



2018
BUDGET
ESTIMATES OF NATIONAL
EXPENDITURE

VOTE
31

SMALL BUSINESS DEVELOPMENT



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



Estimates of National Expenditure 2018

National Treasury

Republic of South Africa



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The 2018 Estimates of National Expenditure is 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. Compared to this Estimates of National Expenditure publication, the e-publications for each vote contain more comprehensive coverage of all public entities. Also included are tables containing information on programme specific personnel expenditure, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of site service delivery is included, where appropriate.

Foreword

When the Estimates of National Expenditure (ENE) publication was launched in 2001, we referred to it as “a significant step forward in national budget transparency”. Since then, even though the national budget has undergone many reforms, the ENE publications remain a key indicator and embodiment of the candour of the budgeting process.

The publications provide the media, civil society, the public, Parliament, departments, public entities and ministers with information about how taxpayers’ money is being spent: what it buys and for what purpose. Do not be concerned by the magnitude of this publication. Instead, let us use it as a reference to keep government institutions accountable and ensure that the expenditure of public funds achieves its intended policy outcomes to improve the welfare of citizens.

In the current economic climate, spending priorities and the sequencing of programme implementation are subject to a number of trade-offs. The focus of the 2018 Budget has solely been on the reprioritisation of existing baseline funding. The abridged ENE provides a coherent and summarised account of the priorities, spending plans and service delivery commitments of all 40 national votes and of government agencies. The e-publications for each vote contain more detail on, for example, goods and services, transfers and subsidies, donor funding, public entities, and lower-level spending information on service delivery.

The ENE’s presentation of the detailed expenditure estimates of departments are the result of a lengthy executive and administrative process involving wide-ranging intergovernmental consultation. This process is led by a committee of senior officials in central government departments, under the political guidance of the Ministers’ Committee on the Budget. A special word of thanks is due to all our colleagues from other departments for their contributions. I also wish to express my appreciation to the National Treasury team that worked tirelessly to produce a document of which we are rightly proud.

The independent Open Budget Survey assessment of budget transparency commenced in 2006. It is conducted every two years to measure the accessibility and comprehensiveness of key budget documents and information across the world. In 2010, South Africa was ranked first out of 94 countries surveyed, scoring 92 per cent. In the latest iteration of the survey, which measured 115 countries, South Africa was ranked first again, tied with New Zealand, with a score of 89 per cent. Our country is one of only 11 that publish comprehensive, timely information in all the required budget documents.

Budgets link the outcomes targeted by government with the services that are ultimately delivered. In addition to South African budgets having become more transparent, recent efforts to increase public participation in budgeting are gaining momentum. South Africans are invited to scrutinise budget information and provide opinions on government service delivery. We rely on this participation to strengthen our budgeting system and make it even more reliable.



Dondo Mogajane
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure (ENE) publications describe in detail government's expenditure plans over the next three financial years, also known as the medium-term expenditure framework (MTEF) period. The 2018 MTEF period is from 2018/19 to 2020/21.

The ENE publications contain information on how government institutions have spent their budgets in previous years. They explain how these institutions intend to use their allocations over the medium term to achieve their goals, and the outputs and outcomes their spending is expected to lead to. The publications include tables depicting non-financial performance indicators and targets, departmental receipts, personnel, significant as well as detailed expenditure trends and estimates by programme, subprogramme and economic classification for each department and for entities that report to the vote's executive authority. Explanatory narratives detail the institution's mandate, purpose (and that of its programmes), together with programme-level objectives and descriptions of subprogrammes. A more in-depth narrative analyses the institution's expected expenditure over the MTEF period. Summary data tables at the end of each vote contain data on provincial and municipal conditional grants, public private partnerships, donor funding, infrastructure, and expenditure at the level of site service delivery, where applicable.

A separate 2018 ENE Overview publication is also available on www.treasury.gov.za and summarises the ENE information across all votes. The 2018 ENE Overview contains a narrative explanation and budget-wide summary tables; 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

Budget summary	1
Vote purpose	1
Mandate	1
Selected performance indicators	1
Expenditure analysis	2
Expenditure trends	4
Expenditure estimates	4
Expenditure trends and estimates for significant spending items	5
Goods and services expenditure trends and estimates	5
Transfers and subsidies expenditure trends and estimates	6
Personnel information	7
Departmental receipts	7
Programme 1: Administration	7
Programme 2: Sector Policy And Research	9
Programme 3: Integrated Cooperative Development	10
Programme 4: Enterprise Development and Entrepreneurship	12
Entity	14
Additional table: Summary of donor funding	18

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
Number of black-owned small, medium and micro enterprises financially assisted through the black business supplier development programme per year	Enterprise Development and Entrepreneurship		1 872	480 ³	600	641	677	715	800

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 informal business infrastructure funded through the shared economic infrastructure facility per year	Enterprise Development and Entrepreneurship	Outcome 7: Comprehensive rural development and land reform	-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%	1 261.6	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

	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 (%) 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R thousand											
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

	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 (%) 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R thousand											
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

	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21
R thousand											
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%	-	-	-	-	-
Primestars 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		2017/18		2018/19		2019/20		2020/21			2017/18 - 2020/21						
		Unit			Unit			Unit			Unit								
		Number	Cost	cost	Number	Cost	cost	Number	Cost	cost	Number	Cost	cost						
Small Business Development																			
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

	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		
R thousand												
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 of which:	–	121	88	210	55	–	63.0%	60	70	80	13.3%	63.1%
Rental: Parking	–	121	88	210	55	–	63.0%	60	70	80	13.3%	63.1%
Administrative fees of which:	–	–	–	–	1	–	0.2%	–	–	–	-100.0%	0.2%
Parking	–	–	–	–	1	–	0.2%	–	–	–	-100.0%	0.2%
Other sales of which:	–	–	–	–	13	–	3.1%	–	–	–	-100.0%	3.1%
Commission on insurance garnishees	–	–	–	–	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				2018/19	2019/20	2020/21		
R thousand											
Ministry	22 376	29 898	29 691	33 102	13.9%	37.2%	29 176	30 729	32 924	-0.2%	24.0%
Departmental Management	–	15 232	14 514	19 312	–	15.9%	19 976	21 041	22 489	5.2%	15.8%
Corporate Services	–	21 317	33 456	46 956	–	32.9%	51 178	56 220	60 295	8.7%	41.0%
Financial Management	–	–	14 929	15 186	–	9.7%	17 541	19 275	19 901	9.4%	13.7%
Communications	–	–	6 335	7 058	–	4.3%	6 858	7 183	7 607	2.5%	5.5%
Total	22 376	66 447	98 925	121 614	75.8%	100.0%	124 729	134 448	143 216	5.6%	100.0%
Change to 2017 Budget estimate				(147)			(355)	(3 530)	(2 866)		
Economic classification											
Current payments	21 264	63 479	96 022	116 060	76.1%	95.9%	119 135	128 674	137 149	5.7%	95.6%
Compensation of employees	11 407	34 591	52 230	65 115	78.7%	52.8%	67 615	72 742	78 259	6.3%	54.1%
Goods and services ¹	9 857	28 888	43 792	50 945	72.9%	43.1%	51 520	55 932	58 890	4.9%	41.5%
of which:											
Advertising	685	1 945	2 072	2 365	51.1%	2.3%	1 965	2 029	2 139	-3.3%	1.6%
Audit costs: External	–	1 072	3 189	3 375	–	2.5%	3 200	3 413	3 600	2.2%	2.6%
Computer services	–	3 897	2 949	6 426	–	4.3%	8 580	9 036	9 533	14.1%	6.4%
Consultants: Business and advisory services	12	745	1 344	1 488	398.7%	1.2%	1 540	1 630	1 720	4.9%	1.2%
Operating leases	158	6 839	15 955	15 990	366.0%	12.6%	17 578	20 123	21 025	9.6%	14.3%
Travel and subsistence	6 449	10 610	3 620	9 471	13.7%	9.7%	10 116	11 728	12 374	9.3%	8.3%
Transfers and subsidies ¹	–	–	25	–	–	–	–	–	–	–	–
Households	–	–	25	–	–	–	–	–	–	–	–
Payments for capital assets	1 112	2 968	2 850	5 554	70.9%	4.0%	5 594	5 774	6 067	3.0%	4.4%
Machinery and equipment	1 112	2 951	2 850	5 554	70.9%	4.0%	5 594	5 774	6 067	3.0%	4.4%
Software and other intangible assets	–	17	–	–	–	–	–	–	–	–	–
Payments for financial assets	–	–	28	–	–	–	–	–	–	–	–
Total	22 376	66 447	98 925	121 614	75.8%	100.0%	124 729	134 448	143 216	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%	–	–
Details of transfers and subsidies											
Households											
Social benefits											
Current	–	–	25	–	–	–	–	–	–	–	–
Households	–	–	25	–	–	–	–	–	–	–	–

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.

Personnel information

Table 31.10 Administration personnel numbers and cost by salary level¹

Administration	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		2019/20		2020/21						
Salary level	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%	100.0%
1 – 6	20	3	23	3.7	0.2	23	4.2	0.2	23	4.6	0.2	23	4.9	0.2	23	5.3	0.2	–	21.7%
7 – 10	28	5	33	8.8	0.3	34	11.0	0.3	32	10.9	0.3	32	11.8	0.4	32	12.7	0.4	-2.0%	30.7%
11 – 12	24	–	24	15.6	0.7	29	23.0	0.8	29	24.8	0.9	29	26.8	0.9	29	28.9	1.0	–	27.4%
13 – 16	20	2	22	24.1	1.1	22	26.9	1.2	21	27.4	1.3	21	29.3	1.4	21	31.3	1.5	-1.5%	20.1%

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

2. Rand million.

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 31.11 Sector Policy and Research expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21		
R thousand											
Research	11 707	11 692	13 644	7 229	-14.8%	80.1%	7 521	7 628	8 493	5.5%	34.7%
Policy and Legislation	–	–	–	–	–	–	4 852	4 947	4 940	–	16.6%
International Relations	–	–	–	4 112	–	7.4%	2 887	3 166	3 326	-6.8%	15.2%
Monitoring and Evaluation	–	–	204	6 657	–	12.4%	7 153	7 805	8 272	7.5%	33.6%
Total	11 707	11 692	13 848	17 998	15.4%	100.0%	22 413	23 546	25 031	11.6%	100.0%
Change to 2017 Budget estimate				(1)			(268)	143	–		
Economic classification											
Current payments	11 640	11 675	13 813	17 998	15.6%	99.8%	22 357	23 490	24 975	11.5%	99.8%
Compensation of employees	9 783	9 908	10 252	10 799	3.3%	73.7%	10 779	10 819	11 627	2.5%	49.5%
Goods and services ¹	1 857	1 767	3 561	7 199	57.1%	26.0%	11 578	12 671	13 348	22.9%	50.3%
of which:											
Administrative fees	32	–	86	60	23.3%	0.3%	84	87	93	15.7%	0.4%
Catering: Departmental activities	22	9	217	90	59.9%	0.6%	124	139	146	17.5%	0.6%
Consultants: Business and advisory services	–	–	1 687	3 180	–	8.8%	7 100	7 800	8 229	37.3%	29.6%
Consumables: Stationery, printing and office supplies	450	239	78	97	-40.0%	1.6%	116	129	136	11.9%	0.5%
Travel and subsistence	1 171	1 166	1 119	3 461	43.5%	12.5%	3 051	3 209	3 368	-0.9%	14.7%
Venues and facilities	–	288	200	170	–	1.2%	1 053	1 256	1 325	98.3%	4.3%

Table 31.11 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 thousand											
Transfers and subsidies ¹	22	–	–	–	-100.0%	–	–	–	–	–	–
Households	22	–	–	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	45	17	35	–	-100.0%	0.2%	56	56	56	–	0.2%
Machinery and equipment	45	17	35	–	-100.0%	0.2%	56	56	56	–	0.2%
Total	11 707	11 692	13 848	17 998	15.4%	100.0%	22 413	23 546	25 031	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%	–	–
Details of transfers and subsidies											
Households											
Social benefits											
Current	22	–	–	–	-100.0%	–	–	–	–	–	–
Employee social benefit	22	–	–	–	-100.0%	–	–	–	–	–	–

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.

Personnel information

Table 31.12 Sector Policy and Research personnel numbers and cost by salary level¹

Sector Policy and Research	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
Salary level	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%	100.0%
1–6	3	1	4	0.7	0.2	4	0.8	0.2	4	0.8	0.2	3	0.7	0.2	3	0.8	0.3	-9.1%	22.6%
7–10	5	–	5	1.6	0.3	5	2.0	0.4	4	1.5	0.4	3	1.1	0.4	3	1.2	0.4	-15.7%	24.2%
11–12	4	1	5	2.9	0.6	5	3.7	0.7	4	3.3	0.8	4	3.5	0.9	4	3.8	1.0	-7.2%	27.4%
13–16	5	–	5	5.1	1.0	4	4.4	1.1	4	5.1	1.3	4	5.5	1.4	4	5.9	1.5	–	25.8%

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

2. Rand million.

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 31.13 Integrated Cooperative Development 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 (%) 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 thousand											
Cooperative Development	3 393	3 949	6 847	7 976	33.0%	5.9%	10 728	11 871	12 667	16.7%	9.4%
Cooperative Programme Design and Support	85 428	85 777	76 136	90 545	2.0%	89.4%	94 406	99 709	105 426	5.2%	84.8%
Supplier Development and Market Access Support	–	–	9 585	8 278	–	4.7%	5 900	6 163	6 581	-7.4%	5.8%
Total	88 821	89 726	92 568	106 799	6.3%	100.0%	111 034	117 743	124 674	5.3%	100.0%
Change to 2017 Budget estimate				91			(823)	156	–		
Economic classification											
Current payments	13 821	14 696	28 689	28 049	26.6%	22.6%	27 682	29 724	31 815	4.3%	25.5%
Compensation of employees	11 647	13 375	23 554	22 546	24.6%	18.8%	19 768	21 544	23 170	0.9%	18.9%
Goods and services ¹	2 174	1 321	5 135	5 503	36.3%	3.7%	7 914	8 180	8 645	16.2%	6.6%
of which:											
Administrative fees	–	–	149	168	–	0.1%	143	145	153	-3.1%	0.1%
Catering: Departmental activities	9	24	272	178	170.4%	0.1%	211	220	232	9.2%	0.2%
Consultants: Business and advisory services	–	–	–	38	–	–	2 200	2 321	2 449	300.9%	1.5%
Contractors	–	–	–	5	–	–	360	370	390	327.3%	0.2%
Travel and subsistence	1 751	1 188	3 654	3 031	20.1%	2.5%	1 791	1 802	1 917	-14.2%	1.9%
Venues and facilities	77	–	125	1 855	188.8%	0.5%	3 100	3 200	3 376	22.1%	2.5%
Transfers and subsidies¹	75 000	75 019	63 879	78 750	1.6%	77.4%	83 318	87 984	92 823	5.6%	74.5%
Public corporations and private enterprises	75 000	75 000	63 879	78 750	1.6%	77.4%	83 318	87 984	92 823	5.6%	74.5%
Households	–	19	–	–	–	–	–	–	–	–	–
Payments for capital assets	–	11	–	–	–	–	34	35	36	–	–
Machinery and equipment	–	11	–	–	–	–	34	35	36	–	–
Total	88 821	89 726	92 568	106 799	6.3%	100.0%	111 034	117 743	124 674	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 transfers and subsidies											
Households											
Social benefits											
Current	–	19	–	–	–	–	–	–	–	–	–
Employee social benefits	–	19	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	–	2	–	–	–	–	–	–	–	–	–
Gifts and donations	–	2	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	75 000	74 998	63 879	78 750	1.6%	77.4%	83 318	87 984	92 823	5.6%	74.5%
Various institutions: Cooperatives incentive scheme	75 000	74 998	63 879	78 750	1.6%	77.4%	83 318	87 984	92 823	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.

Personnel information

Table 31.14 Integrated Cooperative Development personnel numbers and cost by salary level¹

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			2017/18			2018/19		2019/20		2020/21				2017/18 - 2020/21			
Integrated Cooperative Development		Number	Unit Cost	Unit cost	Number	Unit Cost	Unit cost	Number	Unit Cost	Unit cost	Number	Unit Cost	Unit cost	Number	Unit Cost	Unit cost			
Salary level	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%	100.0%
1-6	5	1	6	1.0	0.2	6	1.3	0.2	6	1.4	0.2	6	1.5	0.2	6	1.6	0.3	-	16.0%
7-10	20	-	20	6.4	0.3	19	5.9	0.3	19	6.4	0.3	20	7.2	0.4	20	7.7	0.4	1.7%	52.0%
11-12	7	-	7	5.4	0.8	6	4.6	0.8	4	3.1	0.8	4	3.4	0.8	4	3.7	0.9	-12.6%	12.0%
13-16	9	-	9	10.7	1.2	9	10.7	1.2	7	8.9	1.3	7	9.5	1.4	7	10.2	1.5	-8.0%	20.0%

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

2. Rand million.

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 31.15 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	2018/19	2019/20		
R thousand											
Enterprise and Supplier Development	681 234	652 836	675 944	794 152	5.2%	67.5%	787 078	835 959	875 434	3.3%	45.8%
SMMEs Programme Design and Support	288 729	235 635	282 540	268 545	-2.4%	25.9%	290 968	1 307 266	1 379 581	72.5%	45.2%
SMME Competitiveness	32 669	42 555	12 816	91 023	40.7%	4.3%	89 427	91 141	103 487	4.4%	5.2%
Entrepreneurship	–	–	20 400	75 539	–	2.3%	62 804	64 349	68 028	-3.4%	3.8%
Total	1 002 632	931 026	991 700	1 229 259	7.0%	100.0%	1 230 277	2 298 715	2 426 530	25.4%	100.0%
Change to 2017				25 931			(39 975)	959 416	1 012 000		
Budget estimate											
Economic classification	54 158	47 603	40 136	41 863	-8.2%	4.4%	51 893	54 343	58 361	11.7%	2.9%
Current payments											
Compensation of employees	40 916	35 259	27 986	33 992	-6.0%	3.3%	42 648	46 703	50 241	13.9%	2.4%
Goods and services ¹	13 242	12 344	12 150	7 871	-15.9%	1.1%	9 245	7 640	8 120	1.0%	0.5%
of which:											
Administrative fees	120	82	165	96	-7.2%	–	337	362	381	58.3%	–
Catering: Departmental activities	534	652	255	227	-24.8%	–	460	486	515	31.4%	–
Consultants: Business and advisory services	1 448	–	2 882	2 000	11.4%	0.2%	3 290	1 543	1 690	-5.5%	0.1%
Consumables: Stationery, printing and office supplies	529	2	189	158	-33.2%	–	307	328	346	30.0%	–
Travel and subsistence	5 809	6 345	7 277	4 803	-6.1%	0.6%	4 464	4 502	4 743	-0.4%	0.3%
Venues and facilities	1 149	760	825	459	-26.4%	0.1%	141	154	162	-29.3%	–
Transfers and subsidies¹	948 020	883 230	951 492	1 187 396	7.8%	95.6%	1 178 280	2 244 263	2 368 056	25.9%	97.1%
Departmental agencies and accounts	644 398	622 835	652 914	767 301	6.0%	64.7%	769 452	815 861	854 167	3.6%	44.6%
Public corporations and private enterprises	287 302	243 625	298 409	420 095	13.5%	30.1%	408 828	1 428 402	1 513 889	53.3%	52.5%
Non-profit institutions	16 320	16 726	100	–	-100.0%	0.8%	–	–	–	–	–
Households	–	44	69	–	–	–	–	–	–	–	–
Payments for capital assets	454	193	72	–	-100.0%	–	104	109	113	–	–
Machinery and equipment	454	193	72	–	-100.0%	–	104	109	113	–	–
Total	1 002 632	931 026	991 700	1 229 259	7.0%	100.0%	1 230 277	2 298 715	2 426 530	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 transfers and subsidies											
Households											
Social benefits											
Current	–	44	69	–	–	–	–	–	–	–	–
Employee social benefits	–	44	69	–	–	–	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	644 398	622 835	652 914	767 301	6.0%	64.7%	769 452	815 861	854 167	3.6%	44.6%
Small Enterprise Development Agency	502 283	478 183	496 495	575 766	4.7%	49.4%	580 241	613 174	647 653	4.0%	33.6%
Small Enterprise Development Agency: Technology programme	126 368	132 181	139 187	146 146	5.0%	13.1%	144 622	152 281	160 261	3.1%	8.4%
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%	1.1%
Small Enterprise Development Agency: National Gazelles programme	–	–	–	15 000	–	0.4%	30 000	35 000	30 000	26.0%	1.5%
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	–	–	–	–	–	–	–	–
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	9 000	18 751	10 000	10 000	3.6%	1.1%	10 000	10 560	11 141	3.7%	0.6%
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%

Table 31.15 Enterprise Development and Entrepreneurship expenditure trends and estimates by subprogramme and economic classification

Details of transfers and subsidies	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			2020/21
	2014/15 - 2017/18		2017/18 - 2020/21				2017/18 - 2020/21					
R thousand												
Public corporations and private enterprises												
Private enterprises												
Other transfers to private enterprises												
Current	278 302	224 874	288 409	410 095	13.8%	28.9%	398 828	1 417 842	1 502 748	54.2%	51.9%	
Various institutions: Black business supplier development programme	278 302	224 874	268 009	256 750	-2.7%	24.7%	270 953	286 126	301 863	5.5%	15.5%	
Various institutions: National informal business upliftment scheme	-	-	-	77 806	-	1.9%	73 138	73 914	84 904	3.0%	4.3%	
Various institutions: Enterprise incubation programme	-	-	20 400	75 539	-	2.3%	54 737	57 802	60 981	-6.9%	3.5%	
Enterprise Development Fund	-	-	-	-	-	-	-	1 000 000	1 055 000	-	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.

Personnel information

Table 31.16 Enterprise Development and Entrepreneurship personnel numbers and cost by salary level¹

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		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21						
			Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost					
Enterprise Development and Entrepreneurship																			
Salary level	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%	100.0%
1 - 6	1	13	14	2.1	0.1	14	2.5	0.2	13	2.5	0.2	13	2.7	0.2	13	2.9	0.2	-2.4%	18.6%
7 - 10	29	3	32	9.1	0.3	32	10.7	0.3	32	11.5	0.4	32	12.4	0.4	32	13.4	0.4	-	44.9%
11 - 12	9	-	9	6.5	0.7	10	7.9	0.8	13	10.8	0.8	14	12.5	0.9	14	13.5	1.0	11.9%	17.9%
13 - 16	10	-	10	10.2	1.0	11	13.0	1.2	14	17.9	1.3	14	19.1	1.4	14	20.4	1.5	8.4%	18.6%

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

2. Rand million.

Entity¹

Small Enterprise Development Agency

Mandate

The Small Enterprise Development Agency was established in December 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 31.17 Small Enterprise Development Agency performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of new jobs created by supported clients per year	Administration	Outcome 4: Decent employment through inclusive growth	-1	-1	-1	-2	3 000	3 250	3 500
Number of diagnostic assessment conducted on client businesses per year	Enterprise development		10 619	10 679	12 215	10 830	10 679 ³	10 679 ³	10 679 ³

¹ This section has been compiled with the latest available information from the entity concerned.

Table 31.17 Small Enterprise Development Agency performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of enterprises trained in business management skills per year	Enterprise development	Outcome 4: Decent employment through inclusive growth	-1	-1	-1	-2	5 000	5 000	5 000
Number of clients trained on national and international standards per year	Enterprise development		696	609	893	591	850	850	900
Number of interventions implemented on adopted cooperatives per year	Enterprise development		-1	-1	-1	-2	100	150	200
Number of clients supported through the National Gazelles programme per year	Enterprise development		-1	-1	-1	40	40	40	40
Number of informal businesses supported through the basic entrepreneurial skills development project per year	Enterprise development		-1	521	1 747	1 800 ³	350 ³	350 ³	350 ³
Number of clients incubated per year	Seda technology programme		3 016	2 492	2 663	2 700 ³	2 210 ³	2 210 ³	2 210 ³

1. No historical data available.

2. Indicator effective from 2018/19.

3. Target decreases in line with available budget.

Expenditure analysis

The Small Enterprise Development Agency is responsible for implementing government's small business strategy through its cooperatives and community public-private partnerships programme. To ensure enterprises grow sustainably, the agency provides non-financial and technical support and incubation services to small businesses, and promotes the development of rural enterprises and cooperatives into large-scale projects. The agency considers the manufacturing, agro-processing and ICT sectors as priorities for growth. This is in line with outcome 4 (decent employment through inclusive growth) and outcome 7 (comprehensive rural development and land reform) of government's 2014-2019 medium-term strategic framework.

The agency plans to provide business advice, training, mentorship and product testing to an estimated 32 037 small enterprises and 450 cooperatives over the medium term, and provide training in business management to an estimated 15 000 enterprises. An estimated R1.3 billion is provided in the enterprise development programme for this.

The agency's technology programme provides financial and non-financial support to small enterprises through business incubation, technology transfer, and quality and standard services. The financial assistance provided totals up to R600 000 per project, as a non-repayable grant. A projected 6 630 SMMEs over the medium term are set to benefit through the provision of R457.2 million in grants disbursed through this programme.

In 2018/19, the agency is set to assume responsibility for the enterprise incubation programme and the national informal business upliftment scheme from the department. The enterprise incubation programme is aimed at encouraging private sector partnerships with government to support incubators for SMMEs and cooperatives, and create market opportunities once the enterprises are out of the incubator. The programme provides funding for business development support, infrastructure, machinery, equipment and tools to an estimated 39 new incubators over the MTEF period with a budget of R173.5 million.

The national informal business upliftment scheme is aimed at improving the competitiveness of a projected 4 500 informal traders and cooperatives over the medium term to facilitate their access to markets, and leverage public and private sector procurement. R232 million over the medium term has been allocated to the scheme.

The agency aims to assist 1 050 informal businesses with basic entrepreneurial skills through the business entrepreneurial skills development programme, in collaboration with the Department of Higher Education and Training, through an allocation of R37.1 million over the MTEF period.

The National Gazelles programme, which focuses on strengthening small businesses that have the potential for high growth, aims to facilitate access to business support and incentives for 40 of the best performing enterprises in each year over the medium term. To provide the chosen enterprises with equipment, business skills training and mentorship, R95 million over the same period has been allocated to the National Gazelles programme.

Spending on compensation of employees constitutes a projected 45.6 per cent of the agency's total expenditure over the MTEF period, increasing at an average annual rate of 6.7 per cent, from R330.3 million in 2017/18 to R401.8 million in 2020/21. This increase is driven by an expected increase in the number of personnel from 694 in 2017/18 to 729 in 2020/21. However, expenditure on goods and services, which constitutes a projected 51.9 per cent of total expenditure, is expected to decrease at an average annual rate of 3.9 per cent, from R472 million in 2017/18 to R418.8 million in 2020/21, due to Cabinet's approved reductions of R123 million over the medium term. Strict cost containment measures will be implemented on spending on non-essential goods and services items to minimise the effect of the reductions on service delivery.

Programmes/objectives/activities

Table 31.18 Small Enterprise Development Agency expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate	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		
Administration	109 217	111 643	147 658	171 300	16.2%	18.0%	174 400	184 638	195 494	4.5%	22.7%
Enterprise development	416 308	461 725	440 410	451 587	2.7%	59.7%	410 841	445 536	469 159	1.3%	55.5%
Seda technology programme	119 718	169 295	184 076	197 419	18.1%	22.3%	159 211	167 687	176 514	-3.7%	21.9%
Total	645 243	742 663	772 144	820 306	8.3%	100.0%	744 452	797 861	841 167	0.8%	100.0%

Statements of historical financial performance and position

Table 31.19 Small Enterprise Development Agency statements of historical financial performance and position

Statement of financial performance									Average: Outcome/ Budget (%)
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2014/15 - 2017/18
Revenue									
Non-tax revenue	43 001	88 702	158 702	85 359	135 836	133 764	21 825	68 005	104.6%
Other non-tax revenue	43 001	88 702	158 702	85 359	135 836	133 764	21 825	68 005	104.6%
Transfers received	624 650	624 650	610 364	610 364	633 814	620 682	735 701	752 301	100.1%
Total revenue	667 651	713 352	769 066	695 723	769 650	754 446	757 526	820 306	100.7%
Expenses									
Current expenses	667 651	645 243	769 066	742 663	752 166	772 144	797 512	820 306	99.8%
Compensation of employees	257 194	230 924	272 240	263 393	292 551	300 160	389 081	330 310	92.9%
Goods and services	393 798	398 964	483 443	463 809	449 862	453 609	379 965	471 980	104.8%
Depreciation	14 774	13 480	13 383	15 093	9 753	18 368	28 460	18 010	97.9%
Interest, dividends and rent on land	1 885	1 875	-	368	-	6	5	5	119.3%
Total expenses	667 651	645 243	769 066	742 663	752 166	772 144	797 512	820 306	99.8%
Surplus/(Deficit)	-	68 109	-	(46 940)	17 484	(17 698)	(39 986)	-	
Statement of financial position									
Carrying value of assets	44 000	37 242	59 442	56 287	54 000	54 639	56 730	56 700	95.7%
of which:									
Acquisition of assets	(8 955)	(17 066)	(35 582)	(35 554)	(6 817)	(17 432)	(8 700)	(12 151)	136.9%
Inventory	257	412	380	520	572	578	629	600	114.8%
Receivables and prepayments	8 500	12 634	10 000	7 776	11 000	10 198	10 670	10 700	102.8%
Cash and cash equivalents	135 001	273 755	185 355	177 993	159 571	87 632	144 379	144 400	109.5%
Total assets	187 758	324 043	255 177	242 576	225 143	153 047	212 408	212 400	105.9%
Accumulated surplus/(deficit)	15 000	111 413	56 863	64 473	50 000	46 775	40 000	40 000	162.3%
Finance lease	11 338	11 188	-	-	-	-	-	-	98.7%
Trade and other payables	140 891	181 016	176 272	152 497	148 257	80 417	144 178	145 000	91.7%
Provisions	20 529	18 714	22 042	24 875	26 119	25 237	27 425	27 400	100.1%
Derivatives financial instruments	-	1 712	-	731	768	618	806	-	194.5%
Total equity and liabilities	187 758	324 043	255 177	242 576	225 143	153 047	212 409	212 400	105.9%

Statements of estimates of financial performance and position

Table 31.20 Small Enterprise Development Agency statements of estimates of financial performance and position

Statement of financial performance		Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Revised estimate		2014/15 - 2017/18	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	
R thousand		2017/18						
Revenue								
Non-tax revenue	68 005	-8.5%	12.7%	5 000	17 000	17 000	-37.0%	3.2%
Other non-tax revenue	68 005	-8.5%	12.7%	5 000	17 000	17 000	-37.0%	3.2%
Transfers received	752 301	6.4%	87.3%	769 452	815 861	854 167	4.3%	96.8%
Total revenue	820 306	4.8%	100.0%	774 452	832 861	871 167	2.0%	100.0%
Expenses								
Current expenses	820 306	8.3%	100.0%	744 452	797 861	841 167	0.8%	100.0%
Compensation of employees	330 310	12.7%	37.6%	352 606	376 407	401 814	6.7%	45.6%
Goods and services	471 980	5.8%	60.1%	373 020	401 780	418 794	-3.9%	51.9%
Depreciation	18 010	10.1%	2.2%	18 820	19 668	20 553	4.5%	2.4%
Interest, dividends and rent on land	5	-85.8%	0.1%	6	6	6	4.5%	0.0%
Total expenses	820 306	8.3%	100.0%	744 452	797 861	841 167	0.8%	100.0%
Surplus/(Deficit)	-			30 000	35 000	30 000		
Statement of financial position								
Carrying value of assets	56 700	15.0%	24.3%	62 500	65 700	66 500	5.5%	33.9%
of which:								
Acquisition of assets	(12 151)	-10.7%	-9.3%	(9 500)	(9 880)	(16 000)	9.6%	-6.4%
Inventory	600	13.3%	0.3%	800	800	700	5.3%	0.4%
Receivables and prepayments	10 700	-5.4%	4.7%	10 000	9 800	9 000	-5.6%	5.3%
Cash and cash equivalents	144 400	-19.2%	70.8%	109 300	104 300	98 100	-12.1%	60.5%
Total assets	212 400	-13.1%	100.0%	182 600	180 600	174 300	-6.4%	100.0%
Accumulated surplus/(deficit)	40 000	-28.9%	27.6%	15 000	15 000	15 000	-27.9%	11.0%
Trade and other payables	145 000	-7.1%	59.9%	137 400	133 800	125 800	-4.6%	72.4%
Provisions	27 400	13.6%	11.4%	30 200	31 800	33 500	6.9%	16.6%
Total equity and liabilities	212 400	-13.1%	100.0%	182 600	180 600	174 300	-6.4%	100.0%

Personnel information

Table 31.21 Small Enterprise Development Agency personnel numbers and cost by salary level

Number of post estimated for 31 March 2018		Number and cost ¹ 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 (%)	Average: Salary level/Total (%)	
		2016/17		Unit cost	2017/18		Unit cost	2018/19			2019/20			2020/21					
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2017/18 - 2020/21		
Small Enterprise Development Agency																			
Salary level	729	729	674	300.2	0.4	694	330.3	0.5	729	352.6	0.5	729	376.4	0.5	729	401.8	0.6	6.7%	100.0%
1 – 6	189	189	171	32.0	0.2	185	35.0	0.2	189	37.4	0.2	189	39.9	0.2	189	42.6	0.2	6.7%	26.1%
7 – 10	455	455	430	192.9	0.4	426	209.0	0.5	455	223.1	0.5	455	238.1	0.5	455	254.2	0.6	6.7%	62.2%
11 – 12	59	59	60	55.5	0.9	57	51.6	0.9	59	55.1	0.9	59	58.8	1.0	59	62.8	1.1	6.7%	8.1%
13 – 16	24	24	12	17.4	1.4	24	30.7	1.3	24	32.8	1.4	24	35.0	1.5	24	37.4	1.6	6.7%	3.3%
17 – 22	2	2	1	2.4	2.4	2	4.0	2.0	2	4.3	2.2	2	4.6	2.3	2	4.9	2.5	6.8%	0.3%

1. Rand million.

Additional table: Summary of donor funding

Donor	Project	Programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome		Estimate 2017/18	Medium-term expenditure estimate		
							2014/15	2015/16		2016/17	2018/19	2019/20
R thousand Foreign In cash												
African Development Bank	Enterprise Development Support	Enterprise Development and Entrepreneurship	2 years	412	Goods and services	Support local economic development	–	–	212	–	–	–
European Union	Enterprise Development Support	Enterprise Development and Entrepreneurship	2 years	212 517	Goods and services	Employment promotion through SMIME support programme	–	–	–	100 000	112 517	–
Total				212 929			–	–	212	100 000	112 517	–



Private Bag X115, Pretoria, 0001 | 40 Church Square, Pretoria, 0002

Tel +27 12 315 5944 | **Fax** +27 12 406 9055

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