

Vote 31

Small Business Development

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	124.7	119.1	–	5.6	134.4	143.2
Sector Policy and Research	22.4	22.4	–	0.1	23.5	25.0
Integrated Cooperative Development	111.0	27.7	83.3	0.0	117.7	124.7
Enterprise Development and Entrepreneurship	1 230.3	51.9	1 178.3	0.1	2 298.7	2 426.5
Total expenditure estimates	1 488.5	221.1	1 261.6	5.8	2 574.5	2 719.5
Executive authority	Minister of Small Business Development					
Accounting officer	Director General of Small Business Development					
Website address	www.dsbd.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of 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 is tasked with the responsibility of leading 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 socioeconomic 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	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of cluster cooperatives financially assisted through the cooperative incentive scheme per year	Integrated Cooperative Development	Outcome 4: Decent employment through inclusive growth	431	350	370	270	122 ¹	77 ¹	33 ¹
Number of cluster cooperatives supported through training per year	Integrated Cooperative Development		– ²	350	370	270	122 ¹	77 ¹	33 ¹

Table 31.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of black-owned small, medium and micro enterprises financially assisted through the black business supplier development programme per year	Enterprise Development and Entrepreneurship	Outcome 7: Comprehensive rural development and land reform	1 872	480 ³	600	641	677	715	800
Number of informal business infrastructure funded through the shared economic infrastructure facility per year	Enterprise Development and Entrepreneurship		-2	-2	-2	6	6	10	15
Number of informal enterprises financially assisted through national informal business upliftment scheme per year	Enterprise Development and Entrepreneurship		-2	-2	1 666	1 696	1 000	1 500	2 000
Number of incubators established through enterprise incubation programme per year	Enterprise Development and Entrepreneurship	Outcome 5: A skilled and capable workforce to support an inclusive growth path	-2	-2	1	4	11 ⁴	12	15

1. Target reduced due to change in implementation model. The new model will support cluster cooperatives instead of individual cooperatives.

2. No historical data available.

3. Target reduced to align with available funds.

4. Target increased due to revised programme guideline, which reduced funding per applicant from maximum of R10 million to R4 million.

Expenditure analysis

The National Development Plan identifies the role of small, medium and micro enterprises (SMMEs) and cooperatives in contributing to broad-based socioeconomic development. The plan also articulates the benefits of increased support for incubation, incentive schemes, lower costs of doing business, and minimal regulatory burdens for small enterprises. Outcome 4 (decent employment through inclusive growth) of government's 2014-2019 medium-term strategic framework supports this vision and is directly aligned with the work of the Department of Small Business Development, which broadly involves creating a conducive environment for small enterprises and cooperatives to thrive. As such, over the medium term, the department intends to focus on: increasing support to small enterprises; developing and supporting cooperatives; and developing, evaluating and reviewing strategies and legislation pertaining to small enterprises and cooperatives.

The department's total expenditure over the MTEF period, including transfers to the Small Enterprise Development Agency, is expected to increase at an average annual rate of 22.6 per cent, from R1.5 billion in 2017/18 to R2.7 billion in 2020/21. This increase is mainly due to a Cabinet approved additional allocation of R2.1 billion over the term for the proposed small enterprise development fund, which is expected to commence in 2019/20. However, Cabinet has approved baseline reductions of R131.1 million to the department's budget over the MTEF period, which will be effected on transfers to the agency (R123 million) and the *Administration* programme (R8.1 million). To mitigate the impact of the reductions, the department and the agency will implement strict cost containment measures on areas that have minimal effect on service delivery.

Increasing support to small enterprises

The Small Enterprise Development Agency is mandated to implement government's small business strategy. The agency's activities are funded through transfers from the department in the *Enterprise Development and Entrepreneurship* programme, which amount to R2.4 billion (36 per cent the department's total budget) over the MTEF period.

In addition to the activities carried out by the agency, the department executes certain support programmes directly. The department has undertaken to launch a small enterprise development fund in 2019/20, which aims to: improve access to finance for enterprises in the early stages of formation, reduce the cost of finance, increase the risk appetite of start-ups, increase funding for SMMEs to scale up, increase the number of small enterprises served, and improve the survival rates of small enterprises. The average annual increase of 25.4 per cent over the MTEF period in allocations to the *Enterprise Development and Entrepreneurship*

programme is due to additional funding of R2.1 billion over the same period approved by Cabinet to operationalise the fund.

The department plans to continue to support black-owned small enterprises through the black business supplier development programme, which offers a cost sharing grant to small enterprises to acquire tools, machinery, equipment and business development training to a maximum of R1 million per applicant. An estimated 2 192 small enterprises are expected to benefit from the programme between 2018/19 and 2020/21 through an allocation of R858.9 million in the *Enterprise Development and Entrepreneurship* programme.

Developing and supporting cooperatives

The department will continue providing financial support to cluster cooperatives through the cooperatives incentive scheme, which provides a maximum of R11 million per applicant for primary cooperatives and R10 million per applicant for secondary cooperatives. The scheme intends to improve the viability and competitiveness of an estimated 232 cluster cooperatives over the MTEF period through the provision of working capital to lower the cost of doing business. Allocations to the scheme are set to increase at an average annual rate of 5.6 per cent, from R78.8 million in 2017/18 to R92.8 million in 2020/21, in the *Cooperatives Programme Design and Support* subprogramme in the *Integrated Cooperative Development* programme.

The department plans to host the annual International Cooperatives Day during the second quarter of each financial year over the medium term. The event will bring together cooperatives from all provinces and the Southern African Development Community to contribute to discussions and share latest methodologies to build the cooperatives movement. These events will provide such organisations with a platform through which they can access procurement and market opportunities in the public and private sectors. The event is budgeted for in the *Cooperative Programme Design and Support* subprogramme in the *Integrated Cooperatives Development* programme.

Developing, evaluating and reviewing strategies and legislation for small enterprises and cooperatives

Over the medium term, the department plans to undertake various activities to align the legislative, policy and regulatory framework with the environment in which small enterprises and cooperatives operate. The department began reviewing the National Small Business Act (1996) in 2016/17 and the Cooperatives Amendment Act (2013) in 2017/18. In reviewing the National Small Business Act (1996), the department plans to develop an appropriate and standardised definition of small businesses. This definition will be contained in the National Small Business Amendment Bill, which is expected to be completed in 2018/19.

Over the MTEF period, the department intends to review the integrated strategy on the promotion of entrepreneurship and small enterprises to make the strategy responsive to current economic conditions and business cycles. The strategy aims to ensure that the task of developing entrepreneurship and promoting small enterprises, as contained in various government policies and strategies, is carried out adequately and effectively, and in an integrated way. Further, the strategy seeks to ensure that support and delivery mechanisms exist across the entire entrepreneurship continuum, from pre-start-up to start-up, business survival, growth and expansion, and business rescue.

The department also intends to continue undertaking research to assist its understanding of the enterprise development environment and challenges faced by small businesses. This research will focus on examining the impediments to doing business in South Africa, and will assist the department and its stakeholders in developing responsive strategies. In turn, these strategies are expected to guide government towards initiating appropriate programmes to establish sustainable and competitive small businesses.

To carry out these and other related activities, the department has provided R71 million over the medium term in the *Sector Policy and Research* programme.

Expenditure trends

Table 31.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Sector Policy and Research														
3. Integrated Cooperative Development														
4. Enterprise Development and Entrepreneurship														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
Programme 1	45.0	45.0	22.4	64.0	81.4	66.4	118.1	114.0	98.9	127.6	121.6	121.6	87.2%	85.5%
Programme 2	11.7	11.7	11.7	12.2	12.2	11.7	26.1	25.8	13.8	22.0	18.0	18.1	76.8%	81.7%
Programme 3	88.8	88.8	88.8	88.4	92.1	89.7	112.0	109.2	92.6	106.8	106.8	106.7	95.4%	95.2%
Programme 4	939.0	939.0	1 002.6	938.5	941.8	931.0	1 069.3	1 069.5	991.7	1 193.4	1 229.3	1 229.2	100.3%	99.4%
Total	1 084.6	1 084.6	1 125.5	1 103.2	1 127.5	1 098.9	1 325.4	1 318.4	1 197.0	1 449.8	1 475.7	1 475.6	98.7%	97.8%
Change to 2017 Budget estimate											25.9			
Economic classification														
Current payments	130.7	130.7	100.9	166.2	166.5	137.5	215.5	208.5	178.7	217.0	204.0	203.9	85.1%	87.5%
Compensation of employees	84.0	84.0	73.8	109.7	111.5	93.1	136.7	129.7	114.0	137.5	132.5	132.4	88.4%	90.3%
Goods and services	46.8	46.8	27.1	56.5	55.0	44.3	78.8	78.8	64.6	79.5	71.5	71.5	79.4%	82.4%
Transfers and subsidies	949.2	949.2	1 023.0	935.8	958.4	958.2	1 105.8	1 105.8	1 015.4	1 230.3	1 266.1	1 266.1	101.0%	99.6%
Departmental agencies and accounts	624.7	624.7	644.4	610.4	610.4	622.8	633.8	633.8	652.9	735.7	767.3	767.3	–	–
Higher education institutions	–	–	–	–	12.5	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	308.2	308.2	362.3	308.8	318.8	318.6	472.0	472.0	362.3	494.6	498.8	498.8	97.4%	96.5%
Non-profit institutions	16.3	16.3	16.3	16.7	16.7	16.7	–	–	0.1	–	–	–	100.3%	100.3%
Households	0.0	0.0	0.0	–	0.1	0.1	–	–	0.1	–	–	–	5 966.7%	284.1%
Payments for capital assets	4.7	4.7	1.6	1.1	2.6	3.2	4.2	4.2	3.0	2.6	5.6	5.6	106.0%	78.1%
Machinery and equipment	4.7	4.7	1.6	1.1	2.6	3.2	4.2	4.2	3.0	2.6	5.6	5.6	105.9%	78.0%
Total	1 084.6	1 084.6	1 125.5	1 103.2	1 127.5	1 098.9	1 325.4	1 318.4	1 197.0	1 449.8	1 475.7	1 475.6	98.7%	97.8%

Expenditure estimates

Table 31.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Sector Policy and Research									
3. Integrated Cooperative Development									
4. Enterprise Development and Entrepreneurship									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21		
Programme 1	121.6	39.3%	6.3%	124.7	134.4	143.2	5.6%	6.3%	
Programme 2	18.1	15.6%	1.1%	22.4	23.5	25.0	11.4%	1.1%	
Programme 3	106.7	6.3%	7.7%	111.0	117.7	124.7	5.3%	5.6%	
Programme 4	1 229.2	9.4%	84.8%	1 230.3	2 298.7	2 426.5	25.4%	87.0%	
Total	1 475.6	10.8%	100.0%	1 488.5	2 574.5	2 719.5	22.6%	100.0%	
Change to 2017 Budget estimate				(41.4)	956.2	1 009.1			
Economic classification									
Current payments	203.9	16.0%	12.7%	221.1	236.2	252.3	7.4%	11.1%	
Compensation of employees	132.4	16.4%	8.4%	140.8	151.8	163.3	7.2%	7.1%	
Goods and services	71.5	15.2%	4.2%	80.3	84.4	89.0	7.6%	3.9%	
Transfers and subsidies	1 266.1	10.1%	87.0%	1 266.1	2 332.2	2 460.9	24.8%	88.7%	
Departmental agencies and accounts	767.3	7.1%	54.9%	769.5	815.9	854.2	3.6%	38.8%	
Public corporations and private enterprises	498.8	17.4%	31.5%	492.1	1 516.4	1 606.7	47.7%	49.8%	
Payments for capital assets	5.6	5.9%	0.3%	5.8	6.0	6.3	4.1%	0.3%	
Machinery and equipment	5.6	5.9%	0.3%	5.8	6.0	6.3	4.1%	0.3%	
Total	1 475.6	10.8%	100.0%	1 488.5	2 574.5	2 719.5	22.6%	100.0%	

Expenditure trends and estimates for significant spending items

Table 31.4 Expenditure trends and estimates for significant spending items

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total Vote (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total Vote (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Small Enterprise Development Agency	502 283	478 183	496 495	575 766	4.7%	41.9%	570 241	602 174	635 653	3.4%	28.9%
Black business supplier development programme	278 302	224 876	268 009	256 750	-2.7%	21.0%	270 953	286 126	301 863	5.5%	13.5%
Cooperatives incentive scheme	75 000	74 998	63 879	78 750	1.6%	6.0%	83 318	87 984	92 823	5.6%	4.2%
National informal business upliftment scheme	–	–	–	77 806	–	1.6%	73 138	73 914	84 904	3.0%	3.8%
Enterprise incubation programme	–	–	20 400	75 539	–	2.0%	54 737	57 802	60 981	-6.9%	3.0%
Total	855 585	778 057	848 783	1 064 611	3.6%	72.5%	1 052 387	1 108 000	1 176 224	10.6%	53.4%

Goods and services expenditure trends and estimates

Table 31.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total Vote (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total Vote (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administrative fees	152	509	916	1 135	95.5%	1.3%	1 266	1 281	1 353	6.0%	1.5%
Advertising	737	1 946	2 072	2 365	47.5%	3.4%	1 990	2 055	2 166	-2.9%	2.6%
Minor assets	23	40	279	258	123.9%	0.3%	335	91	96	-28.1%	0.2%
Audit costs: External	–	1 072	3 189	3 375	–	3.7%	3 200	3 413	3 600	2.2%	4.2%
Bursaries: Employees	–	7	172	350	–	0.3%	313	324	339	-1.1%	0.4%
Catering: Departmental activities	679	955	1 971	1 586	32.7%	2.5%	1 540	1 620	1 711	2.6%	2.0%
Communication	892	1 481	1 183	772	-4.7%	2.1%	765	799	849	3.2%	1.0%
Computer services	–	3 897	2 949	6 426	–	6.4%	8 580	9 036	9 533	14.1%	10.3%
Consultants: Business and advisory services	1 460	745	5 913	6 706	66.2%	7.1%	14 130	13 294	14 088	28.1%	14.8%
Legal services	(315)	–	–	131	-174.6%	-0.1%	300	609	664	71.8%	0.5%
Science and technological services	–	–	142	–	–	0.1%	–	–	–	–	–
Contractors	1 402	673	922	1 355	-1.1%	2.1%	1 170	1 161	1 225	-3.3%	1.5%
Agency and support/outsourced services	(2)	–	10	900	-866.3%	0.4%	680	717	757	-5.6%	0.9%
Entertainment	255	–	–	51	-41.5%	0.1%	51	28	30	-16.2%	–
Fleet services (including government motor transport)	166	277	1 025	488	43.3%	0.9%	816	891	1 015	27.6%	1.0%
Inventory: Clothing material and accessories	–	–	–	–	–	–	118	51	54	–	0.1%
Consumable supplies	58	354	175	1 010	159.2%	0.8%	475	346	365	-28.8%	0.7%
Consumables: Stationery, printing and office supplies	1 201	907	2 073	2 568	28.8%	3.3%	1 034	1 080	1 139	-23.7%	1.8%
Operating leases	667	6 839	16 384	15 990	188.3%	19.2%	17 578	20 123	21 025	9.6%	23.0%
Rental and hiring	–	4	62	30	–	–	–	–	–	-100.0%	–
Property payments	–	–	–	–	–	–	–	492	519	–	0.3%
Transport provided: Departmental activity	100	–	6 461	–	-100.0%	3.2%	–	–	–	–	–
Travel and subsistence	15 180	19 309	15 670	20 766	11.0%	34.2%	19 422	21 241	22 402	2.6%	25.8%
Training and development	1 250	3 738	838	1 500	6.3%	3.5%	1 153	56	59	-66.0%	0.9%
Operating payments	1 482	335	944	803	-18.5%	1.7%	717	778	806	0.1%	1.0%
Venues and facilities	1 743	1 233	1 288	2 953	19.2%	3.5%	4 624	4 937	5 208	20.8%	5.4%
Total	27 130	44 320	64 638	71 518	38.1%	100.0%	80 257	84 423	89 003	7.6%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 31.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Households											
Social benefits											
Current	22	63	94	-	-100.0%	-	-	-	-	-	-
Employee social benefits	22	63	69	-	-	-	-	-	-	-	-
Households	-	-	25	-	-	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	644 398	622 835	652 914	767 301	6.0%	63.0%	769 452	815 861	854 167	3.6%	43.8%
Small Enterprise Development Agency	502 283	478 183	496 495	575 766	4.7%	48.2%	580 241	613 174	647 653	4.0%	33.0%
Small Enterprise Development Agency: Technology programme	126 368	132 181	139 187	146 146	5.0%	12.8%	144 622	152 281	160 261	3.1%	8.2%
Small Enterprise Development Agency: Capacity building programme	15 747	12 471	17 232	30 389	24.5%	1.8%	14 589	15 406	16 253	-18.8%	1.0%
Small Enterprise Development Agency: National Gazelles programme	-	-	-	15 000	-	0.4%	30 000	35 000	30 000	26.0%	1.5%
Public corporations and private enterprises											
Other transfers to private enterprises											
Current	353 302	299 872	352 288	488 845	11.4%	35.1%	482 146	1 505 826	1 595 571	48.3%	55.6%
Various institutions: Cooperatives incentive scheme	75 000	74 998	63 879	78 750	1.6%	6.9%	83 318	87 984	92 823	5.6%	4.7%
Various institutions: Black business supplier development programme	278 302	224 874	268 009	256 750	-2.7%	24.1%	270 953	286 126	301 863	5.5%	15.2%
Various institutions: National informal business upliftment scheme	-	-	-	77 806	-	1.8%	73 138	73 914	84 904	3.0%	4.2%
Various institutions: Enterprise incubation programme	-	-	20 400	75 539	-	2.3%	54 737	57 802	60 981	-6.9%	3.4%
Enterprise Development Fund	-	-	-	-	-	-	-	1 000 000	1 055 000	-	28.1%
Public corporations and private enterprises											
Other transfers to public corporations											
Current	9 000	18 753	10 000	10 000	3.6%	1.1%	10 000	10 560	11 141	3.7%	0.6%
Gifts and donations	-	2	-	-	-	-	-	-	-	-	-
Industrial Development Corporation: Isivande Women's Fund	-	8 751	-	-	-	0.2%	-	-	-	-	-
Industrial Development Corporation: Craft customised sector programme	9 000	10 000	10 000	10 000	3.6%	0.9%	10 000	10 560	11 141	3.7%	0.6%
Non-profit institutions											
Current	16 320	16 726	100	-	-100.0%	0.8%	-	-	-	-	-
South African Women Entrepreneurs Network	16 320	16 726	-	-	-100.0%	0.8%	-	-	-	-	-
Primesters Marketing	-	-	100	-	-	-	-	-	-	-	-
Total	1 023 042	958 249	1 015 396	1 266 146	7.4%	100.0%	1 261 598	2 332 247	2 460 879	24.8%	100.0%

Personnel information

Table 31.7 Vote personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. Sector Policy and Research																			
3. Integrated Cooperative Development																			
4. Enterprise Development and Entrepreneurship																			
	Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment									Number							
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate			Average growth rate (%)	Average: Salary level/Total (%)						
			2016/17	Unit cost	2017/18	Unit cost	2018/19	Unit cost	2019/20	Unit cost	2020/21			Unit cost					
		2016/17	Unit cost	2017/18	Unit cost	2018/19	Unit cost	2019/20	Unit cost	2020/21	Unit cost	2017/18 - 2020/21							
Small Business Development	199	29	228	114.0	0.5	233	132.4	0.6	229	140.8	0.6	229	151.8	0.7	229	163.3	0.7	-0.6%	100.0%
Salary level	199	29	228	114.0	0.5	233	132.4	0.6	229	140.8	0.6	229	151.8	0.7	229	163.3	0.7	-0.6%	100.0%
1 - 6	29	18	47	7.5	0.2	47	8.7	0.2	46	9.3	0.2	45	9.8	0.2	45	10.6	0.2	-1.4%	19.9%
7 - 10	82	8	90	25.9	0.3	90	29.6	0.3	87	30.3	0.3	87	32.4	0.4	87	35.0	0.4	-1.1%	38.2%
11 - 12	44	1	45	30.5	0.7	50	39.2	0.8	50	42.0	0.8	51	46.2	0.9	51	49.8	1.0	0.7%	22.0%
13 - 16	44	2	46	50.1	1.1	46	54.9	1.2	46	59.3	1.3	46	63.4	1.4	46	67.8	1.5	-	20.0%
Programme	199	29	228	114.0	0.5	233	132.4	0.6	229	140.8	0.6	229	151.8	0.7	229	163.3	0.7	-0.6%	100.0%
Programme 1	92	10	102	52.2	0.5	108	65.1	0.6	105	67.6	0.6	105	72.7	0.7	105	78.3	0.7	-0.9%	46.0%
Programme 2	17	2	19	10.3	0.5	18	10.9	0.6	16	10.8	0.7	14	10.8	0.8	14	11.6	0.8	-8.0%	6.7%
Programme 3	41	1	42	23.6	0.6	40	22.5	0.6	36	19.8	0.5	37	21.5	0.6	37	23.2	0.6	-2.6%	16.3%
Programme 4	49	16	65	28.0	0.4	67	33.9	0.5	72	42.6	0.6	73	46.7	0.6	73	50.2	0.7	2.9%	31.0%

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

2. Rand million.

Departmental receipts

Table 31.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
Departmental receipts	-	121	88	210	210	-	100.0%	60	70	80	-27.5%	100.0%
Sales of goods and services produced by department	-	121	88	210	69	-	66.3%	60	70	80	5.1%	66.4%
Sales by market establishments	-	121	88	210	55	-	63.0%	60	70	80	13.3%	63.1%
<i>of which:</i>												
<i>Rental: parking</i>	-	121	88	210	55	-	63.0%	60	70	80	13.3%	63.1%
<i>Administrative fees</i>	-	-	-	-	1	-	0.2%	-	-	-	-100.0%	0.2%
<i>of which:</i>												
<i>Parking</i>	-	-	-	-	1	-	0.2%	-	-	-	-100.0%	0.2%
<i>Other sales</i>	-	-	-	-	13	-	3.1%	-	-	-	-100.0%	3.1%
<i>of which:</i>												
<i>Commission on insurance and garnishes</i>	-	-	-	-	13	-	3.1%	-	-	-	-100.0%	3.1%
Transactions in financial assets and liabilities	-	-	-	-	141	-	33.7%	-	-	-	-100.0%	33.6%
Total	-	121	88	210	210	-	100.0%	60	70	80	-27.5%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 31.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Ministry	22.4	29.9	29.7	33.1	13.9%	37.2%	29.2	30.7	32.9	-0.2%	24.0%
Departmental Management	-	15.2	14.5	19.3	-	15.9%	20.0	21.0	22.5	5.2%	15.8%
Corporate Services	-	21.3	33.5	47.0	-	32.9%	51.2	56.2	60.3	8.7%	41.0%
Financial Management	-	-	14.9	15.2	-	9.7%	17.5	19.3	19.9	9.4%	13.7%
Communications	-	-	6.3	7.1	-	4.3%	6.9	7.2	7.6	2.5%	5.5%
Total	22.4	66.4	98.9	121.6	75.8%	100.0%	124.7	134.4	143.2	5.6%	100.0%
Change to 2017				(0.1)			(0.4)	(3.5)	(2.9)		
Budget estimate											
Economic classification											
Current payments	21.3	63.5	96.0	116.1	76.1%	95.9%	119.1	128.7	137.1	5.7%	95.6%
Compensation of employees	11.4	34.6	52.2	65.1	78.7%	52.8%	67.6	72.7	78.3	6.3%	54.1%
Goods and services ¹	9.9	28.9	43.8	50.9	72.9%	43.1%	51.5	55.9	58.9	4.9%	41.5%
<i>of which:</i>											
<i>Advertising</i>	0.7	1.9	2.1	2.4	51.1%	2.3%	2.0	2.0	2.1	-3.3%	1.6%
<i>Audit costs: External</i>	-	1.1	3.2	3.4	-	2.5%	3.2	3.4	3.6	2.2%	2.6%
<i>Computer services</i>	-	3.9	2.9	6.4	-	4.3%	8.6	9.0	9.5	14.1%	6.4%
<i>Consultants: Business and advisory services</i>	0.0	0.7	1.3	1.5	398.7%	1.2%	1.5	1.6	1.7	4.9%	1.2%
<i>Operating leases</i>	0.2	6.8	16.0	16.0	366.0%	12.6%	17.6	20.1	21.0	9.6%	14.3%
<i>Travel and subsistence</i>	6.4	10.6	3.6	9.5	13.7%	9.7%	10.1	11.7	12.4	9.3%	8.3%
Payments for capital assets	1.1	3.0	2.9	5.6	70.9%	4.0%	5.6	5.8	6.1	3.0%	4.4%
Machinery and equipment	1.1	3.0	2.9	5.6	70.9%	4.0%	5.6	5.8	6.1	3.0%	4.4%
Total	22.4	66.4	98.9	121.6	75.8%	100.0%	124.7	134.4	143.2	5.6%	100.0%
Proportion of total programme expenditure to vote expenditure	2.0%	6.0%	8.3%	8.2%	-	-	8.4%	5.2%	5.3%	-	-

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

Programme 2: Sector Policy And Research

Programme purpose

Develop and review policies and legislation, conduct research, promote sound intergovernmental relations, and monitor and evaluate programmes to ensure the development and growth of sustainable small, medium and micro enterprises and cooperatives that contribute to the creation of employment and economic growth.

Objectives

- Create or promote an environment conducive for the establishment, development and growth of SMMEs and cooperatives on an ongoing basis by:
 - developing relevant legislative and policy frameworks, and enforcing their implementation
 - conducting comprehensive research on key areas of support for SMMEs and cooperatives
 - aligning and coordinating intergovernmental policy on SMMEs and cooperatives
 - negotiating and lobbying at regional and international SMME and cooperative forums
 - monitoring and reviewing programmes for SMMEs and cooperatives.

Subprogrammes

- *Research* provides knowledge management services to direct thought leadership in the sector, and guides evidence-based policy making and programme design.
- *Policy and Legislation* develops and reviews policies and legislation to create and promote sustainable growth for small businesses and cooperatives, and advances coordination and cooperation among the different spheres of government.
- *International Relations* promotes sector interests in the global marketplace through negotiations and lobbying at different regional and international forums, and the development of strategies and position papers.
- *Monitoring and Evaluation* provides monitoring and evaluation services to gauge performance and identify factors that improve service delivery outcomes.

Expenditure trends and estimates

Table 31.10 Sector Policy and Research expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Research	11.7	11.7	13.6	7.2	-14.8%	80.1%	7.5	7.6	8.5	5.5%	34.7%
Policy and Legislation	–	–	–	–	–	–	4.9	4.9	4.9	–	16.6%
International Relations	–	–	–	4.1	–	7.4%	2.9	3.2	3.3	-6.8%	15.2%
Monitoring and Evaluation	–	–	0.2	6.7	–	12.4%	7.2	7.8	8.3	7.5%	33.6%
Total	11.7	11.7	13.8	18.0	15.4%	100.0%	22.4	23.5	25.0	11.6%	100.0%
Change to 2017 Budget estimate				(0.0)			(0.3)	0.1	–		
Economic classification											
Current payments	11.6	11.7	13.8	18.0	15.6%	99.8%	22.4	23.5	25.0	11.5%	99.8%
Compensation of employees	9.8	9.9	10.3	10.8	3.3%	73.7%	10.8	10.8	11.6	2.5%	49.5%
Goods and services ¹	1.9	1.8	3.6	7.2	57.1%	26.0%	11.6	12.7	13.3	22.9%	50.3%
of which:											
Administrative fees	0.0	–	0.1	0.1	23.3%	0.3%	0.1	0.1	0.1	15.7%	0.4%
Catering: Departmental activities	0.0	0.0	0.2	0.1	59.9%	0.6%	0.1	0.1	0.1	17.5%	0.6%
Consultants: Business and advisory services	–	–	1.7	3.2	–	8.8%	7.1	7.8	8.2	37.3%	29.6%
Consumables: Stationery, printing and office supplies	0.5	0.2	0.1	0.1	-40.0%	1.6%	0.1	0.1	0.1	11.9%	0.5%
Travel and subsistence	1.2	1.2	1.1	3.5	43.5%	12.5%	3.1	3.2	3.4	-0.9%	14.7%
Venues and facilities	–	0.3	0.2	0.2	–	1.2%	1.1	1.3	1.3	98.3%	4.3%

Table 31.10 Sector Policy and Research expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Payments for capital assets	0.0	0.0	0.0	–	-100.0%	0.2%	0.1	0.1	0.1	–	0.2%
Machinery and equipment	0.0	0.0	0.0	–	-100.0%	0.2%	0.1	0.1	0.1	–	0.2%
Total	11.7	11.7	13.8	18.0	15.4%	100.0%	22.4	23.5	25.0	11.6%	100.0%
Proportion of total programme expenditure to vote expenditure	1.0%	1.1%	1.2%	1.2%	–	–	1.5%	0.9%	0.9%	–	–

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

Programme 3: Integrated Cooperative Development

Programme purpose

Create and maintain a sound ecosystem that enhances the establishment, growth and sustainability of cooperatives that create jobs and contribute to economic growth.

Objectives

- Establish an environment that promotes the establishment, growth and sustainability of cooperatives on an ongoing basis by:
 - undertaking an integrated approach to the planning, monitoring and evaluation of the cooperatives sector to inform policy decision-making
 - overseeing and coordinating the design and implementation of targeted financial and non-financial support programmes for new and existing cooperatives
 - facilitating partnerships with the private sector, state-owned entities and the public sector to support cooperatives.

Subprogrammes

- *Cooperative Development* manages and facilitates the creation of new cooperatives and the growth of existing cooperatives in order to improve their competitiveness.
- *Cooperative Programme Design and Support* reviews existing programmes, and designs new programmes based on review outcomes and changes in economic conditions and the cooperatives development environment.
- *Supplier Development and Market Access Support* manages strategic partnerships with the private sector, state-owned entities and the public sector with the aim of developing cooperatives to become suppliers of goods and services, and facilitates their readiness to access market opportunities.

Expenditure trends and estimates

Table 31.11 Integrated Cooperative Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Cooperatives Development	3.4	3.9	6.8	8.0	33.0%	5.9%	10.7	11.9	12.7	16.7%	9.4%
Cooperatives Programme Design and Support	85.4	85.8	76.1	90.5	2.0%	89.4%	94.4	99.7	105.4	5.2%	84.8%
Supplier Development and Market Access Support	–	–	9.6	8.3	–	4.7%	5.9	6.2	6.6	-7.4%	5.8%
Total	88.8	89.7	92.6	106.8	6.3%	100.0%	111.0	117.7	124.7	5.3%	100.0%
Change to 2017 Budget estimate				0.1			(0.8)	0.2	–		

Table 31.12 Integrated Cooperative Development expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21		
Current payments	13.8	14.7	28.7	28.0	26.6%	22.6%	27.7	29.7	31.8	4.3%	25.5%
Compensation of employees	11.6	13.4	23.6	22.5	24.6%	18.8%	19.8	21.5	23.2	0.9%	18.9%
Goods and services ¹	2.2	1.3	5.1	5.5	36.3%	3.7%	7.9	8.2	8.6	16.2%	6.6%
<i>of which:</i>											
Administrative fees	–	–	0.1	0.2	–	0.1%	0.1	0.1	0.2	-3.1%	0.1%
Catering: Departmental activities	0.0	0.0	0.3	0.2	170.4%	0.1%	0.2	0.2	0.2	9.2%	0.2%
Consultants: Business and advisory services	–	–	–	0.0	–	–	2.2	2.3	2.4	300.9%	1.5%
Contractors	–	–	–	0.0	–	–	0.4	0.4	0.4	327.3%	0.2%
Travel and subsistence	1.8	1.2	3.7	3.0	20.1%	2.5%	1.8	1.8	1.9	-14.2%	1.9%
Venues and facilities	0.1	–	0.1	1.9	188.8%	0.5%	3.1	3.2	3.4	22.1%	2.5%
Transfers and subsidies¹	75.0	75.0	63.9	78.8	1.6%	77.4%	83.3	88.0	92.8	5.6%	74.5%
Public corporations and private enterprises	75.0	75.0	63.9	78.8	1.6%	77.4%	83.3	88.0	92.8	5.6%	74.5%
Total	88.8	89.7	92.6	106.8	6.3%	100.0%	111.0	117.7	124.7	5.3%	100.0%
Proportion of total programme expenditure to vote expenditure	7.9%	8.2%	7.7%	7.2%	–	–	7.5%	4.6%	4.6%	–	–
Details of selected transfers and subsidies											
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	75.0	75.0	63.9	78.8	1.6%	77.4%	83.3	88.0	92.8	5.6%	74.5%
Various institutions: Cooperatives incentive scheme	75.0	75.0	63.9	78.8	1.6%	77.4%	83.3	88.0	92.8	5.6%	74.5%

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

Programme 4: Enterprise Development and Entrepreneurship

Programme purpose

Create an enabling ecosystem that enhances entrepreneurship and the establishment, growth and sustainability of small, medium and micro enterprises.

Objectives

- Create an environment that promotes the establishment, growth and sustainability of SMMEs by:
 - undertaking an integrated approach to the planning, monitoring and evaluation of the SMME development sector to inform policy decision-making on an ongoing basis
 - overseeing and coordinating the design and implementation of targeted financial and non-financial support programmes to support new and existing SMMEs on an ongoing basis
 - coordinating and facilitating sustainable partnerships with the private sector, state-owned entities and the public sector to support SMME development on an ongoing basis
 - implementing institutional governance systems and overseeing entities under the department's portfolio on an ongoing basis.

Subprogrammes

- *Enterprise and Supplier Development* manages and facilitates the establishment of new and productive enterprises, and the sustainability and growth of existing enterprises.
- *SMME Programme Design and Support* reviews existing programmes, and designs new programmes based on review outcomes and changes in economic conditions and the SMME development environment.
- *SMME Competitiveness* manages and facilitates strategic partnerships that seek to enhance the work of the department in the provision of market access for SMMEs in the supply value chains of corporations, state-owned enterprises and government departments. The subprogramme also works with municipalities to improve local economic development.
- *Entrepreneurship* provides leadership and oversight on the conceptualisation, design and implementation

of the entrepreneurship development framework, and instruments and programmes in support of enterprise development.

Expenditure trends and estimates

Table 31.13 Enterprise Development and Entrepreneurship expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R million											
Enterprise and Supplier Development	681.2	652.8	675.9	794.2	5.2%	67.5%	787.1	836.0	875.4	3.3%	45.8%
SMMEs Programme Design and Support	288.7	235.6	282.5	268.5	-2.4%	25.9%	291.0	1 307.3	1 379.6	72.5%	45.2%
SMME Competitiveness	32.7	42.6	12.8	91.0	40.7%	4.3%	89.4	91.1	103.5	4.4%	5.2%
Entrepreneurship	–	–	20.4	75.5	–	2.3%	62.8	64.3	68.0	-3.4%	3.8%
Total	1 002.6	931.0	991.7	1 229.3	7.0%	100.0%	1 230.3	2 298.7	2 426.5	25.4%	100.0%
Change to 2017 Budget estimate				25.9			(40.0)	959.4	1 012.0		
Economic classification											
Current payments	54.2	47.6	40.1	41.9	-8.2%	4.4%	51.9	54.3	58.4	11.7%	2.9%
Compensation of employees	40.9	35.3	28.0	34.0	-6.0%	3.3%	42.6	46.7	50.2	13.9%	2.4%
Goods and services ¹	13.2	12.3	12.2	7.9	-15.9%	1.1%	9.2	7.6	8.1	1.0%	0.5%
of which:											
Administrative fees	0.1	0.1	0.2	0.1	-7.2%	–	0.3	0.4	0.4	58.3%	–
Catering: Departmental activities	0.5	0.7	0.3	0.2	-24.8%	–	0.5	0.5	0.5	31.4%	–
Consultants: Business and advisory services	1.4	–	2.9	2.0	11.4%	0.2%	3.3	1.5	1.7	-5.5%	0.1%
Consumables: Stationery, printing and office supplies	0.5	0.0	0.2	0.2	-33.2%	–	0.3	0.3	0.3	30.0%	–
Travel and subsistence	5.8	6.3	7.3	4.8	-6.1%	0.6%	4.5	4.5	4.7	-0.4%	0.3%
Venues and facilities	1.1	0.8	0.8	0.5	-26.4%	0.1%	0.1	0.2	0.2	-29.3%	–
Transfers and subsidies¹	948.0	883.2	951.5	1 187.4	7.8%	95.6%	1 178.3	2 244.3	2 368.1	25.9%	97.1%
Departmental agencies and accounts	644.4	622.8	652.9	767.3	6.0%	64.7%	769.5	815.9	854.2	3.6%	44.6%
Public corporations and private enterprises	287.3	243.6	298.4	420.1	13.5%	30.1%	408.8	1 428.4	1 513.9	53.3%	52.5%
Non-profit institutions	16.3	16.7	0.1	–	-100.0%	0.8%	–	–	–	–	–
Households	–	0.0	0.1	–	–	–	–	–	–	–	–
Payments for capital assets	0.5	0.2	0.1	–	-100.0%	–	0.1	0.1	0.1	–	–
Machinery and equipment	0.5	0.2	0.1	–	-100.0%	–	0.1	0.1	0.1	–	–
Total	1 002.6	931.0	991.7	1 229.3	7.0%	100.0%	1 230.3	2 298.7	2 426.5	25.4%	100.0%
Proportion of total programme expenditure to vote expenditure	89.1%	84.7%	82.8%	83.3%	–	–	82.7%	89.3%	89.2%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	644.4	622.8	652.9	767.3	6.0%	64.7%	769.5	815.9	854.2	3.6%	44.6%
Small Enterprise Development Agency	502.3	478.2	496.5	575.8	4.7%	49.4%	580.2	613.2	647.7	4.0%	33.6%
Small Enterprise Development Agency: Technology programme	126.4	132.2	139.2	146.1	5.0%	13.1%	144.6	152.3	160.3	3.1%	8.4%
Small Enterprise Development Agency: Capacity building programme	15.7	12.5	17.2	30.4	24.5%	1.8%	14.6	15.4	16.3	-18.8%	1.1%
Small Enterprise Development Agency: National Gazelles programme	–	–	–	15.0	–	0.4%	30.0	35.0	30.0	26.0%	1.5%
Non-profit institutions	16.3	16.7	–	–	-100.0%	0.8%	–	–	–	–	–
South African Women Entrepreneurs Network	16.3	16.7	–	–	-100.0%	0.8%	–	–	–	–	–
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	9.0	18.8	10.0	10.0	3.6%	1.1%	10.0	10.6	11.1	3.7%	0.6%
Industrial Development Corporation: Isivande Women's Fund	–	8.8	–	–	–	0.2%	–	–	–	–	–
Industrial Development Corporation: Craft customised sector programme	9.0	10.0	10.0	10.0	3.6%	0.9%	10.0	10.6	11.1	3.7%	0.6%
Private enterprises											
Other transfers to private enterprises											
Current	278.3	224.9	288.4	410.1	13.8%	28.9%	398.8	1 417.8	1 502.7	54.2%	51.9%
Various institutions: Black business supplier development programme	278.3	224.9	268.0	256.8	-2.7%	24.7%	271.0	286.1	301.9	5.5%	15.5%
Various institutions: National informal business upliftment scheme	–	–	–	77.8	–	1.9%	73.1	73.9	84.9	3.0%	4.3%
Various institutions: Enterprise incubation programme	–	–	20.4	75.5	–	2.3%	54.7	57.8	61.0	-6.9%	3.5%
Enterprise Development Fund	–	–	–	–	–	–	–	1 000.0	1 055.0	–	28.6%

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

Entity

Comprehensive coverage of the following entity is provided with more detailed information for the vote at www.treasury.gov.za under the budget information link.

- 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. The agency's total budget for 2018/19 is R774.5 million.