how to effectively participate in the Commission's processes. 	<p>Collection of Data/ Method of Calculation:</p> <ul style="list-style-type: none"> The achievement of this indicator is evidenced a post-event report noted at the CC Meeting. 	<p>3</p>
	<p>OTC</p>	<p>No. of stakeholder training and education workshops conducted.</p>	<p>27</p>



		28	No. of forums with Business, Labour and Government hosted.	<p>Definitions:</p> <ul style="list-style-type: none"> • Discussion forums such as meetings or workshops with these particular stakeholders. <p>Purpose/ Importance:</p> <ul style="list-style-type: none"> • Business, Labour and Government are primary stakeholders of the Commission. Forums allow for an opportunity to engage with one another outside of the formal court or policy processes. <p>Collection of Data/ Method of Calculation:</p> <ul style="list-style-type: none"> • The achievement of this indicator is evidenced by a post-forum report/ memo noted at the CC Meeting. 	OTC	4
	29	No. of public exhibitions hosted.	<p>Definition:</p> <ul style="list-style-type: none"> • Marketing exhibitions hosted at strategic events. <p>Purpose/ Importance:</p> <ul style="list-style-type: none"> • The Commission hosts exhibitions as part of reaching members of the public and publicising its work. <p>Collection of Data/ Method of Calculation:</p> <ul style="list-style-type: none"> • The achievement of this 	OTC	2	



				indicator is evidenced post-exhibition reports noted at the CC meeting.		
STRATEGIC GOAL 3: "A HIGH-PERFORMING AGENCY"						
9. Improved organisational efficiency.	a) Integrated IT and Knowledge Management System (IMS)	30	An implemented IT and Knowledge Management system (IMS).	<p>Definition:</p> <ul style="list-style-type: none"> The design and development of a system which integrates case and knowledge management uses, supported by a relevant IT infrastructure. <p>Purpose/ Importance:</p> <ul style="list-style-type: none"> The Commission seeks to improve its information/knowledge management systems, both for organisational efficiency and for managing associated risks. <p>Collection of Data/ Method of Calculation:</p> <ul style="list-style-type: none"> The achievement of this indicator is evidenced by an EXCO-approved progress report on the implementation of the integrated ICT/KMS system. 	CSD	Approved implementation report of the IMS.
10. Accountably managed resources.	a) Clean financial audit.	31	A clean audit.	<p>Definition:</p> <ul style="list-style-type: none"> All areas are unqualified with no material reportable matters. <p>Purpose:</p> <ul style="list-style-type: none"> The Commission seeks to achieve a clean audit in the financial year. 	Finance	Clean audit.



<p>11. Highly motivated and productive people.</p>	<p>a) Human Capital Management systems which align individual, divisional and organisational performance.</p>	<p>32</p>	<p>Completed re-design of the Performance Management Systems (PMS).</p>	<p>as a consequence of effective resource management.</p> <p>Collection of Data/ Method of Calculation:</p> <ul style="list-style-type: none"> The achievement of this indicator is denoted by a positive Auditor General Report regarding the previous financial year. The target is measured annually, specifically in Q2. <p>Definition:</p> <ul style="list-style-type: none"> A new system to measure and manage individual staff performance, in alignment with divisional and organisational strategy. <p>Purpose:</p> <ul style="list-style-type: none"> A PMs is an important Human Capital Management mechanism, particularly for the rewarding of high performers. The effectiveness and implementation of the new Performance Management System will be reviewed every two years from 2016/17. <p>Collection of Data/ Method of Calculation:</p> <ul style="list-style-type: none"> The achievement of this indicator in 2016/17 is denoted by an EXCO-approved progress report 	<p>CSD</p>	<p>Approved implementation report of the PMS.</p>
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		on the implementation of the PMS.			
		<p>Definition:</p> <ul style="list-style-type: none"> The Commission is instituting programmes to maintain staff-retention levels at 85%. The indicator denotes percentage of achievement greater than, or equal to the target. <p>Purpose/Importance:</p> <ul style="list-style-type: none"> The Commission seeks to ensure sustainable delivery and impact by retaining its employees. <p>Collection of Data/ Method of Calculation:</p> <ul style="list-style-type: none"> The baseline from which this indicator is measured is the Total Staff Complement at the beginning of the Quarter. The indicator <i>excludes</i> graduate trainees. Quarterly performance is measured as follows: Baseline (i.e. staff complement as beginning of Quarter) <i>minus</i> number of staff who have left in the Quarter <i>divided by</i> Baseline <i>multiply by</i> 100. 			
		% retention rate of staff complement			
	33				
				CSD	≥85%



				<ul style="list-style-type: none"> • Annual performance is measured as the average of the four quarters (i.e. $(Q1+Q2+Q3+Q4) / 400 \times 100$). <p>Definition:</p> <ul style="list-style-type: none"> • An organisational design that is consistent with the Commission's new strategy. • 'Completed' denotes an implemented OS, which is a 5-year target. • The target for 2016/17 refers to a status update on the implementation progress of the OS by the end of the financial year. <p>Purpose/ Importance:</p> <ul style="list-style-type: none"> • An organisational structure which will ensure the attainment of strategic goals, and which fosters appropriate behaviours between functions. <p>Collection of Data/ Method of Calculation:</p> <ul style="list-style-type: none"> • The achievement of this indicator is evidenced by an EXCO-approved progress report. 		
b) A strategy-relevant Organisational Structure (OS)	34	Completed re-design of the Organisational Structure.		CSD	Approved implementation report of the OS.	