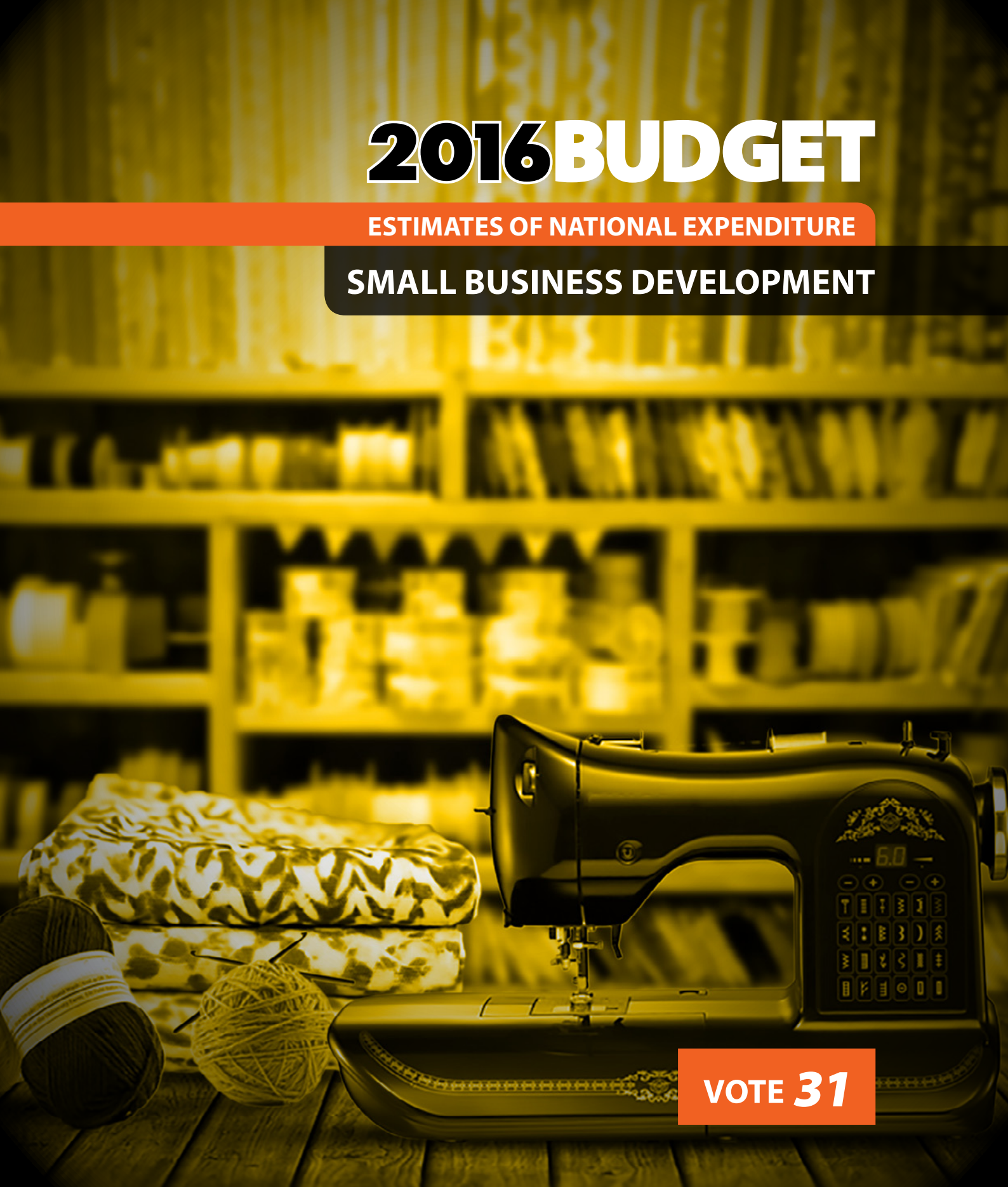


# 2016 BUDGET

ESTIMATES OF NATIONAL EXPENDITURE

SMALL BUSINESS DEVELOPMENT



VOTE 31



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA



# **Estimates of National Expenditure**

## **2016**

**National Treasury**

**Republic of South Africa**

24 February 2016



**ISBN: 978-0-621-44244-1**

**RP: 15/2016**

The 2016 Estimates of National Expenditure e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za).

Compared to the abridged version of the 2016 ENE, the 2016 ENE e-publications contain more comprehensive coverage of goods and services, transfers and subsidies, and programme specific personnel expenditure. Budget information is also provided for the public entities that are not shown in detail in the abridged publication. The abridged version of the ENE contains one additional table at the end of a chapter that shows expenditure on infrastructure, whereas the vote ENE e-publications' additional tables also contain information on conditional grants to provinces and municipalities, public private partnerships and donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

# Foreword

The 2016 Budget is tabled at a time when both global and domestic economic conditions continue to be difficult. Government is unwavering in its commitment to stay the course of sound fiscal management in the face of this challenging environment. The approach of using the expenditure ceiling as a fiscal anchor, which was adopted in 2012, serves us well. To achieve the fiscal adjustment necessary, the expenditure level has been reduced and further revenue enhancement measures are introduced in the 2016 MTEF period.

Over the 2016 MTEF period expenditure is R3.73 trillion and will grow at an average annual rate of 7.5 per cent. Spending growth is slower than prior to 2008, but it still remains above the projected inflation rate. During consultations in the budget preparation process trade-offs in financing different policy objectives were carefully examined and culminated in recommendations on how institutional policies, practices and organisational arrangements would be adjusted in line with the national development plan and the 2014-2019 medium term strategic framework on the one hand, and in a manner consistent with fiscal consolidation, on the other hand.

For the 2016 MTEF period, budget amendments were effected through the reprioritisation of existing funding within the lowered expenditure ceiling, with movements away from areas of lower priority to key priorities. Labour-intensive departments received substantial funding for compensation of employees, owing to spending pressures related to the 2015 public sector wage agreement. In the case of departments which historically underspend on their wage bill, the budgets for compensation of employees have been reduced accordingly. A ceiling is put on compensation of employees budgets of national departments through the 2016 Appropriation Act. Resources cannot be diverted from frontline services for the wage bill.

Further reductions have been effected on goods and services budgets. In some cases departments have been asked to provide evidence of service delivery performance before funding can be appropriated to programmes under their specific votes. These provisional allocations, pending programme viability and verifiable record of good performance, total R17.8 billion in 2018/19. Given these measures, government service delivery will not be negatively affected even as spending growth is curtailed.

The financial information and key performance indicators in the institutional budget plans set out in the Estimates of National Expenditure, provide Parliament and the public with the information to hold government accountable against its 14 outcomes, set out in its medium term strategic framework.

The budget process is ably directed by the Ministers' Committee on the Budget, supported by a devoted Medium Term Expenditure Committee of Directors-General in central government departments. As the National Treasury team we are eternally grateful for their guidance and hard work. We are also indebted to the Budget Council, the Budget Forum and our national and provincial counterparts for making what is otherwise an impossible task, seem easier. The presentation of this budget is the product of all their collective efforts.



**Lungisa Fuzile**  
**Director-General: National Treasury**



# Introduction

## **The Estimates of National Expenditure publications**

The Estimates of National Expenditure (ENE) publications provide comprehensive information on how institutions have spent their budgets in previous years, and how institutions plan to spend the resources allocated to them over the upcoming three-year medium term expenditure framework (MTEF) period. Key performance indicators are included for each national government vote and entity reporting to the same executive authority, showing what institutions aim to achieve by spending their budget allocations in a particular manner. This information is based on government's 2014-2019 medium term strategic framework (MTSF), particularly as it is expressed in institutional strategic and annual performance plans, and in annual reports. Coupled with financial information, performance information provides Parliament and the public with the necessary facts to hold government accountable against the 14 outcomes set out in the 2014-2019 medium term strategic framework.

Each chapter in the abridged 2016 ENE publication relates to a specific budget vote. A separate, more detailed, e-publication is also available for each vote. These e-publications provide more detailed information than the relevant chapter in the abridged ENE, including on goods and services, transfers and subsidies, as well as on programme specific personnel expenditure. Budget information is also provided for the public entities that are not shown in detail in the abridged publication. Each chapter in the abridged ENE publication has a summary table showing expenditure on infrastructure, whereas the vote ENE e-publications' additional tables also contain summaries of expenditure on conditional grants to provinces and municipalities, departmental public private partnerships and information on donor funding. In some e-publications more detailed information at the level of site service delivery is also included.

In addition, a separate 2016 ENE Overview e-publication is also available summarising the ENE information across votes. The 2016 ENE Overview contains a narrative explanation and summary tables; a description of the budgeting approach; and it also has a write-up on how to interpret the information that is contained in each section of the publications.





# **Small Business Development**

**National Treasury  
Republic of South Africa**



# Contents

<b>Budget summary .....</b>	<b>1</b>
<b>Selected performance indicators.....</b>	<b>2</b>
<b>Expenditure analysis .....</b>	<b>2</b>
<b>Expenditure trends.....</b>	<b>4</b>
<b>Expenditure estimates .....</b>	<b>5</b>
<b>Personnel information .....</b>	<b>6</b>
<b>Departmental receipts.....</b>	<b>6</b>
<b>Programme 1: Administration.....</b>	<b>7</b>
<b>Programme 2: Small, Medium and Micro Enterprises and Cooperatives Policy and Research.....</b>	<b>8</b>
<b>Programme 3: Small, Medium and Micro Enterprises and Cooperatives Programme Design and Support.....</b>	<b>10</b>
<b>Entities .....</b>	<b>12</b>

# Vote 31

## Small Business Development

### Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	118.1	115.2	–	2.8	121.5	125.1
Small Medium and Micro Enterprises and Cooperatives Policy and Research	26.1	25.8	–	0.3	26.2	29.1
Small Medium and Micro Enterprises and Cooperatives Programme Design and Support	1 181.3	74.5	1 105.8	1.0	1 311.7	1 385.8
<b>Total expenditure estimates</b>	<b>1 325.4</b>	<b>215.5</b>	<b>1 105.8</b>	<b>4.2</b>	<b>1 459.5</b>	<b>1 540.0</b>

Executive authority  
Accounting officer  
Website address

Minister of Small Business Development  
Director General of Small Business Development  
[www.dsbd.gov.za](http://www.dsbd.gov.za)

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

### Vote purpose

*Promote the development of small businesses and cooperatives that contribute to inclusive economic growth and job creation.*

### Mandate

The Department of Small Business Development was established as a national department in accordance with the reorganisation of some national departments announced by the President in May 2014. The department is tasked with the responsibility to lead an integrated approach to the promotion and development of small businesses and cooperatives through a focus on the economic and legislative drivers that stimulate entrepreneurship to contribute to radical economic transformation. The realisation of this mandate will lead to increased employment, poverty reduction and reduced inequality.

The department's mandate is guided by a legislative framework that includes:

- the National Small Business Act (1996)
- the National Small Business Amendment Act (2004)
- the Small Business Development Act (1981)
- the Cooperatives Act (2005)
- the Cooperatives Amendment Act (2013).

## Selected performance indicators

**Table 31.1 Performance indicators by programme and related outcome**

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of SMMEs financially assisted through the black business supplier development programme per year	SMMEs and Cooperatives Programme Design and Support	Outcome 4: Decent employment through inclusive economic growth	1 212	1 066	1 872	480	500	550	600
Number of cooperatives financially assisted through the cooperatives incentive scheme per year	SMMEs and Cooperatives Programme Design and Support		314	243	431	350	370	400	450
Number of informal business enterprises supported through incentives per year	SMMEs and Cooperatives Programme Design and Support		- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	1 000	1 100	1 210	1 330
Number of cooperative enterprises supported through incentives per year	SMMEs and Cooperatives Programme Design and Support		- <sup>2</sup>	- <sup>2</sup>	- <sup>2</sup>	- <sup>2</sup>	130	145	160
Number of SMMEs in rural areas and townships supported through incentives per year	SMMEs and Cooperatives Programme Design and Support		- <sup>2</sup>	- <sup>2</sup>	- <sup>2</sup>	- <sup>2</sup>	110	120	130
Number of informal enterprises financially assisted through the national informal business upliftment scheme per year	SMMEs and Cooperatives Programme Design and Support		- <sup>2</sup>	- <sup>2</sup>	- <sup>2</sup>	- <sup>2</sup>	1 666	1 733	1 807
Number of incubators established per year through the enterprise incubation programme	SMMEs and Cooperatives Programme Design and Support		- <sup>2</sup>	- <sup>2</sup>	- <sup>2</sup>	- <sup>2</sup>	10	10	10

1. No historical data is available as the department was established in 2015/16.

2. No historical data is available as these are new indicators introduced in 2016/17.

## Expenditure analysis

The national development plan identifies the important role that small, medium and micro enterprises (SMMEs) and cooperatives play in inclusive economic growth and employment. The plan articulates the benefits of increased coordination and support, incubation, and reduced costs of regulatory compliance for small enterprises to achieving a transformed and inclusive economy. The Department of Small Business Development was established in 2014 to develop and support the small enterprises sector more intently. The department's aims are in line with outcome 4 (decent employment through inclusive growth) of the 2014-2019 medium term strategic framework, as encapsulated in sub-outcomes 3, 5 and 8. The department aims to create a conducive legislative and policy environment for SMMEs and cooperatives, develop and grow SMMEs and cooperatives in township and rural areas, and establish public and private partnerships aimed at maximising support for SMMEs and cooperatives.

Over the medium term, the department will focus on increasing the number of small enterprises that the department supports, reviewing the strategy for SMME development and entrepreneurship, developing and supporting cooperatives, developing the markets for small enterprises, supporting incubators for small enterprises, and strengthening departmental operational capacity.

The department is further tasked with eliminating unnecessary regulatory burdens, which it plans to do through its red tape reduction programme for the operations of SMMEs and cooperatives in municipalities. The department plans to develop appropriate sanctions for municipalities' non-compliance with the 30-day period for paying small enterprises. The department is also tasked with addressing spatial imbalances in economic opportunities and increasing access to economic opportunities for historically excluded and vulnerable groups. It will do this by implementing a comprehensive township and rural enterprises development strategy.

### Increasing the number of small enterprises supported by the department

Increasing the number of SMMEs and cooperatives that the department supports by providing financial and non-financial interventions will be the department's largest spending focus over the medium term, reflected in transfers and subsidies of R3.7 billion over the period, and comprising 84.7 per cent of the department's total budget. R2.2 billion or 51 per cent of this funding is earmarked for the Small Enterprise Development Agency for non-financial support services and incubation.

The department will also provide financial incentives totalling R772.7 million, geared for SMMEs in the mining, manufacturing, agro processing and services sectors, as part of the black business supplier development programme, as well as R237.1 million for cooperatives through the cooperatives incentive scheme. The

department aims to assist over 2 870 SMMEs and cooperatives financially over the medium term. This will be geared towards supporting enterprises in townships and rural areas in particular.

In addition, the department has set aside R298.2 million over the medium term for transfers to the new national informal business scheme. The scheme aims to develop and grow informal and small businesses and cooperatives by providing financial and non-financial support services, improving competitiveness, facilitating market access, promoting entrepreneurship, advancing localisation and leveraging public and private procurement. Over the medium term, the department aims to assist 5 206 such enterprises through the scheme.

### **Reviewing the strategy for SMME development and entrepreneurship**

The policy focus over the medium term will be on reviewing the strategy for SMME development and entrepreneurship to maintain the strategy's relevance and responsiveness to business cycles, recent economic activity, and the present challenging socioeconomic environment with its associated high unemployment, inequality and poverty. The review is budgeted for in the *SMMEs and Cooperatives Policy and Research* programme, at R81.5 million or 1.7 per cent of the department's total budget over the medium term. Expenditure is mainly on skilled personnel under compensation of employees.

The department also plans to amend the National Small Business Act (1996) to align it with the revised strategy for SMME development and entrepreneurship and the department's mandate. The amendments increase the act's applicability to small businesses and their needs.

### **Developing and supporting cooperatives**

Over the medium term, the department will be finalising cooperatives regulations to ensure the effective implementation of the Cooperatives Amendment Act (2013). The department will also be improving coordination between national, provincial and local government to strengthen support to cooperatives. And it will be improving the sustainability of cooperatives, thus encouraging collective entrepreneurship and supporting the creation of job opportunities. This work is the driver of cooperatives policy development in the department, and is budgeted for in the *Cooperatives Development* subprogramme in the *SMMEs and Cooperative Programme Design and Support* programme. Spending over the medium term is projected at a total of R25.3 million, reflecting average annual growth of 21.4 per cent over the period.

By increasing funding for incentives, the department aims to increase the number of cooperatives accessing the department's various customised sustainability programmes, particularly cooperatives in the manufacturing, agro-processing, mining and services sector. The number of cooperatives financially assisted through the cooperatives incentive scheme is projected to increase from 350 in 2015/16 to 450 by 2018/19.

### **Developing the markets for small enterprises**

Over the medium term, the department will pay particular attention to establishing strategic partnerships with other spheres of government and the private sector to increase small businesses' access to markets, expand these markets, and expose small businesses to innovation. The department and its partners will identify market access opportunities for SMMEs and cooperatives in both the public and private sectors, facilitate market opportunities in the international market, develop programmes to improve the quality of products and services, and assist local suppliers to expand production capacity. This work is funded through the *Market Development and Stakeholder Relations* subprogramme in the *SMMEs and Cooperatives Programme Design and Support* programme, which has a budget of R200.4 million over the medium term.

### **Supporting incubators for small enterprises**

Over the medium term, the department will implement the enterprise incubator programme to encourage private sector partnerships with government to support incubators for SMMEs and cooperatives. The programme will provide funding for incubators that can be self-sustainable by generating revenue through their business support initiatives and services to small enterprises. Sustainable enterprises will in turn provide employment and contribute to economic growth. R150.7 million in the *Market Development and Stakeholder Relations* subprogramme over the medium term will be used to establish 30 such incubators. 70 per cent of the funding will be used for infrastructure, feasibility studies, and product development for small enterprises, and 30 per cent will cover the incubators' operational costs.

## Strengthening departmental operational capacity

The department's budget is set to increase by a total of R87.8 million over the medium term. This will be used for strengthening departmental governance and operational capacity by increasing the number of personnel in the *Administration* programme. The increase is also for ICT services. This spending is mostly reflected in average annual growth of 15.9 per cent over the medium term in the *Administration* programme and 35.2 per cent in the *Policy and Research* programme on operational expenditure.

## Expenditure trends

**Table 31.2 Vote expenditure trends by programme and economic classification**

Programmes														
1. Administration														
2. Small Medium and Micro Enterprises and Cooperatives Policy and Research														
3. Small Medium and Micro Enterprises and Cooperatives Programme Design and Support														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Programme 1	9.5	9.5	9.5	13.5	13.5	13.5	45.0	45.0	22.4	64.0	81.4	69.1	86.7%	76.6%
Programme 2	10.4	10.4	10.4	13.5	13.5	13.5	12.2	12.2	11.7	15.2	11.7	11.7	92.3%	99.1%
Programme 3	821.6	821.6	831.6	1 012.6	1 012.6	1 025.4	1 027.4	1 027.4	1 091.5	1 024.0	1 034.4	1 034.4	102.5%	102.2%
<b>Total</b>	<b>841.6</b>	<b>841.6</b>	<b>851.6</b>	<b>1 039.5</b>	<b>1 039.5</b>	<b>1 052.4</b>	<b>1 084.6</b>	<b>1 084.6</b>	<b>1 125.5</b>	<b>1 103.2</b>	<b>1 127.5</b>	<b>1 115.2</b>	<b>101.9%</b>	<b>101.3%</b>
Change to 2015 Budget estimate											24.3			
Economic classification														
<b>Current payments</b>	<b>75.9</b>	<b>75.9</b>	<b>75.9</b>	<b>87.1</b>	<b>87.1</b>	<b>87.1</b>	<b>130.7</b>	<b>130.7</b>	<b>100.9</b>	<b>166.2</b>	<b>166.5</b>	<b>154.2</b>	<b>90.9%</b>	<b>90.8%</b>
Compensation of employees	47.1	47.1	47.1	55.3	55.3	55.3	84.0	84.0	73.8	109.7	111.5	99.2	93.0%	92.4%
Goods and services of which:	28.9	28.9	28.9	31.8	31.8	31.8	46.8	46.8	27.1	56.5	55.0	55.0	87.1%	87.9%
Administrative fees	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.4	0.6	0.6	115.9%	100.0%
Advertising	0.1	0.1	0.1	0.7	0.7	0.7	0.7	0.7	0.7	-	2.2	2.2	246.1%	100.0%
Minor assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	107.4%	100.0%
Audit costs: External	-	-	-	-	-	-	1.0	1.0	-	0.3	0.2	0.2	13.7%	14.9%
Catering: Departmental activities	0.2	0.2	0.2	0.9	0.9	0.9	0.7	0.7	0.7	1.0	1.6	1.6	122.8%	100.0%
Communication	0.6	0.6	0.6	0.7	0.7	0.7	0.9	0.9	0.9	1.3	1.6	1.6	106.3%	100.0%
Computer services	-	-	-	-	-	-	-	-	-	-	5.5	5.5	-	100.0%
Consultants: Business and advisory services	3.2	3.2	3.2	1.5	1.5	1.5	4.5	4.5	1.5	2.9	3.1	3.1	77.3%	75.5%
Legal services	-	-	-	0.0	0.0	0.0	(0.3)	(0.3)	(0.3)	-	-	-	100.0%	100.0%
Contractors	0.6	0.6	0.6	2.2	2.2	2.2	4.1	4.1	1.4	3.0	0.8	0.8	50.2%	64.9%
Agency and support/outourced services	-	-	-	0.1	0.1	0.1	1.0	1.0	(0.0)	-	-	-	11.0%	11.0%
Entertainment	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.3	0.3	0.1	0.1	0.1	99.4%	100.0%
Fleet services (including government motor transport)	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.1	0.4	0.4	162.7%	100.0%
Consumable supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.2	0.5	0.5	213.5%	100.0%
Consumables: Stationery, printing and office supplies	0.4	0.4	0.4	0.4	0.4	0.4	2.2	2.2	1.2	1.3	1.5	1.5	82.2%	78.1%
Operating leases	1.0	1.0	1.0	0.9	0.9	0.9	0.7	0.7	0.7	1.9	9.3	9.3	261.0%	100.0%
Transport provided: Departmental activity	-	-	-	-	-	-	0.1	0.1	0.1	-	-	-	100.0%	100.0%
Travel and subsistence	17.9	17.9	17.9	20.6	20.6	20.6	19.2	19.2	15.2	25.9	21.5	21.5	89.9%	95.0%
Training and development	0.8	0.8	0.8	1.3	1.3	1.3	4.8	4.8	1.3	2.7	2.7	2.7	63.5%	63.5%
Operating payments	0.2	0.2	0.2	0.7	0.7	0.7	4.0	4.0	1.5	12.3	1.4	1.4	22.2%	60.6%
Venues and facilities	3.4	3.4	3.4	1.4	1.4	1.4	2.7	2.7	1.7	3.0	2.0	2.0	81.4%	89.6%

**Table 31.2 Vote expenditure trends by programme and economic classification**

Economic classification	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
R million	765.2	765.2	775.2	951.4	951.4	964.2	949.2	949.2	1 023.0	935.8	958.4	958.4	103.3%	102.7%
<b>Transfers and subsidies</b>	765.2	765.2	775.2	951.4	951.4	964.2	949.2	949.2	1 023.0	935.8	958.4	958.4	103.3%	102.7%
Departmental agencies and accounts	594.6	594.6	604.6	648.7	648.7	661.5	624.7	624.7	644.4	610.4	610.4	610.4	101.7%	101.7%
Higher education institutions	-	-	-	-	-	-	-	-	-	-	12.5	12.5	-	100.0%
Public corporations and private enterprises	162.1	162.1	162.1	294.1	294.1	294.1	308.2	308.2	362.3	308.8	318.8	318.8	106.0%	105.0%
Non-profit institutions	7.9	7.9	7.9	8.3	8.3	8.3	16.3	16.3	16.3	16.7	16.7	16.7	100.0%	100.0%
Households	0.6	0.6	0.6	0.3	0.3	0.3	0.0	0.0	0.0	-	0.1	0.1	108.4%	101.9%
<b>Payments for capital assets</b>	0.5	0.5	0.5	1.0	1.0	1.0	4.7	4.7	1.6	1.1	2.6	2.6	78.5%	65.3%
Machinery and equipment	0.5	0.5	0.5	1.0	1.0	1.0	4.7	4.7	1.6	1.1	2.6	2.6	78.5%	65.3%
<b>Total</b>	<b>841.6</b>	<b>841.6</b>	<b>851.6</b>	<b>1 039.5</b>	<b>1 039.5</b>	<b>1 052.4</b>	<b>1 084.6</b>	<b>1 084.6</b>	<b>1 125.5</b>	<b>1 103.2</b>	<b>1 127.5</b>	<b>1 115.2</b>	<b>101.9%</b>	<b>101.3%</b>

## Expenditure estimates

**Table 31.3 Vote expenditure estimates by programme and economic classification**

Programmes									
1. Administration									
2. Small Medium and Micro Enterprises and Cooperatives Policy and Research									
3. Small Medium and Micro Enterprises and Cooperatives Programme Design and Support									
Programme	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)	
				2016/17	2017/18	2018/19			
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19		
Programme 1	69.1	93.5%	2.8%	118.1	121.5	125.1	21.9%	8.0%	
Programme 2	11.7	3.9%	1.1%	26.1	26.2	29.1	35.5%	1.7%	
Programme 3	1 034.4	8.0%	96.1%	1 181.3	1 311.7	1 385.8	10.2%	90.3%	
<b>Total</b>	<b>1 115.2</b>	<b>9.8%</b>	<b>100.0%</b>	<b>1 325.4</b>	<b>1 459.5</b>	<b>1 540.0</b>	<b>11.4%</b>	<b>100.0%</b>	
Change to 2015 Budget estimate				157.6	154.2	157.6			
Economic classification									
<b>Current payments</b>	<b>154.2</b>	<b>26.6%</b>	<b>10.1%</b>	<b>215.5</b>	<b>219.2</b>	<b>229.0</b>	<b>14.1%</b>	<b>15.0%</b>	
Compensation of employees	99.2	28.2%	6.6%	136.7	139.1	143.1	13.0%	9.5%	
Goods and services	55.0	24.0%	3.4%	78.8	80.1	85.9	16.0%	5.5%	
<i>of which:</i>									
Administrative fees	0.6	50.8%	0.0%	1.6	1.9	2.0	51.7%	0.1%	
Advertising	2.2	232.6%	0.1%	2.8	3.1	3.4	14.3%	0.2%	
Minor assets	0.1	60.5%	0.0%	0.0	0.0	0.0	-8.8%	0.0%	
Audit costs: External	0.2	-	0.0%	2.2	2.5	2.9	158.0%	0.1%	
Bursaries: Employees	-	-	-	0.3	0.4	0.4	-	0.0%	
Catering: Departmental activities	1.6	87.9%	0.1%	1.9	2.2	2.4	14.1%	0.1%	
Communication	1.6	37.0%	0.1%	1.8	1.9	2.2	11.3%	0.1%	
Computer services	5.5	-	0.1%	7.1	7.2	7.8	12.1%	0.5%	
Consultants: Business and advisory services	3.1	-0.6%	0.2%	10.7	7.6	8.0	36.3%	0.5%	
Legal services	-	-	0.0%	0.6	0.6	0.7	-	0.0%	
Contractors	0.8	5.8%	0.1%	1.3	1.4	1.5	24.2%	0.1%	
Agency and support/outsourced services	-	-	0.0%	0.3	0.4	0.4	-	0.0%	
Entertainment	0.1	143.8%	0.0%	0.1	0.0	0.0	-18.0%	0.0%	
Fleet services (including government motor transport)	0.4	84.4%	0.0%	0.5	0.5	0.5	13.1%	0.0%	
Consumable supplies	0.5	673.6%	0.0%	0.4	0.5	0.5	5.5%	0.0%	
Consumables: Stationery, printing and office supplies	1.5	54.5%	0.1%	1.1	1.2	1.4	-2.7%	0.1%	
Operating leases	9.3	106.9%	0.3%	14.7	15.7	16.2	20.5%	1.0%	
Property payments	-	-100.0%	0.0%	0.4	0.4	0.5	-	0.0%	
Travel and subsistence	21.5	6.2%	1.8%	26.3	28.2	30.8	12.7%	2.0%	
Training and development	2.7	50.2%	0.1%	-	-	-	-100.0%	0.1%	
Operating payments	1.4	83.1%	0.1%	0.3	0.3	0.4	-34.5%	0.0%	
Venues and facilities	2.0	-15.5%	0.2%	4.4	4.1	4.1	25.8%	0.3%	

**Table 31.3 Vote expenditure estimates by programme and economic classification**

Economic classification	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2015/16	2012/13 - 2015/16	2016/17		
R million	958.4	7.8%	89.8%	1 105.8	1 237.7	1 308.4	10.9%	84.7%
<b>Transfers and subsidies</b>	<b>610.4</b>	<b>0.9%</b>	<b>60.8%</b>	<b>633.8</b>	<b>743.1</b>	<b>786.2</b>	<b>8.8%</b>	<b>51.0%</b>
Departmental agencies and accounts	12.5	–	0.3%	–	–	–	-100.0%	0.2%
Higher education institutions	318.8	25.3%	27.4%	472.0	494.6	522.1	17.9%	33.2%
Public corporations and private enterprises	16.7	28.4%	1.2%	–	–	–	-100.0%	0.3%
Non-profit institutions	0.1	-54.2%	0.0%	–	–	–	-100.0%	0.0%
Households	2.6	73.0%	0.1%	4.2	2.6	2.6	-0.2%	0.2%
<b>Payments for capital assets</b>	<b>2.6</b>	<b>73.0%</b>	<b>0.1%</b>	<b>4.2</b>	<b>2.6</b>	<b>2.6</b>	<b>-0.2%</b>	<b>0.2%</b>
Machinery and equipment	–	–	–	–	–	–	–	–
<b>Total</b>	<b>1 115.2</b>	<b>9.8%</b>	<b>100.0%</b>	<b>1 325.4</b>	<b>1 459.5</b>	<b>1 540.0</b>	<b>11.4%</b>	<b>100.0%</b>

## Personnel information

**Table 31.4 Vote personnel numbers and cost by salary level and programme<sup>1</sup> prior to Cabinet approved reduction, effective from 2017/18 budget reductions and aggregate baseline total**

Programmes		Number of posts estimated for 31 March 2016		Number and cost <sup>3</sup> of personnel posts filled / planned for on funded establishment										Number					
Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate		Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)						
		2014/15	Unit	2015/16	Unit	2016/17		2017/18		2018/19				2015/16 - 2018/19					
		Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost						
<b>Small Business Development</b>																			
Salary level	215	–	156	73.8	0.5	178	99.2	0.6	226	136.7	0.6	221	140.8	0.6	221	150.1	0.7	7.5%	100.0%
1 – 6	20	–	13	2.3	0.2	15	3.6	0.2	20	4.5	0.2	20	4.8	0.2	20	5.1	0.3	10.1%	8.9%
7 – 10	98	–	77	25.6	0.3	85	29.7	0.3	104	41.7	0.4	104	44.9	0.4	104	46.6	0.4	7.0%	46.9%
11 – 12	48	–	31	18.1	0.6	31	22.0	0.7	51	36.0	0.7	48	36.3	0.8	48	39.1	0.8	15.7%	21.0%
13 – 16	49	–	35	27.7	0.8	47	43.9	0.9	51	54.5	1.1	49	54.7	1.1	49	59.3	1.2	1.4%	23.2%
<b>Programme</b>	<b>215</b>	<b>–</b>	<b>156</b>	<b>73.8</b>	<b>0.5</b>	<b>178</b>	<b>99.2</b>	<b>0.6</b>	<b>226</b>	<b>136.7</b>	<b>0.6</b>	<b>221</b>	<b>140.8</b>	<b>0.6</b>	<b>221</b>	<b>150.1</b>	<b>0.7</b>	<b>7.5%</b>	<b>100.0%</b>
Programme 1	103	–	32	11.4	0.4	68	32.2	0.5	103	64.8	0.6	103	68.2	0.7	103	72.7	0.7	14.8%	44.6%
Programme 2	20	–	20	9.8	0.5	18	9.5	0.5	18	14.2	0.8	20	15.3	0.8	20	17.9	0.9	3.6%	9.0%
Programme 3	92	–	104	52.6	0.5	92	57.4	0.6	105	57.7	0.5	98	57.2	0.6	98	59.5	0.6	2.1%	46.5%
<b>Reduction</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(1.7)</b>	<b>–</b>	<b>–</b>	<b>(7.0)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>215</b>	<b>–</b>	<b>156</b>	<b>73.8</b>	<b>0.5</b>	<b>178</b>	<b>99.2</b>	<b>0.6</b>	<b>226</b>	<b>136.7</b>	<b>0.6</b>	<b>–</b>	<b>139.1</b>	<b>–</b>	<b>–</b>	<b>143.1</b>	<b>–</b>	<b>–</b>	<b>–</b>

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

2. The department's compensation of employees budget has been reduced by R8.7 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

## Departmental receipts

**Table 31.5 Departmental receipts by economic classification**

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16	2016/17	2017/18		
<b>Departmental receipts</b>	–	–	–	180	68	–	100.0%	50	55	60	-4.1%	100.0%
<b>Sales of goods and services produced by department</b>	–	–	–	180	–	–	–	50	55	60	–	70.8%
Sales by market establishments	–	–	–	180	–	–	–	50	55	60	–	70.8%
of which:												
Rental: Parking	–	–	–	180	–	–	–	50	55	60	–	70.8%
Interest	–	–	–	–	–	–	–	–	–	–	–	–
<b>Transactions in financial assets and liabilities</b>	–	–	–	–	68	–	100.0%	–	–	–	-100.0%	29.2%
<b>Total</b>	–	–	–	180	68	–	100.0%	50	55	60	-4.1%	100.0%



## Programme 1: Administration

### Programme purpose

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

### Expenditure trends and estimates

**Table 31.6 Administration expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand											
Ministry	9 526	13 452	22 376	30 896	48.0%	60.2%	26 133	26 652	27 056	-4.3%	24.8%
Departmental Management	-	-	-	21 187	-	16.7%	18 950	19 710	19 613	-2.5%	17.8%
Corporate Services	-	-	-	29 304	-	23.1%	47 027	47 787	49 595	19.2%	38.9%
Financial Management	-	-	-	-	-	-	14 972	16 130	16 807	-	10.7%
Communications	-	-	-	-	-	-	10 998	11 253	11 988	-	7.7%
<b>Total</b>	<b>9 526</b>	<b>13 452</b>	<b>22 376</b>	<b>81 387</b>	<b>104.4%</b>	<b>100.0%</b>	<b>118 080</b>	<b>121 532</b>	<b>125 059</b>	<b>15.4%</b>	<b>100.0%</b>
Change to 2015 Budget estimate				1 861			51 493	52 389	51 905		
<b>Economic classification</b>											
<b>Current payments</b>	<b>9 436</b>	<b>12 539</b>	<b>21 264</b>	<b>79 555</b>	<b>103.5%</b>	<b>96.9%</b>	<b>115 240</b>	<b>120 342</b>	<b>123 956</b>	<b>15.9%</b>	<b>98.4%</b>
Compensation of employees	3 058	3 837	11 407	44 574	144.3%	49.6%	64 765	67 639	67 698	14.9%	54.9%
Goods and services	6 378	8 702	9 857	34 981	76.4%	47.3%	50 475	52 703	56 258	17.2%	43.6%
of which:											
Administrative fees	-	-	-	300	-	0.2%	1 111	1 171	1 199	58.7%	0.8%
Advertising	-	-	685	2 238	-	2.3%	2 750	3 070	3 350	14.4%	2.6%
Minor assets	-	-	-	59	-	-	33	33	35	-16.0%	-
Audit costs: External	-	-	-	166	-	0.1%	2 224	2 500	2 850	158.0%	1.7%
Bursaries: Employees	-	-	-	-	-	-	300	350	380	-	0.2%
Catering: Departmental activities	14	15	114	562	242.4%	0.6%	930	1 025	1 060	23.6%	0.8%
Communication	322	360	476	966	44.2%	1.7%	1 165	1 220	1 400	13.2%	1.1%
Computer services	-	-	-	5 520	-	4.4%	7 120	7 200	7 780	12.1%	6.2%
Consultants: Business and advisory services	-	-	12	1 172	-	0.9%	900	650	600	-20.0%	0.7%
Legal services	-	-	150	-	-	0.1%	600	630	660	-	0.4%
Contractors	-	4	58	410	-	0.4%	1 295	1 410	1 468	53.0%	1.0%
Agency and support/outsourced services	-	-	-	-	-	-	320	350	400	-	0.2%
Entertainment	-	1	250	45	-	0.2%	42	30	32	-10.7%	-
Fleet services (including government motor transport)	2	11	47	219	378.4%	0.2%	258	234	271	7.4%	0.2%
Consumable supplies	-	4	18	392	-	0.3%	437	532	544	11.5%	0.4%
Consumables: Stationery, printing and office supplies	44	42	198	611	140.4%	0.7%	630	693	795	9.2%	0.6%
Operating leases	557	458	158	8 633	149.3%	7.7%	14 141	14 973	15 403	21.3%	11.9%
Property payments	14	1	-	-	-100.0%	-	400	400	450	-	0.3%
Transport provided: Departmental activity	-	-	100	-	-	0.1%	-	-	-	-	-
Travel and subsistence	5 403	7 804	6 449	11 689	29.3%	24.7%	13 754	14 386	15 683	10.3%	12.4%
Operating payments	15	2	625	1 231	334.6%	1.5%	290	335	390	-31.8%	0.5%
Venues and facilities	7	-	517	768	378.7%	1.0%	1 775	1 511	1 508	25.2%	1.2%
<b>Transfers and subsidies</b>	<b>39</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Households	39	-	-	-	-100.0%	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>51</b>	<b>913</b>	<b>1 112</b>	<b>1 832</b>	<b>230.0%</b>	<b>3.1%</b>	<b>2 840</b>	<b>1 190</b>	<b>1 103</b>	<b>-15.6%</b>	<b>1.6%</b>
Machinery and equipment	51	913	1 112	1 832	230.0%	3.1%	2 840	1 190	1 103	-15.6%	1.6%
<b>Total</b>	<b>9 526</b>	<b>13 452</b>	<b>22 376</b>	<b>81 387</b>	<b>104.4%</b>	<b>100.0%</b>	<b>118 080</b>	<b>121 532</b>	<b>125 059</b>	<b>15.4%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	1.1%	1.3%	2.0%	7.2%	-	-	8.9%	8.3%	8.1%	-	-
<b>Details of transfers and subsidies</b>											
Households											
Social benefits											
Current	39	-	-	-	-100.0%	-	-	-	-	-	-
Employee social benefits	39	-	-	-	-100.0%	-	-	-	-	-	-

## Personnel information

**Table 31.7 Administration personnel numbers and cost by salary level<sup>1</sup> prior to Cabinet approved reduction, effective from 2017/18<sup>2</sup>; budget reductions and aggregate baseline total**

Number of posts estimated for 31 March 2016		Number and cost <sup>3</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)				
		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19							
Administration		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	103	-	32	11.4	0.4	68	32.2	0.5	103	64.8	0.6	103	68.2	0.7	103	72.7	0.7	14.8%	100.0%
1 – 6	15	-	7	1.1	0.2	10	2.0	0.2	15	3.2	0.2	15	3.5	0.2	15	3.7	0.2	14.5%	14.6%
7 – 10	40	-	8	2.1	0.3	23	6.6	0.3	40	15.7	0.4	40	16.8	0.4	40	17.8	0.4	20.3%	37.9%
11 – 12	23	-	7	2.6	0.4	10	6.5	0.6	23	16.7	0.7	23	17.8	0.8	23	18.9	0.8	32.0%	21.0%
13 – 16	25	-	10	5.7	0.6	25	17.1	0.7	25	29.1	1.2	25	30.2	1.2	25	32.4	1.3	-	26.5%
Reduction	-	-	-	-	-	-	-	-	-	(0.6)	-	-	(5.0)	-	-	(5.0)	-	-	-
<b>Total</b>	<b>103</b>	<b>-</b>	<b>32</b>	<b>11.4</b>	<b>0.4</b>	<b>68</b>	<b>32.2</b>	<b>0.5</b>	<b>103</b>	<b>64.8</b>	<b>0.6</b>	<b>-</b>	<b>67.6</b>	<b>-</b>	<b>-</b>	<b>67.7</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

2. This programme's compensation of employees budget has been reduced by R5.6 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

## Programme 2: Small, Medium and Micro Enterprises and Cooperatives Policy and Research

### Programme purpose

Formulate policy and conduct research for the development and growth of sustainable small businesses and cooperatives that contribute to the creation of employment and economic growth.

### Objectives

- Create a conducive legislative and policy environment for SMMEs and cooperatives over the medium term that will enable small businesses and cooperatives to be sustainable, competitive and grow; and contribute to national economic growth and job creation by:
  - reviewing the enterprise development strategy framework
  - conducting relevant and focused research on the legislative and regulatory protocols that impede the development and growth of small businesses
  - amending the Cooperatives Development Act (2005)
  - amending the National Small Business Act (1996).

### Subprogrammes

- *Policy, Research and Legislation* produces reliable information for policy formulation on SMMEs and cooperatives support.
- *Monitoring and Evaluation* provides quantifiable analysis and information on SMMEs and cooperatives in South Africa.

## Expenditure trends and estimates

**Table 31.8 Small Medium and Micro Enterprises and Cooperatives Policy and Research expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Expenditure/ Total: Average (%)			Medium-term expenditure estimate			Average growth rate (%)		Expenditure/ Total: Average (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16	2018/19			
R thousand																
Policy, Research and Legislation	10 445	13 527	11 707	11 711	3.9%	100.0%	18 536	18 698	21 226	21.9%	75.3%					
Monitoring and Evaluation	-	-	-	-	-	-	7 569	7 545	7 878	-	24.7%					
<b>Total</b>	<b>10 445</b>	<b>13 527</b>	<b>11 707</b>	<b>11 711</b>	<b>3.9%</b>	<b>100.0%</b>	<b>26 105</b>	<b>26 243</b>	<b>29 104</b>	<b>35.5%</b>	<b>100.0%</b>					
Change to 2015 Budget estimate							10 039	9 529	11 421							
<b>Economic classification</b>																
<b>Current payments</b>	<b>10 231</b>	<b>13 437</b>	<b>11 640</b>	<b>11 619</b>	<b>4.3%</b>	<b>99.0%</b>	<b>25 775</b>	<b>25 898</b>	<b>28 729</b>	<b>35.2%</b>	<b>98.8%</b>					
Compensation of employees	6 569	7 801	9 783	9 545	13.3%	71.1%	14 186	14 184	15 896	18.5%	57.8%					
Goods and services	3 662	5 636	1 857	2 074	-17.3%	27.9%	11 589	11 714	12 833	83.6%	41.0%					
of which:																
Administrative fees	-	-	32	21	-	0.1%	261	388	500	187.7%	1.3%					
Advertising	-	470	-	-	-	1.0%	-	-	-	-	-					
Minor assets	4	-	-	-	-100.0%	-	3	3	3	-	-					
Catering: Departmental activities	34	101	22	35	1.0%	0.4%	362	465	555	151.2%	1.5%					
Communication	42	41	91	76	21.9%	0.5%	260	290	320	61.5%	1.0%					
Consultants: Business and advisory services	1 439	563	-	-	-100.0%	4.2%	5 797	4 996	5 352	-	17.3%					
Contractors	14	1 218	10	-	-100.0%	2.6%	-	-	-	-	-					
Agency and support/outourced services	-	125	-	-	-	0.3%	-	-	-	-	-					
Entertainment	-	2	-	-	-	-	-	-	-	-	-					
Fleet services (including government motor transport)	1	5	2	19	166.8%	0.1%	65	76	88	66.7%	0.3%					
Consumables: Stationery, printing and office supplies	118	97	450	502	62.0%	2.5%	133	157	189	-27.8%	1.1%					
Operating leases	36	37	59	46	8.5%	0.4%	115	138	162	52.1%	0.5%					
Travel and subsistence	1 920	2 656	1 171	1 030	-18.7%	14.3%	3 938	4 501	4 954	68.8%	15.5%					
Operating payments	16	196	20	10	-14.5%	0.5%	5	-	-	-100.0%	-					
Venues and facilities	38	125	-	335	106.6%	1.1%	650	700	710	28.5%	2.6%					
<b>Transfers and subsidies</b>	<b>103</b>	<b>55</b>	<b>22</b>	<b>-</b>	<b>-100.0%</b>	<b>0.4%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>					
Households	103	55	22	-	-100.0%	0.4%	-	-	-	-	-					
<b>Payments for capital assets</b>	<b>111</b>	<b>35</b>	<b>45</b>	<b>92</b>	<b>-6.1%</b>	<b>0.6%</b>	<b>330</b>	<b>345</b>	<b>375</b>	<b>59.7%</b>	<b>1.2%</b>					
Machinery and equipment	111	35	45	92	-6.1%	0.6%	330	345	375	59.7%	1.2%					
<b>Total</b>	<b>10 445</b>	<b>13 527</b>	<b>11 707</b>	<b>11 711</b>	<b>3.9%</b>	<b>100.0%</b>	<b>26 105</b>	<b>26 243</b>	<b>29 104</b>	<b>35.5%</b>	<b>100.0%</b>					
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>1.2%</b>	<b>1.3%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>-</b>	<b>-</b>	<b>2.0%</b>	<b>1.8%</b>	<b>1.9%</b>	<b>-</b>	<b>-</b>					
<b>Details of transfers and subsidies</b>																
<b>Households</b>																
<b>Other transfers to households</b>																
<b>Current</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>					
Gifts and donations	100	-	-	-	-100.0%	0.2%	-	-	-	-	-					
<b>Households</b>																
<b>Social benefits</b>																
<b>Current</b>	<b>3</b>	<b>55</b>	<b>22</b>	<b>-</b>	<b>-100.0%</b>	<b>0.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>					
Employee social benefits	3	55	22	-	-100.0%	0.2%	-	-	-	-	-					

## Personnel information

**Table 31.9 Small Medium and Micro Enterprises and Cooperatives Policy and Research personnel numbers and cost by salary level<sup>1</sup> prior to Cabinet approved reduction, effective from 2017/18<sup>2</sup>; budget reductions and aggregate baseline total**

Number of posts estimated for 31 March 2016		Number and cost <sup>3</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2014/15			2015/16			2016/17			2017/18			2018/19					2015/16 - 2018/19
Small Medium and Micro Enterprises and Cooperatives Policy and Research		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	20	–	20	9.8	0.5	18	9.5	0.5	18	14.2	0.8	20	15.3	0.8	20	17.9	0.9	3.6%	100.0%
7 – 10	5	–	10	2.1	0.2	9	4.2	0.5	5	2.1	0.4	5	2.2	0.4	5	2.4	0.5	-17.8%	31.6%
11 – 12	8	–	4	3.0	0.8	4	0.9	0.2	6	4.4	0.7	8	5.7	0.7	8	6.9	0.9	26.0%	34.2%
13 – 16	7	–	6	4.6	0.8	5	4.5	0.9	7	7.7	1.1	7	7.4	1.1	7	8.7	1.2	11.9%	34.2%
Reduction	–	–	–	–	–	–	–	–	–	–	–	–	(1.1)	–	–	(2.0)	–	–	–
<b>Total</b>	<b>20</b>	<b>–</b>	<b>20</b>	<b>9.8</b>	<b>0.5</b>	<b>18</b>	<b>9.5</b>	<b>0.5</b>	<b>18</b>	<b>14.2</b>	<b>0.8</b>	<b>–</b>	<b>14.2</b>	<b>–</b>	<b>–</b>	<b>15.9</b>	<b>–</b>	<b>–</b>	<b>–</b>

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

2. This programme's compensation of employees budget has been reduced by R3.1 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

## Programme 3: Small, Medium and Micro Enterprises and Cooperatives Programme Design and Support

### Programme purpose

Create an enabling environment for the development and growth of sustainable small businesses and cooperatives that contribute to the creation of employment and economic growth.

### Objectives

- Promote the broader participation of small businesses and cooperatives in the mainstream economy by providing financial incentives to 2 870 small businesses and cooperatives and 15 informal business structures through the black business supplier development programme and the cooperatives incentive scheme over the medium term.
- Develop and grow SMMEs and cooperatives in townships and rural areas that will support 3 640 informal businesses, 435 cooperatives and 360 SMMEs through incentive schemes over the medium term.
- Establish 37 public and private partnerships to maximise support for SMMEs and cooperatives over the medium term.

### Subprogrammes

- *Competitiveness Support* creates an enabling environment for local businesses and institutions to strengthen the local economy.
- *Enterprise Development* manages and facilitates the establishment of new and productive enterprises as well as the sustainability and growth of existing small businesses.
- *Cooperatives Development* manages, facilitates and supports the development of cooperatives in order to improve their competitiveness and growth.
- *Market Development and Stakeholder Relations* establishes strategic partnerships with other spheres of government and the private sector for the sustainable development of SMMEs and cooperatives through ensuring access to markets and expansion into new markets and innovation.
- *SMMEs Development Finance* ensures access to finance for small businesses to facilitate participation in the mainstream economy.

## Expenditure trends and estimates

**Table 31.10 Small Medium and Micro Enterprises and Cooperatives Programme Design and Support expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19	
R thousand												
Competitiveness Support	13 271	16 866	16 349	19 322	13.3%	1.7%	108 657	110 665	114 778	81.1%	7.2%	
Enterprise Development	642 092	695 244	697 554	686 052	2.2%	68.3%	656 918	766 543	812 164	5.8%	59.5%	
Cooperatives Development	–	–	3 393	4 841	–	0.2%	8 284	8 359	8 653	21.4%	0.6%	
Market Development and Stakeholder Relations	–	–	–	108	–	–	62 562	66 176	71 711	772.4%	4.1%	
Small Medium and Micro Enterprises Development	176 251	313 289	374 157	324 099	22.5%	29.8%	344 833	359 935	378 510	5.3%	28.6%	
<b>Total</b>	<b>831 614</b>	<b>1 025 399</b>	<b>1 091 453</b>	<b>1 034 422</b>	<b>7.5%</b>	<b>100.0%</b>	<b>1 181 254</b>	<b>1 311 678</b>	<b>1 385 816</b>	<b>10.2%</b>	<b>100.0%</b>	
Change to 2015				22 471			138 721	140 152	146 342			
Budget estimate												
<b>Economic classification</b>												
<b>Current payments</b>	<b>56 247</b>	<b>61 127</b>	<b>67 979</b>	<b>75 351</b>	<b>10.2%</b>	<b>6.5%</b>	<b>74 458</b>	<b>72 931</b>	<b>76 309</b>	<b>0.4%</b>	<b>6.1%</b>	
Compensation of employees	37 426	43 694	52 563	57 413	15.3%	4.8%	57 730	57 237	59 506	1.2%	4.7%	
Goods and services	18 821	17 433	15 416	17 938	-1.6%	1.7%	16 728	15 694	16 803	-2.2%	1.4%	
of which:												
Administrative fees	171	228	120	265	15.7%	–	223	306	345	9.2%	–	
Advertising	61	268	52	6	-53.8%	–	–	–	–	-100.0%	–	
Minor assets	11	2	23	3	-35.2%	–	9	9	9	44.2%	–	
Catering: Departmental activities	197	735	543	1 028	73.5%	0.1%	577	705	800	-8.0%	0.1%	
Communication	245	293	325	523	28.8%	–	376	402	436	-5.9%	–	
Consultants: Business and advisory services	1 761	896	1 448	1 970	3.8%	0.2%	4 000	2 000	2 000	0.5%	0.2%	
Legal services	–	13	(465)	–	–	–	–	–	–	–	–	
Contractors	633	965	1 334	356	-17.5%	0.1%	–	–	–	-100.0%	–	
Agency and support/outourced services	–	–	(2)	–	–	–	–	–	–	–	–	
Entertainment	4	4	5	13	48.1%	–	24	–	–	-100.0%	–	
Fleet services (including government motor transport)	56	74	117	132	33.1%	–	185	161	176	10.1%	–	
Consumable supplies	1	42	40	71	314.1%	–	–	–	–	-100.0%	–	
Consumables: Stationery, printing and office supplies	251	288	553	410	17.8%	–	333	379	420	0.8%	–	
Operating leases	452	409	450	573	8.2%	–	484	598	643	3.9%	–	
Rental and hiring	–	2	–	–	–	–	–	–	–	–	–	
Property payments	3	1	–	–	-100.0%	–	–	–	–	–	–	
Travel and subsistence	10 620	10 114	7 560	8 751	-6.2%	0.9%	8 562	9 292	10 118	5.0%	0.7%	
Training and development	812	1 284	1 250	2 749	50.2%	0.2%	–	–	–	-100.0%	0.1%	
Operating payments	195	550	837	147	-9.0%	–	5	–	–	-100.0%	–	
Venues and facilities	3 348	1 265	1 226	941	-34.5%	0.2%	1 950	1 842	1 856	25.4%	0.1%	
<b>Transfers and subsidies</b>	<b>775 022</b>	<b>964 187</b>	<b>1 023 020</b>	<b>958 372</b>	<b>7.3%</b>	<b>93.4%</b>	<b>1 105 786</b>	<b>1 237 703</b>	<b>1 308 379</b>	<b>10.9%</b>	<b>93.8%</b>	
Departmental agencies and accounts	604 570	661 497	644 398	622 835	1.0%	63.6%	633 814	743 132	786 233	8.1%	56.7%	
Public corporations and private enterprises	162 068	294 101	362 302	318 751	25.3%	28.6%	471 972	494 571	522 146	17.9%	36.8%	
Non-profit institutions	7 900	8 335	16 320	16 726	28.4%	1.2%	–	–	–	-100.0%	0.3%	
Households	484	254	–	60	-50.1%	–	–	–	–	-100.0%	–	
<b>Payments for capital assets</b>	<b>345</b>	<b>85</b>	<b>454</b>	<b>699</b>	<b>26.5%</b>	<b>–</b>	<b>1 010</b>	<b>1 044</b>	<b>1 128</b>	<b>17.3%</b>	<b>0.1%</b>	
Machinery and equipment	345	85	454	699	26.5%	–	1 010	1 044	1 128	17.3%	0.1%	
<b>Total</b>	<b>831 614</b>	<b>1 025 399</b>	<b>1 091 453</b>	<b>1 034 422</b>	<b>7.5%</b>	<b>100.0%</b>	<b>1 181 254</b>	<b>1 311 678</b>	<b>1 385 816</b>	<b>10.2%</b>	<b>100.0%</b>	
Proportion of total programme expenditure to vote expenditure	97.7%	97.4%	97.0%	91.7%	–	–	89.1%	89.9%	90.0%	–	–	
<b>Details of transfers and subsidies</b>												
<b>Households</b>												
<b>Other transfers to households</b>												
<b>Current</b>	<b>396</b>	<b>154</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	
Gifts and donations	396	154	–	–	-100.0%	–	–	–	–	–	–	
<b>Departmental agencies and accounts</b>												
<b>Departmental agencies (non-business entities)</b>												
<b>Current</b>	<b>604 570</b>	<b>661 497</b>	<b>644 398</b>	<b>622 835</b>	<b>1.0%</b>	<b>63.6%</b>	<b>633 814</b>	<b>743 132</b>	<b>786 233</b>	<b>8.1%</b>	<b>56.7%</b>	
Small Enterprise Development Agency	441 570	525 372	502 283	478 183	2.7%	48.9%	481 495	583 197	617 022	8.9%	44.0%	
Small Enterprise Development Agency: Technology programme	153 000	123 295	126 368	132 181	-4.8%	13.4%	139 187	146 146	154 622	5.4%	11.6%	
Small Enterprise Development Agency: Capacity building programme for economic development	10 000	12 830	15 747	12 471	7.6%	1.3%	13 132	13 789	14 589	5.4%	1.1%	

**Table 31.10 Small Medium and Micro Enterprises and Cooperatives Programme Design and Support expenditure trends and estimates by subprogramme and economic classification**

Details of transfers and subsidies			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)	
Audited outcome						2015/16	2012/13 - 2015/16	2016/17			2017/18
R thousand	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19	
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	88	100	–	60	-12.0%	–	–	–	-100.0%	–	
Employee social benefits	88	100	–	60	-12.0%	–	–	–	-100.0%	–	
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	–	–	9 000	18 751	–	0.7%	10 000	10 000	10 000	-18.9%	1.0%
Industrial Development Corporation: Isivande Women's Fund	–	–	–	8 751	–	0.2%	–	–	–	-100.0%	0.2%
Industrial Development Corporation: Craft customised sector programme	–	–	9 000	10 000	–	0.5%	10 000	10 000	10 000	–	0.8%
<b>Non-profit institutions</b>											
<b>Current</b>	7 900	8 335	16 320	16 726	28.4%	1.2%	–	–	–	-100.0%	0.3%
South African Women Entrepreneurs Network	7 900	8 335	16 320	16 726	28.4%	1.2%	–	–	–	-100.0%	0.3%
<b>Public corporations and private enterprises</b>											
<b>Private enterprises</b>											
<b>Other transfers to private enterprises</b>											
<b>Current</b>	162 068	294 101	353 302	300 000	22.8%	27.9%	461 972	484 571	512 146	19.5%	35.8%
Various institutions: Black business supplier development programme	97 089	218 621	278 302	225 000	32.3%	20.6%	245 000	256 750	270 953	6.4%	20.3%
Various institutions: Cooperatives incentive scheme	64 979	75 480	75 000	75 000	4.9%	7.3%	75 000	78 750	83 318	3.6%	6.4%
Various institutions: National informal business upliftment scheme	–	–	–	–	–	–	95 698	99 406	103 138	–	6.1%
Various institutions: Enterprise incubation programme	–	–	–	–	–	–	46 274	49 665	54 737	–	3.1%

## Personnel information

**Table 31.11 Small Medium and Micro Enterprises and Cooperatives Programme Design and Support personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2016		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number								
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)							
		2014/15	2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19											
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost						
<b>Small Medium and Micro Enterprises and Cooperatives Programme Design and Support</b>		<b>92</b>	<b>–</b>	<b>–</b>	<b>104</b>	<b>52.6</b>	<b>0.5</b>	<b>92</b>	<b>57.4</b>	<b>0.6</b>	<b>105</b>	<b>57.7</b>	<b>0.5</b>	<b>98</b>	<b>57.2</b>	<b>0.6</b>	<b>98</b>	<b>59.5</b>	<b>0.6</b>	<b>2.1%</b>	<b>100.0%</b>	
Salary level																						
1 – 6	5	–	6	1.2	0.2	5	1.6	0.3	5	1.3	0.3	5	1.3	0.3	5	1.4	0.3	5	1.4	0.3	–	5.1%
7 – 10	53	–	59	21.4	0.4	53	18.9	0.4	59	23.9	0.4	59	25.9	0.4	59	26.4	0.4	59	26.4	0.4	3.6%	58.5%
11 – 12	17	–	20	12.5	0.6	17	14.6	0.9	22	14.9	0.7	17	12.8	0.8	17	13.4	0.8	17	13.4	0.8	–	18.6%
13 – 16	17	–	19	17.5	0.9	17	22.3	1.3	19	17.7	0.9	17	17.2	1.0	17	18.3	1.1	17	18.3	1.1	–	17.8%
<b>Total</b>	<b>92</b>	<b>–</b>	<b>104</b>	<b>52.6</b>	<b>0.5</b>	<b>92</b>	<b>57.4</b>	<b>0.6</b>	<b>105</b>	<b>57.7</b>	<b>0.5</b>	<b>–</b>	<b>57.2</b>	<b>–</b>	<b>–</b>	<b>59.5</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

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

2. Rand million.

## Entities

### Small Enterprise Development Agency

#### Mandate

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

## Selected performance indicators

**Table 31.12 Small Enterprise Development Agency performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of small enterprises assessed and provided with advice per year	Enhance the competitiveness and capabilities of small enterprises through coordinated services, programmes and products	Outcome 4: Decent employment through inclusive economic growth	10 208	10 619	10 697	11 400	10 830	10 290	9 776
Number of clients assisted in the supplier development programme per year	Enhance the competitiveness and capabilities of small enterprises through coordinated services, programmes and products		-1	-1	-1	75	150	225	300
Number of clients assisted in the trade facilitation programme per year	Enhance the competitiveness and capabilities of small enterprises through coordinated services, programmes and products		-1	-1	-1	75	100	125	150
Number of clients assisted in the mentorship and coaching programme per year	Enhance the competitiveness and capabilities of small enterprises through coordinated services, programmes and products		-1	-1	-1	75	100	125	150
Number of clients trained on national and international standards per year	Enhance the competitiveness and capabilities of small enterprises through coordinated services, programmes and products		571	825	696	536	563	591	621
Number of secondary marketing cooperatives supported per year	Enhance the competitiveness and capabilities of small enterprises through coordinated services, programmes and products		28	28	35	36	45	54	63
Number of primary cooperatives established per year	Enhance the competitiveness and capabilities of small enterprises through coordinated services, programmes and products		-1	-1	-1	90	90	90	90
Number of clients assisted in the National Gazelles programme per year	Strengthen the organisation to deliver on its mandate		-1	-1	-1	200	200	200	200
Number of partnerships for supplier development per year	Strengthen the organisation to deliver on its mandate		-1	-1	-1	5	10	15	20
Number of incubators supported per year	Assist SMMEs with technology through the organisation's technology programme		42	43	48	55	56	57	58
Number of clients placed in business incubators per year	Assist SMMEs with technology through the organisation's technology programme		2 282	1 587	3 016	1 881	2 069	2 276	2 503
Number of clients assisted in the conformity assessment and product testing programme per year	Assist SMMEs with technology through the organisation's technology programme		159	173	161	144	151	158	165
Number of clients assisted in the systems implementation programme per year	Assist SMMEs with technology through the organisation's technology programme		35	43	44	34	36	38	40

1. No historical data is available as these are new indicators.

## Expenditure analysis

The national development plan identifies an integral role for small enterprises to contribute to inclusive economic growth and employment. These organisations require support through improved coordination, the easing of regulatory burdens, and incubation, among other things. Outcome 4 (decent employment through inclusive economic growth) of government's 2014-2019 medium term strategic framework further articulates the importance of small businesses in addressing market concentration by increasing their role and significance in the mainstream economy. The Small Enterprise Development Agency will continue to contribute to government's small business strategy by developing, supporting and promoting small enterprises throughout South Africa, ensuring their growth and sustainability in coordination and partnership with stakeholders.

The agency remains focused on providing support through its footprint and its business incubation initiatives, participating in interventions directed towards small and medium enterprises, assisting cooperatives, and prioritising growth in sectors such as manufacturing, agro-processing, and ICT. Over the medium term, this will require driving high impact programmes that include incubation, access to markets, mentorship and coaching, technology transfer, and supplier development. The agency supports the incubation of SMMEs through technology demonstration centres, and expects to support 58 incubators in this way by 2018/19.

In support of these initiatives, the agency has initiated National Gazelles, a programme that proposes an innovative approach to small business development through identifying and strengthening potential high growth businesses that add value and have a manufacturing focus. The programme expects to support the development of 600 identified small enterprises over the medium term through an integrated approach that includes facilitating access to business support and incentives so that enterprises realise their potential.

To ensure the growth and sustainability of small businesses, and that jobs are created, expenditure over the medium term will continue to be driven by the provision of non-financial services and improved support to SMMEs. The agency will provide business advice, assess, consult, train, mentor and assist an estimated 30 896 small enterprises over the medium term. Providing assistance to SMMEs and maintaining its national delivery network of offices throughout the country is expected to drive expenditure on goods and services over the medium term, reflecting 57.9 per cent of total expenditure, or R1.3 billion. This will enable the agency to provide an estimated 675 clients with support over the medium term through the supplier development programme. The agency also promotes the development of rural enterprises and cooperatives through the cooperatives and community private partnerships programme.

As the agency's personnel deliver services directly to SMMEs, the nature of its work is labour intensive. Although the number of personnel is expected to remain constant over the medium term, compensation of employees remains a significant driver of expenditure, representing 40.2 per cent of total expenditure, or R936.5 million.

The agency derives 92.1 per cent of its revenue over the medium term through transfers from the Department of Small Business Development.

### Programmes/objectives/activities

**Table 31.13 Small Enterprise Development Agency expenditure trends and estimates by programme/objective/activity**

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand					2012/13 - 2015/16		2015/16 - 2018/19				
Enhance competitiveness and capabilities of small enterprises through coordinated services, programmes and products	151 331	161 357	166 519	183 774	6.7%	24.9%	161 100	198 940	211 283	4.8%	25.0%
Ensure equitable access to business support services	140 443	146 841	151 910	160 871	4.6%	22.5%	165 755	174 625	184 007	4.6%	22.8%
Strengthen the organisation to deliver on its mandate	193 946	177 467	207 096	247 648	8.5%	30.8%	197 640	226 632	239 719	-1.1%	30.3%
Assist SMMEs with technology through the organisation's technology programme	149 828	135 637	119 718	176 773	5.7%	21.7%	152 319	159 935	169 211	-1.4%	21.9%
<b>Total</b>	<b>635 548</b>	<b>621 302</b>	<b>645 243</b>	<b>769 066</b>	<b>6.6%</b>	<b>100.0%</b>	<b>676 814</b>	<b>760 132</b>	<b>804 220</b>	<b>1.5%</b>	<b>100.0%</b>



## Statements of historical financial performance and position

**Table 31.14 Small Enterprise Development Agency statements of historical financial performance and position**

Statement of financial performance									
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/Budget Average (%)
R thousand	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
<b>Revenue</b>									
<b>Non-tax revenue</b>	19 392	66 890	13 000	64 133	43 001	88 702	43 000	158 702	319.6%
Other non-tax revenue	19 392	66 890	13 000	64 133	43 001	88 702	43 000	158 702	319.6%
<b>Transfers received</b>	540 655.0	566 923.0	603 666.0	576 979.0	624 650.0	624 650.0	610 364.0	610 364.0	100.0%
<b>Total revenue</b>	560 047	633 813	616 666	641 112	667 651	713 352	653 364	769 066	110.4%
<b>Expenses</b>									
<b>Current expenses</b>	560 047	635 548	608 500	621 302	667 651	645 243	769 066	769 066	102.5%
Compensation of employees	220 042	221 373	241 188	226 944	257 194	230 924	272 240	272 240	96.0%
Goods and services	324 960	396 302	350 967	379 042	393 798	398 964	483 443	483 443	106.7%
Depreciation	12 760	15 943	14 500	12 964	14 774	13 480	13 383	13 383	100.6%
Interest, dividends and rent on land	2 285	1 930	1 845	2 352	1 885	1 875	-	-	102.4%
<b>Total expenses</b>	560 047	635 548	608 500	621 302	667 651	645 243	769 066	769 066	102.5%
<b>Surplus/(Deficit)</b>	-	(1 735)	8 166	19 810	-	68 109	(115 702)	-	-
<b>Statement of financial position</b>									
Carrying value of assets	45 790	38 371	44 621	34 269	44 000	37 242	45 000	59 442	94.4%
Acquisition of assets	(9 482)	(13 967)	(13 044)	(10 236)	(8 955)	(17 066)	(8 000)	(35 582)	9.1%
Inventory	310	251	270	383	257	412	300	380	125.4%
Receivables and prepayments	4 300	3 916	9 800	9 637	8 500	12 634	10 000	10 000	111.0%
Cash and cash equivalents	99 425	211 205	130 458	308 045	135 001	273 755	200 562	185 355	173.0%
<b>Total assets</b>	149 825	253 743	185 149	352 334	187 758	324 043	255 862	255 177	152.2%
Accumulated surplus/(deficit)	20 139.0	23 493.0	18 000.0	43 303.0	15 000.0	111 413.0	15 000.0	56 863.0	345.0%
Finance lease	17 604	12 085	11 000	11 761	11 338	11 188	11 050	-	68.7%
Deferred income	6 082	-	-	-	-	-	-	-	-
Trade and other payables	90 000	200 536	137 500	278 633	140 891	182 728	208 135	176 272	145.4%
Provisions	16 000	17 629	18 567	18 637	20 529	18 714	21 677	22 042	100.3%
<b>Total equity and liabilities</b>	149 825	253 743	185 149	352 334	187 758	324 043	255 862	255 177	152.2%

## Statements of estimates of financial performance and position

**Table 31.15 Small Enterprise Development Agency statements of estimates of financial performance and position**

Statement of financial performance									
	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/Total: Average (%)	
R thousand	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19		
<b>Revenue</b>									
<b>Non-tax revenue</b>	158 702	33.4%	13.4%	43 000	17 000	17 987	-51.6%	7.9%	
Other non-tax revenue	158 702	33.4%	13.4%	43 000	17 000	17 987	-51.6%	7.9%	
<b>Transfers received</b>	610 364	2.5%	86.6%	633 814	743 132	786 233	8.8%	92.1%	
<b>Total revenue</b>	769 066	6.7%	100.0%	676 814	760 132	804 220	1.5%	100.0%	
<b>Expenses</b>									
<b>Current expenses</b>	769 066	6.6%	100.0%	676 814	760 132	804 220	1.5%	121.2%	
Compensation of employees	272 240	7.1%	35.6%	291 296	311 687	333 506	7.0%	40.2%	
Goods and services	483 443	6.8%	62.0%	372 132	434 524	456 236	-1.9%	57.9%	
Depreciation	13 383	-5.7%	2.1%	13 386	13 921	14 478	2.7%	1.8%	
<b>Total expenses</b>	769 066	6.6%	100.0%	676 814	760 132	804 220	1.5%	100.0%	
<b>Surplus/(Deficit)</b>	-	(1)	-	-	-	-	-	-	
<b>Statement of financial position</b>									
Carrying value of assets	59 442	15.7%	14.9%	54 000	50 000	47 500	-7.2%	23.8%	
of which:									
Acquisition of assets	(35 582)	36.6%	-6.9%	(8 000)	(8 700)	(9 500)	-35.6%	-6.6%	
Inventory	380	14.8%	0.1%	380	370	370	-0.9%	0.2%	
Receivables and prepayments	10 000	36.7%	3.0%	11 000	10 000	10 000	-	4.7%	
<b>Total assets</b>	255 177	0.2%	100.0%	214 085	210 736	207 302	-6.7%	100.0%	
Accumulated surplus/(deficit)	56 863	34.3%	19.6%	15 000	15 000	15 000	-35.9%	10.9%	
Trade and other payables	176 272	-4.2%	70.9%	175 500	170 500	165 300	-2.1%	77.9%	
Provisions	22 042	7.7%	6.7%	23 585	25 236	27 002	7.0%	11.2%	
<b>Total equity and liabilities</b>	255 177	0.2%	100.0%	214 085	210 736	207 302	-31.0%	100.0%	

**Personnel information**

**Table 31.16 Small Enterprise Development Agency personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2016		Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/Total: Average (%)	
		2014/15			2015/16			2016/17			2017/18			2018/19					2015/16 - 2018/19
Small Enterprise Development Agency		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
	1 076	1 106	984	441	0.4	1 076	505	0.5	1 106	540.4	0.5	1 106	578.2	0.5	1 106	618.7	0.6	7.0%	171.0%
1 – 6	153	153	134	25	0.2	153	31	0.2	153	32.7	0.2	153	35.0	0.2	153	37.4	0.2	7.0%	23.8%
7 – 10	892	922	819	387	0.5	892	442	0.5	922	473.2	0.5	922	506.3	0.5	922	541.7	0.6	7.0%	142.4%
11 – 12	18	18	18	15	0.8	18	16	0.9	18	17.4	1.0	18	18.6	1.0	18	19.9	1.1	7.0%	2.8%
13 – 16	13	13	13	15	1.1	13	16	1.2	13	17.2	1.3	13	18.4	1.4	13	19.6	1.5	7.0%	2.0%

1. Rand million.



# 2016 BUDGET

ESTIMATES OF NATIONAL EXPENDITURE

40 Church Square, Pretoria, 0002 | Private Bag X115, Pretoria, 0001 | T (012) 395 6697, F (012) 315 5126



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA