

# ◀ 2020 ▶ BUDGET

VOTE  
**36**

**SMALL BUSINESS  
DEVELOPMENT**



**national treasury**

Department:  
National Treasury  
**REPUBLIC OF SOUTH AFRICA**





# **Estimates of National Expenditure**

**2020**

**National Treasury  
Republic of South Africa**



**ISBN: 978-0-621-48100-6**

**RP: 18/2020**

The 2020 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 at [www.treasury.gov.za](http://www.treasury.gov.za). Compared to the abridged Estimates of National Expenditure publication, the e-publications for each vote contain more comprehensive coverage of all public entities, transfers and subsidies and information on programme specific personnel expenditure.

# Foreword

The Estimates of National Expenditure (ENE) publications remain an integral part of the annual budgeting process. In light of the prevailing economic climate, which requires careful consideration around the management of public funds, it has become necessary to focus our efforts on reprioritising existing government resources to areas where the most value can be derived for the benefit of all South Africans. To alleviate fiscal pressures, reductions have been effected on the baseline budgets of departments and public entities. The budgets unpacked in this document reflect the outcome of a robust negotiation process, which was led by a committee of senior officials in central government departments under the political guidance of the Ministers' Committee on the Budget. There was also wide-ranging intergovernmental consultation on budgets in the provincial and local spheres of government. Ultimately, the budgetary proposals emanating from these negotiations and consultations were considered and approved by Cabinet.

The abridged ENE provides a comprehensive account of the priorities, spending plans and service delivery commitments of the 41 national government votes, and for selected public entities. The e-publications for each vote, which are available on National Treasury's website, contain further details on goods and services, transfers and subsidies, other public entities, and lower-level spending information on service delivery. In addition, the Vulekamali online portal serves as a transparent, user-friendly source of information that includes supplementary detailed data as contained in the ENE publications. The portal is a valuable resource for anyone to learn about how government compiles its budget and spends public funds.

The Open Budget Survey, which is published biannually by the International Budget Partnership, assesses and ranks countries based on the availability of 8 key budget documents and the comprehensiveness of the data presented in these documents. In the latest survey, published in 2017, South Africa ranked joint first out of 102 countries with a score of 89 per cent. The next survey is expected to be published in 2020/21 and hopefully South Africa will retain that first position.

All information presented in the ENE publications and Vulekamali promotes a culture of public engagement, accountability in state institutions, and the appropriate spending of public funds to achieve the outcomes as envisaged in the National Development Plan.

A special thanks is extended to all contributors and government colleagues who assisted in making this possible, especially the political leadership shown by the executive and the spirited efforts of the National Treasury team.



**Dondo Mogajane**  
**Director-General: National Treasury**



# Introduction

## Estimates of National Expenditure publications

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 2020 MTEF period is from 2020/21 to 2022/23.

The ENE publications contain detailed information regarding the allocations set out in the Appropriation Bill, for the current financial year. Government's proposed spending plans for the full MTEF period, are shown. Information on how government institutions have spent their budgets in previous years is also included. Explanations are provided on how institutions intend to use their allocations over the medium term to achieve their goals, and the outputs and outcomes to which their spending is expected to lead. Tables present non-financial performance indicators and targets, departmental receipts, and detailed expenditure trends and estimates by programme, subprogramme and economic classification, and programme personnel data tables for each vote and all entities. Brief explanatory narratives set out the institution's purpose (and that of its programmes), mandate, programme-level objectives and descriptions of subprogrammes. An in-depth narrative analyses the institution's expected expenditure over the MTEF period.

Additional data tables containing information on provincial and municipal conditional grants, public-private partnerships, donor funding, infrastructure spending and information at the level of site service delivery, where applicable, are available on the National Treasury website and the Vulekamali online portal.

A separate 2020 ENE Overview publication is also available on the National Treasury website and summarises the ENE information across all votes. The 2020 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**



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# Vote 36

## Small Business Development

### Budget summary

| R million                                   | 2020/21        |                  |                         |                             | 2021/22        | 2022/23        |
|---|----------------|------------------|-------------------------|-----------------------------|----------------|----------------|
|   | Total          | Current payments | Transfers and subsidies | Payments for capital assets | Total          | Total          |
| <b>MTEF allocation</b>                      |                |                  |                         |                             |                |                |
| Administration                              | 129.1          | 125.5            | –                       | 3.5                         | 136.8          | 143.5          |
| Sector Policy and Research                  | 28.0           | 27.9             | –                       | 0.1                         | 28.7           | 31.8           |
| Integrated Cooperative Development          | 140.0          | 52.4             | 87.3                    | 0.3                         | 147.1          | 152.9          |
| Enterprise Development and Entrepreneurship | 2 109.7        | 45.5             | 2 063.8                 | 0.3                         | 2 383.6        | 2 432.5        |
| <b>Total expenditure estimates</b>          | <b>2 406.8</b> | <b>251.4</b>     | <b>2 151.1</b>          | <b>4.3</b>                  | <b>2 696.1</b> | <b>2 760.7</b> |

Executive authority: Minister of Small Business Development  
 Accounting officer: Director-General of Small Business Development  
 Website: [www.dsbd.gov.za](http://www.dsbd.gov.za)

The Estimates of National Expenditure e-publications for individual votes are available at [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote-specific information, particularly about transfers and subsidies, personnel and other public institutions. Additional tables in Excel format can be found at [www.treasury.gov.za](http://www.treasury.gov.za) and [www.vulekamali.gov.za](http://www.vulekamali.gov.za).

### Vote purpose

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

### Mandate

The Department of Small Business Development is tasked with the responsibility of leading an integrated approach to the promotion and development of small businesses and cooperatives by focusing on economic and legislative drivers that stimulate entrepreneurship to contribute to radical economic transformation. The realisation of this mandate will lead to increased employment, poverty reduction and reduced inequality.

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

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

### Selected performance indicators

**Table 36.1 Performance indicators by programme and related priority**

| Indicator   | Programme                          | MTSF priority  | Past    |         |         | Current        | Projections    |                |                |
|---|------------------------------------|--|---------|---------|---------|----------------|----------------|----------------|----------------|
|   |                                    |  | 2016/17 | 2017/18 | 2018/19 | 2019/20        | 2020/21        | 2021/22        | 2022/23        |
| Number of cooperatives supported financially through the cooperatives incentive scheme per year | Integrated Cooperative Development | Priority 1: Economic transformation and job creation | 370     | 270     | 121     | – <sup>1</sup> | – <sup>1</sup> | – <sup>1</sup> | – <sup>1</sup> |
| Number of cluster cooperatives supported through training per year                              | Integrated Cooperative Development |  | 370     | 303     | 170     | 77             | – <sup>1</sup> | – <sup>1</sup> | – <sup>1</sup> |

**Table 36.1 Performance indicators by programme and related priority**

| Indicator   | Programme   | MTSF priority  | Past           |                |                | Current        | Projections    |                |                |
|---|---|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|   |   |  | 2016/17        | 2017/18        | 2018/19        | 2019/20        | 2020/21        | 2021/22        | 2022/23        |
| Number of black-owned SMMEs assisted through the black business supplier development programme per year               | Enterprise Development and Entrepreneurship   | Priority 1: Economic transformation and job creation | 600            | 508            | 505            | 715            | - <sup>1</sup> | - <sup>1</sup> | - <sup>1</sup> |
| Number of informal business infrastructure funded through the shared economic infrastructure facility per year        | Enterprise Development and Entrepreneurship   |  | - <sup>2</sup> | 6              | 7              | 10             | - <sup>1</sup> | - <sup>1</sup> | - <sup>1</sup> |
| Number of informal enterprises financially assisted through the national informal business upliftment scheme per year | Enterprise Development and Entrepreneurship   |  | 1 666          | 570            | 1 922          | 1 500          | - <sup>1</sup> | - <sup>1</sup> | - <sup>1</sup> |
| Number of competitive SMMEs and cooperatives supported through the blended finance model per year                     | Enterprise Development and Entrepreneurship, and Integrated Cooperative Development |  | - <sup>2</sup> | - <sup>2</sup> | - <sup>2</sup> | - <sup>2</sup> | 130            | 150            | 170            |
| Number of incubation centres/digital hubs in townships and rural areas established per year                           | Enterprise Development and Entrepreneurship   |  | - <sup>2</sup> | - <sup>2</sup> | - <sup>2</sup> | 4              | 5              | 7              | 9              |

1. Indicator discontinued.

2. No historical data available.

## Expenditure analysis

Key elements of the National Development Plan emphasise the importance of the contribution of small, medium and micro enterprises (SMMEs) and cooperatives to inclusive economic growth and employment. This is given expression by priority 1 (economic transformation and job creation) of government's 2019-2024 medium-term strategic framework, with which the work of the Department of Small Business Development is directly aligned. Accordingly, over the medium term the department plans to focus on increasing support for small enterprises and developing cooperatives.

Expenditure is expected to increase at an average annual rate of 6.8 per cent, from R2.3 billion in 2019/20 to R2.8 billion by 2022/23. The bulk of the department's spending over the medium term is on transfers to the Small Enterprise Development Agency, amounting to R2.8 billion, and to Small Enterprise Finance Agency for implementation of the Township Entrepreneurship Fund, amounting to R2.8 billion, as well as for internally administered incentives amounting to R1.5 billion.

### ***Increasing support for small businesses and developing cooperatives***

The department provides direct and indirect support to small businesses through the Small Enterprise Development Agency, and support programmes such as the black business supplier development programme and the national informal business upliftment scheme. Accordingly, over the medium term, the department will focus on establishing a one-stop SMME platform for businesses to access financial and non-financial support; and improving access to finance by implementing the blended finance model in the Township Entrepreneurship Fund, and extending blended finance to SMMEs and cooperatives. Applying the model entails the mixture of grants and loans that ultimately lower the cost of capital for borrowers, and ensuring access to finance for SMMEs and cooperatives. In terms of developing cooperatives, over the medium term the department will oversee the implementation and monitoring of the integrated cooperatives strategy, which is intended to ensure the successful establishment of sustainable cooperatives through funding, training and providing access to markets. These activities are carried out in the *Enterprise Development and Entrepreneurship* programme, which receives allocations amounting to R6.9 billion over the MTEF period.

## Developing the Small Enterprise Development Masterplan

To ensure the development of an enabling policy, legal and regulatory environment for small enterprises the department will develop the Small Enterprise Development Masterplan which will enable small enterprises to realise their full potential. The Masterplan will ensure the delivery of an integrated, targeted and effected support interventions aimed at promoting entrepreneurship as well as providing financial and non-financial support to qualifying small enterprises, using the life cycle approach.

## Expenditure trends and estimates

**Table 36.2 Vote expenditure trends and estimates by programme and economic classification**

| <b>Programmes</b>                                  |                 |                |                |                                   |  |  |                                  |                |                |  |  |
|--|-----------------|----------------|----------------|-----------------------------------|--|--|----------------------------------|----------------|----------------|--|--|
| 1. Administration                                  |                 |                |                |                                   |  |  |                                  |                |                |  |  |
| 2. Sector Policy and Research                      |                 |                |                |                                   |  |  |                                  |                |                |  |  |
| 3. Integrated Cooperative Development              |                 |                |                |                                   |  |  |                                  |                |                |  |  |
| 4. Enterprise Development and Entrepreneurship     |                 |                |                |                                   |  |  |                                  |                |                |  |  |
| <b>Programme</b>                                   |                 |                |                |                                   |  |  |                                  |                |                |  |  |
| R million  | Audited outcome |                |                | Adjusted appropriation<br>2019/20 | Average growth rate (%)<br>2016/17 - 2019/20 | Average: Expenditure/ Total (%)<br>2019/20 | Medium-term expenditure estimate |                |                | Average growth rate (%)<br>2019/20 - 2022/23 | Average: Expenditure/ Total (%)<br>2019/20 - 2022/23 |
|  | 2016/17         | 2017/18        | 2018/19        |                                   |  |  | 2020/21                          | 2021/22        | 2022/23        |  |  |
| Programme 1  | 98.9            | 117.0          | 125.5          | 124.4                             | 7.9%   | 7.3%                                       | 129.1                            | 136.8          | 143.5          | 4.9%   | 5.3%   |
| Programme 2  | 13.8            | 16.7           | 17.0           | 32.3                              | 32.6%  | 1.3%                                       | 28.0                             | 28.7           | 31.8           | -0.5%  | 1.2%   |
| Programme 3  | 78.6            | 99.2           | 75.3           | 129.0                             | 18.0%  | 6.0%                                       | 140.0                            | 147.1          | 152.9          | 5.8%   | 5.6%   |
| Programme 4  | 1 005.7         | 1 226.5        | 1 201.8        | 1 982.8                           | 25.4%  | 85.4%                                      | 2 109.7                          | 2 383.6        | 2 432.5        | 7.1%   | 87.9%  |
| <b>Total</b>                                       | <b>1 197.0</b>  | <b>1 459.5</b> | <b>1 419.5</b> | <b>2 268.6</b>                    | <b>23.8%</b>                                 | <b>100.0%</b>                              | <b>2 406.8</b>                   | <b>2 696.1</b> | <b>2 760.7</b> | <b>6.8%</b>                                  | <b>100.0%</b>  |
| Change to 2019 Budget estimate                     |                 |                |                | (300.0)                           |  |  | (306.5)                          | (167.2)        | (209.3)        |  |  |
| <b>Economic classification</b>                     |                 |                |                |                                   |  |  |                                  |                |                |  |  |
| <b>Current payments</b>                            | <b>178.7</b>    | <b>207.1</b>   | <b>206.6</b>   | <b>237.4</b>                      | <b>9.9%</b>                                  | <b>13.1%</b>                               | <b>251.4</b>                     | <b>266.9</b>   | <b>278.0</b>   | <b>5.4%</b>                                  | <b>10.2%</b>   |
| Compensation of employees                          | 114.0           | 129.0          | 133.0          | 151.5                             | 9.9%   | 8.3%                                       | 162.3                            | 172.9          | 180.4          | 6.0%   | 6.6%   |
| Goods and services <sup>1</sup>                    | 64.6            | 78.1           | 73.6           | 85.8                              | 9.9%   | 4.8%                                       | 89.1                             | 94.1           | 97.6           | 4.4%   | 3.6%   |
| <i>of which:</i>                                   |                 |                |                |                                   |  |  |                                  |                |                |  |  |
| <i>Audit costs: External</i>                       | 3.2             | 3.3            | 5.3            | 5.7                               | 21.1%  | 0.3%                                       | 5.1                              | 5.3            | 5.5            | -1.1%  | 0.2%   |
| <i>Computer services</i>                           | 2.9             | 5.0            | 7.0            | 9.4                               | 47.3%  | 0.4%                                       | 9.3                              | 9.2            | 8.8            | -2.4%  | 0.4%   |
| <i>Consultants: Business and advisory services</i> | 5.1             | 13.5           | 5.5            | 9.3                               | 22.3%  | 0.5%                                       | 9.1                              | 9.9            | 10.5           | 4.2%   | 0.4%   |
| <i>Operating leases</i>                            | 16.0            | 18.9           | 20.4           | 21.7                              | 10.7%  | 1.2%                                       | 24.3                             | 26.3           | 27.4           | 8.0%   | 1.0%   |
| <i>Travel and subsistence</i>                      | 18.2            | 20.7           | 20.8           | 20.8                              | 4.5%   | 1.3%                                       | 21.3                             | 21.9           | 23.3           | 3.9%   | 0.9%   |
| <i>Venues and facilities</i>                       | 4.9             | 0.4            | 1.4            | 4.6                               | -2.2%  | 0.2%                                       | 6.1                              | 6.6            | 6.5            | 12.1%  | 0.2%   |
| <b>Transfers and subsidies<sup>1</sup></b>         | <b>1 015.4</b>  | <b>1 245.9</b> | <b>1 206.4</b> | <b>2 026.6</b>                    | <b>25.9%</b>                                 | <b>86.6%</b>                               | <b>2 151.1</b>                   | <b>2 424.7</b> | <b>2 478.0</b> | <b>6.9%</b>                                  | <b>89.6%</b>   |
| Departmental agencies and accounts                 | 652.9           | 811.3          | 840.1          | 882.8                             | 10.6%  | 50.2%                                      | 889.1                            | 937.4          | 972.5          | 3.3%   | 36.3%  |
| Public corporations and private enterprises        | 362.3           | 434.5          | 365.7          | 1 143.6                           | 46.7%  | 36.3%                                      | 1 262.0                          | 1 487.4        | 1 505.5        | 9.6%   | 53.3%  |
| Non-profit institutions                            | 0.1             | -              | -              | -                                 | -100.0%                                      | 0.0%                                       | -                                | -              | -              | 0.0%   | 0.0%   |
| Households   | 0.1             | 0.2            | 0.7            | 0.3                               | 45.7%  | 0.0%                                       | -                                | -              | -              | -100.0%                                      | 0.0%   |
| <b>Payments for capital assets</b>                 | <b>3.0</b>      | <b>6.5</b>     | <b>6.5</b>     | <b>4.6</b>                        | <b>15.5%</b>                                 | <b>0.3%</b>                                | <b>4.3</b>                       | <b>4.5</b>     | <b>4.7</b>     | <b>1.3%</b>                                  | <b>0.2%</b>  |
| Machinery and equipment                            | 3.0             | 5.0            | 5.0            | 4.6                               | 15.5%  | 0.3%                                       | 4.3                              | 4.5            | 4.7            | 1.3%   | 0.2%   |
| Software and other intangible assets               | -               | 1.5            | 1.5            | -                                 | 0.0%   | 0.0%                                       | -                                | -              | -              | 0.0%   | 0.0%   |
| <b>Payments for financial assets</b>               | <b>0.0</b>      | <b>-</b>       | <b>-</b>       | <b>-</b>                          | <b>-100.0%</b>                               | <b>0.0%</b>                                | <b>-</b>                         | <b>-</b>       | <b>-</b>       | <b>0.0%</b>                                  | <b>0.0%</b>  |
| <b>Total</b>                                       | <b>1 197.0</b>  | <b>1 459.5</b> | <b>1 419.5</b> | <b>2 268.6</b>                    | <b>23.8%</b>                                 | <b>100.0%</b>                              | <b>2 406.8</b>                   | <b>2 696.1</b> | <b>2 760.7</b> | <b>6.8%</b>                                  | <b>100.0%</b>  |

1. Tables that detail expenditure trends, annual budget, adjusted appropriation and audited outcome are available at [www.treasury.gov.za](http://www.treasury.gov.za) and [www.vulekamali.gov.za](http://www.vulekamali.gov.za).

## Transfers and subsidies expenditure trends and estimates

Table 36.3 Vote transfers and subsidies trends and estimates

| R thousand  | Audited outcome  |                  |                  | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |                  |                  | Average growth rate (%) | Average: Expenditure/ Total (%) |
|---|------------------|------------------|------------------|------------------------|-------------------------|---------------------------------|----------------------------------|------------------|------------------|-------------------------|---------------------------------|
|   | 2016/17          | 2017/18          | 2018/19          |                        |                         |                                 | 2019/20                          | 2020/21          | 2021/22          |                         |                                 |
| <b>Departmental agencies and accounts</b>                           |                  |                  |                  |                        |                         |                                 |                                  |                  |                  |                         |                                 |
| <b>Departmental agencies (non-business entities)</b>                |                  |                  |                  |                        |                         |                                 |                                  |                  |                  |                         |                                 |
| <b>Current</b>  | <b>652 914</b>   | <b>811 301</b>   | <b>840 089</b>   | <b>882 763</b>         | <b>10.6%</b>            | <b>58.0%</b>                    | <b>889 140</b>                   | <b>937 368</b>   | <b>972 475</b>   | <b>3.3%</b>             | <b>40.5%</b>                    |
| Small Enterprise Development Agency                                 | 496 495          | 619 766          | 580 241          | 680 076                | 11.1%                   | 43.3%                           | 682 626                          | 719 496          | 746 502          | 3.2%                    | 31.2%                           |
| Small Enterprise Development Agency: Technology programme           | 139 187          | 146 146          | 199 359          | 152 281                | 3.0%                    | 11.6%                           | 160 261                          | 169 075          | 175 361          | 4.8%                    | 7.2%                            |
| Small Enterprise Development Agency: Capacity-building programme    | 17 232           | 30 389           | 30 489           | 15 406                 | -3.7%                   | 1.7%                            | 16 253                           | 17 147           | 17 785           | 4.9%                    | 0.7%                            |
| Small Enterprise Development Agency: National gazelles programme    | –                | 15 000           | 30 000           | 35 000                 | –                       | 1.5%                            | 30 000                           | 31 650           | 32 827           | -2.1%                   | 1.4%                            |
| <b>Households</b>   |                  |                  |                  |                        |                         |                                 |                                  |                  |                  |                         |                                 |
| <b>Social benefits</b>  |                  |                  |                  |                        |                         |                                 |                                  |                  |                  |                         |                                 |
| <b>Current</b>  | <b>94</b>        | <b>158</b>       | <b>454</b>       | <b>291</b>             | <b>45.7%</b>            | <b>–</b>                        | <b>–</b>                         | <b>–</b>         | <b>–</b>         | <b>-100.0%</b>          | <b>–</b>                        |
| Households  | 25               | 50               | 243              | 277                    | 122.9%                  | –                               | –                                | –                | –                | -100.0%                 | –                               |
| Employee social benefits  | 69               | 108              | 211              | 14                     | -41.2%                  | –                               | –                                | –                | –                | -100.0%                 | –                               |
| <b>Households</b>   |                  |                  |                  |                        |                         |                                 |                                  |                  |                  |                         |                                 |
| <b>Other transfers to households</b>                                |                  |                  |                  |                        |                         |                                 |                                  |                  |                  |                         |                                 |
| <b>Current</b>  | <b>–</b>         | <b>–</b>         | <b>200</b>       | <b>–</b>               | <b>–</b>                | <b>–</b>                        | <b>–</b>                         | <b>–</b>         | <b>–</b>         | <b>–</b>                | <b>–</b>                        |
| Employee social benefits  | –                | –                | 100              | –                      | –                       | –                               | –                                | –                | –                | –                       | –                               |
| Social Benefits   | –                | –                | 100              | –                      | –                       | –                               | –                                | –                | –                | –                       | –                               |
| <b>Public corporations and private enterprises</b>                  |                  |                  |                  |                        |                         |                                 |                                  |                  |                  |                         |                                 |
| <b>Other transfers to public corporations</b>                       |                  |                  |                  |                        |                         |                                 |                                  |                  |                  |                         |                                 |
| <b>Current</b>  | <b>–</b>         | <b>–</b>         | <b>–</b>         | <b>700 000</b>         | <b>–</b>                | <b>12.7%</b>                    | <b>800 000</b>                   | <b>1 000 000</b> | <b>1 000 000</b> | <b>12.6%</b>            | <b>38.5%</b>                    |
| Small Enterprise Finance Agency: Township Entrepreneurship Fund     | –                | –                | –                | 700 000                | –                       | 12.7%                           | 800 000                          | 1 000 000        | 1 000 000        | 12.6%                   | 38.5%                           |
| <b>Non-profit institutions</b>                                      |                  |                  |                  |                        |                         |                                 |                                  |                  |                  |                         |                                 |
| <b>Current</b>  | <b>100</b>       | <b>–</b>         | <b>–</b>         | <b>–</b>               | <b>-100.0%</b>          | <b>–</b>                        | <b>–</b>                         | <b>–</b>         | <b>–</b>         | <b>–</b>                | <b>–</b>                        |
| Primesters Marketing  | 100              | –                | –                | –                      | -100.0%                 | –                               | –                                | –                | –                | –                       | –                               |
| <b>Public corporations and private enterprises</b>                  |                  |                  |                  |                        |                         |                                 |                                  |                  |                  |                         |                                 |
| <b>Other transfers to private enterprises</b>                       |                  |                  |                  |                        |                         |                                 |                                  |                  |                  |                         |                                 |
| <b>Current</b>  | <b>362 288</b>   | <b>434 460</b>   | <b>365 703</b>   | <b>443 584</b>         | <b>7.0%</b>             | <b>29.2%</b>                    | <b>461 956</b>                   | <b>487 363</b>   | <b>505 480</b>   | <b>4.5%</b>             | <b>20.9%</b>                    |
| Various institutions: Cooperatives incentive scheme                 | 63 879           | 70 695           | 41 222           | 87 984                 | 11.3%                   | 4.8%                            | 87 254                           | 92 052           | 95 473           | 2.8%                    | 4.0%                            |
| Various institutions: Black business supplier development programme | 268 009          | 256 743          | 257 739          | 286 126                | 2.2%                    | 19.4%                           | 283 751                          | 299 357          | 310 486          | 2.8%                    | 13.0%                           |
| Various institutions: Craft customised sector programme             | 10 000           | 10 000           | 10 000           | 10 560                 | 1.8%                    | 0.7%                            | 11 141                           | 11 754           | 12 191           | 4.9%                    | 0.5%                            |
| Various institutions: National informal business upliftment scheme  | –                | 26 422           | 56 742           | 58 914                 | –                       | 2.6%                            | 79 810                           | 84 200           | 87 330           | 14.0%                   | 3.4%                            |
| Various institutions: Enterprise incubation programme               | 20 400           | 70 600           | –                | –                      | -100.0%                 | 1.7%                            | –                                | –                | –                | –                       | –                               |
| <b>Total</b>  | <b>1 015 396</b> | <b>1 245 919</b> | <b>1 206 446</b> | <b>2 026 638</b>       | <b>25.9%</b>            | <b>100.0%</b>                   | <b>2 151 096</b>                 | <b>2 424 731</b> | <b>2 477 955</b> | <b>6.9%</b>             | <b>100.0%</b>                   |

## Personnel information

Table 36.4 Vote personnel numbers and cost by salary level and programme<sup>1</sup>

| Programmes                                     |   |  |            |                  |            |                                  |              |            |            |              |            |                         |                                 |                   |            |              |            |              |               |
|--|---|--|------------|------------------|------------|----------------------------------|--------------|------------|------------|--------------|------------|-------------------------|---------------------------------|-------------------|------------|--------------|------------|--------------|---------------|
| 1. Administration                              |   |  |            |                  |            |                                  |              |            |            |              |            |                         |                                 |                   |            |              |            |              |               |
| 2. Sector Policy and Research                  |   |  |            |                  |            |                                  |              |            |            |              |            |                         |                                 |                   |            |              |            |              |               |
| 3. Integrated Cooperative Development          |   |  |            |                  |            |                                  |              |            |            |              |            |                         |                                 |                   |            |              |            |              |               |
| 4. Enterprise Development and Entrepreneurship |   |  |            |                  |            |                                  |              |            |            |              |            |                         |                                 |                   |            |              |            |              |               |
| Number of posts estimated for 31 March 2020    |   | Number and cost <sup>2</sup> of personnel posts filled/planned for on funded establishment |            |                  |            |                                  |              |            |            |              |            | Number                  |                                 |                   |            |              |            |              |               |
| Number of funded posts                         | Number of posts additional to the establishment | Actual   |            | Revised estimate |            | Medium-term expenditure estimate |              |            |            |              |            | Average growth rate (%) | Average: Salary level/Total (%) |                   |            |              |            |              |               |
|  |   | 2018/19  | Unit cost  | 2019/20          | Unit cost  | 2020/21                          |              | 2021/22    |            | 2022/23      |            |                         |                                 | 2019/20 - 2022/23 |            |              |            |              |               |
|  |   | Number   | Unit cost  | Number           | Unit cost  | Number                           | Unit cost    | Number     | Unit cost  | Number       | Unit cost  | Number                  | Unit cost                       |                   |            |              |            |              |               |
| <b>Small Business Development</b>              |   |  |            |                  |            |                                  |              |            |            |              |            |                         |                                 |                   |            |              |            |              |               |
| Salary level                                   | 241   | 27   | 200        | 133.0            | 0.7        | 237                              | 151.5        | 0.6        | 239        | 162.3        | 0.7        | 234                     | 172.9                           | 0.7               | 214        | 180.4        | 0.8        | -3.3%        | 100.0%        |
| 1 – 6  | 45  | 12   | 36         | 9.7              | 0.3        | 51                               | 13.8         | 0.3        | 40         | 10.6         | 0.3        | 45                      | 13.1                            | 0.3               | 41         | 12.1         | 0.3        | -7.0%        | 19.2%         |
| 7 – 10   | 85  | –  | 77         | 35.9             | 0.5        | 73                               | 39.0         | 0.5        | 78         | 44.5         | 0.6        | 77                      | 46.5                            | 0.6               | 75         | 48.4         | 0.6        | 0.9%         | 32.8%         |
| 11 – 12  | 47  | –  | 46         | 37.0             | 0.8        | 49                               | 43.1         | 0.9        | 50         | 46.9         | 0.9        | 48                      | 47.7                            | 1.0               | 48         | 50.6         | 1.1        | -0.7%        | 21.1%         |
| 13 – 16  | 43  | 1  | 39         | 50.4             | 1.3        | 43                               | 53.5         | 1.2        | 43         | 57.2         | 1.3        | 45                      | 63.4                            | 1.4               | 46         | 69.0         | 1.5        | 2.3%         | 19.2%         |
| Other  | 21  | 14   | 2          | –                | –          | 21                               | 2.1          | 0.1        | 28         | 3.1          | 0.1        | 19                      | 2.1                             | 0.1               | 4          | 0.3          | 0.1        | -42.5%       | 7.8%          |
| <b>Programme</b>                               | <b>241</b>                                      | <b>27</b>  | <b>200</b> | <b>133.0</b>     | <b>0.7</b> | <b>237</b>                       | <b>151.5</b> | <b>0.6</b> | <b>239</b> | <b>162.3</b> | <b>0.7</b> | <b>234</b>              | <b>172.9</b>                    | <b>0.7</b>        | <b>214</b> | <b>180.4</b> | <b>0.8</b> | <b>-3.3%</b> | <b>100.0%</b> |
| Programme 1                                    | 114   | 14   | 95         | 65.4             | 0.7        | 108                              | 63.9         | 0.6        | 102        | 65.5         | 0.6        | 96                      | 69.0                            | 0.7               | 94         | 72.5         | 0.8        | -4.5%        | 43.3%         |
| Programme 2                                    | 28  | –  | 16         | 10.9             | 0.7        | 28                               | 19.8         | 0.7        | 26         | 18.3         | 0.7        | 23                      | 18.0                            | 0.8               | 21         | 20.3         | 1.0        | -9.1%        | 10.6%         |
| Programme 3                                    | 43  | 3  | 43         | 28.4             | 0.7        | 45                               | 33.2         | 0.7        | 57         | 42.1         | 0.7        | 57                      | 44.3                            | 0.8               | 49         | 45.8         | 0.9        | 2.9%         | 22.5%         |
| Programme 4                                    | 56  | 10   | 46         | 28.4             | 0.6        | 56                               | 34.5         | 0.6        | 54         | 36.4         | 0.7        | 58                      | 41.6                            | 0.7               | 50         | 41.8         | 0.8        | -3.7%        | 23.6%         |

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

2. Rand million.

## Departmental receipts

Table 36.5 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 (%) |
|--|-----------------|------------|--------------|-------------------|------------------|-------------------------|----------------------------------|-------------------------------|-----------|------------|-------------------------|----------------------------------|
|  | 2016/17         | 2017/18    | 2018/19      |                   |                  |                         |                                  | 2019/20                       | 2020/21   | 2021/22    |                         |                                  |
| Departmental receipts                              | 88              | 551        | 1 329        | 23 234            | 23 234           | 541.5%                  | 100.0%                           | 80                            | 90        | 100        | -83.7%                  | 100.0%                           |
| Sales of goods and services produced by department | 88              | 52         | 57           | 56                | 56               | -14.0%                  | 1.0%                             | 80                            | 90        | 100        | 21.3%                   | 1.4%                             |
| Sales by market establishments                     | 88              | 52         | 57           | 24                | 24               | -35.2%                  | 0.9%                             | 80                            | 90        | 100        | 60.9%                   | 1.3%                             |
| of which:  |                 |            |              |                   |                  |                         |                                  |                               |           |            |                         |                                  |
| Parking  | 88              | 52         | 57           | 24                | 24               | -35.2%                  | 0.9%                             | 80                            | 90        | 100        | 60.9%                   | 1.3%                             |
| Other sales  | -               | -          | -            | 32                | 32               | -                       | 0.1%                             | -                             | -         | -          | -100.0%                 | 0.1%                             |
| of which:  |                 |            |              |                   |                  |                         |                                  |                               |           |            |                         |                                  |
| List item  | -               | -          | -            | 32                | 32               | -                       | 0.1%                             | -                             | -         | -          | -100.0%                 | 0.1%                             |
| Transfers received                                 | -               | -          | -            | 23 000            | 23 000           | -                       | 91.3%                            | -                             | -         | -          | -100.0%                 | 97.9%                            |
| Interest, dividends and rent on land               | -               | 2          | 1            | 14                | 14               | -                       | 0.1%                             | -                             | -         | -          | -100.0%                 | 0.1%                             |
| Interest   | -               | 2          | 1            | 14                | 14               | -                       | 0.1%                             | -                             | -         | -          | -100.0%                 | 0.1%                             |
| Sales of capital assets                            | -               | -          | 175          | 145               | 145              | -                       | 1.3%                             | -                             | -         | -          | -100.0%                 | 0.6%                             |
| Transactions in financial assets and liabilities   | -               | 497        | 1 096        | 19                | 19               | -                       | 6.4%                             | -                             | -         | -          | -100.0%                 | 0.1%                             |
| <b>Total</b>                                       | <b>88</b>       | <b>551</b> | <b>1 329</b> | <b>23 234</b>     | <b>23 234</b>    | <b>541.5%</b>           | <b>100.0%</b>                    | <b>80</b>                     | <b>90</b> | <b>100</b> | <b>-83.7%</b>           | <b>100.0%</b>                    |

## Programme 1: Administration

### Programme purpose

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

### Expenditure trends and estimates

Table 36.6 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 (%) |
|---|-----------------|--------------|--------------|------------------------|-------------------------|---------------------------------|----------------------------------|--------------|--------------|-------------------------|---------------------------------|
|   | 2016/17         | 2017/18      | 2018/19      |                        |                         |                                 | 2019/20                          | 2020/21      | 2021/22      |                         |                                 |
| R million   |                 |              |              |                        |                         |                                 |                                  |              |              |                         |                                 |
| Ministry  | 29.7            | 30.9         | 32.7         | 27.8                   | -2.2%                   | 26.0%                           | 25.8                             | 27.3         | 28.7         | 1.1%                    | 20.5%                           |
| Departmental Management                                       | 14.5            | 16.9         | 16.3         | 18.1                   | 7.7%                    | 14.1%                           | 17.9                             | 18.9         | 20.0         | 3.2%                    | 14.0%                           |
| Corporate Services  | 33.5            | 45.2         | 50.6         | 53.2                   | 16.7%                   | 39.2%                           | 58.2                             | 62.0         | 65.0         | 6.9%                    | 44.7%                           |
| Financial Management  | 14.9            | 16.3         | 19.4         | 20.3                   | 10.8%                   | 15.2%                           | 19.9                             | 20.9         | 21.8         | 2.4%                    | 15.5%                           |
| Communications  | 6.3             | 7.8          | 6.5          | 5.0                    | -7.8%                   | 5.5%                            | 7.3                              | 7.7          | 8.0          | 17.4%                   | 5.2%                            |
| <b>Total</b>  | <b>98.9</b>     | <b>117.0</b> | <b>125.5</b> | <b>124.4</b>           | <b>7.9%</b>             | <b>100.0%</b>                   | <b>129.1</b>                     | <b>136.8</b> | <b>143.5</b> | <b>4.9%</b>             | <b>100.0%</b>                   |
| Change to 2019 Budget estimate                                |                 |              |              | -                      |                         |                                 | (2.4)                            | (2.8)        | (2.1)        |                         |                                 |
| <b>Economic classification</b>                                |                 |              |              |                        |                         |                                 |                                  |              |              |                         |                                 |
| <b>Current payments</b>                                       | <b>96.0</b>     | <b>110.8</b> | <b>119.5</b> | <b>120.3</b>           | <b>7.8%</b>             | <b>95.9%</b>                    | <b>125.5</b>                     | <b>133.1</b> | <b>139.6</b> | <b>5.1%</b>             | <b>97.1%</b>                    |
| Compensation of employees                                     | 52.2            | 62.5         | 65.4         | 63.9                   | 7.0%                    | 52.4%                           | 65.5                             | 69.0         | 72.5         | 4.3%                    | 50.8%                           |
| Goods and services <sup>1</sup>                               | 43.8            | 48.3         | 54.2         | 56.4                   | 8.8%                    | 43.5%                           | 60.0                             | 64.1         | 67.1         | 6.0%                    | 46.4%                           |
| of which:   |                 |              |              |                        |                         |                                 |                                  |              |              |                         |                                 |
| Advertising   | 2.1             | 1.4          | 0.4          | 0.5                    | -38.0%                  | 0.9%                            | 2.1                              | 2.2          | 2.3          | 67.5%                   | 1.3%                            |
| Audit costs: External   | 3.2             | 3.3          | 5.3          | 5.7                    | 21.1%                   | 3.7%                            | 5.1                              | 5.3          | 5.5          | -1.1%                   | 4.0%                            |
| Computer services   | 2.9             | 5.0          | 7.0          | 7.5                    | 36.7%                   | 4.8%                            | 7.9                              | 8.3          | 8.8          | 5.2%                    | 6.1%                            |
| Legal services  | -               | 0.1          | 0.3          | 1.4                    | -                       | 0.4%                            | 1.9                              | 2.1          | 2.2          | 17.7%                   | 1.4%                            |
| Operating leases  | 16.0            | 18.9         | 20.4         | 21.7                   | 10.9%                   | 16.5%                           | 24.3                             | 26.3         | 27.4         | 8.0%                    | 18.7%                           |
| Travel and subsistence  | 10.1            | 10.8         | 11.6         | 10.3                   | 0.7%                    | 9.2%                            | 9.7                              | 10.3         | 10.9         | 1.9%                    | 7.7%                            |
| Transfers and subsidies <sup>1</sup>                          | 0.0             | 0.1          | 0.2          | 0.3                    | 122.9%                  | 0.1%                            | -                                | -            | -            | -100.0%                 | 0.1%                            |
| Households  | 0.0             | 0.1          | 0.2          | 0.3                    | 122.9%                  | 0.1%                            | -                                | -            | -            | -100.0%                 | 0.1%                            |
| Payments for capital assets                                   | 2.9             | 6.2          | 5.7          | 3.8                    | 10.3%                   | 4.0%                            | 3.5                              | 3.7          | 3.9          | 0.7%                    | 2.8%                            |
| Machinery and equipment                                       | 2.9             | 4.7          | 4.2          | 3.8                    | 10.3%                   | 3.3%                            | 3.5                              | 3.7          | 3.9          | 0.7%                    | 2.8%                            |
| Software and other intangible assets                          | -               | 1.5          | 1.5          | -                      | -                       | 0.6%                            | -                                | -            | -            | -                       | -                               |
| Payments for financial assets                                 | 0.0             | -            | -            | -                      | -100.0%                 | -                               | -                                | -            | -            | -                       | -                               |
| <b>Total</b>  | <b>98.9</b>     | <b>117.0</b> | <b>125.5</b> | <b>124.4</b>           | <b>7.9%</b>             | <b>100.0%</b>                   | <b>129.1</b>                     | <b>136.8</b> | <b>143.5</b> | <b>4.9%</b>             | <b>100.0%</b>                   |
| Proportion of total programme expenditure to vote expenditure | 8.3%            | 8.0%         | 8.8%         | 5.5%                   | -                       | -                               | 5.4%                             | 5.1%         | 5.2%         | -                       | -                               |

**Table 36.6 Administration expenditure trends and estimates by subprogramme and economic classification**

| Details of transfers and subsidies |         |         |         | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |         |                   | Average growth rate (%) | Average: Expenditure/ Total (%) |
|------------------------------------|---------|---------|---------|------------------------|-------------------------|---------------------------------|----------------------------------|---------|-------------------|-------------------------|---------------------------------|
| Audited outcome                    |         |         |         |                        |                         |                                 | 2016/17 - 2019/20                | 2020/21 | 2021/22           |                         |                                 |
| R million                          | 2016/17 | 2017/18 | 2018/19 | 2019/20                | 2016/17 - 2019/20       | 2020/21                         | 2021/22                          | 2022/23 | 2019/20 - 2022/23 | 2019/20 - 2022/23       |                                 |
| <b>Households</b>                  |         |         |         |                        |                         |                                 |                                  |         |                   |                         |                                 |
| <b>Social benefits</b>             |         |         |         |                        |                         |                                 |                                  |         |                   |                         |                                 |
| <b>Current</b>                     | 0.0     | 0.1     | 0.2     | 0.3                    | 122.9%                  | 0.1%                            | –                                | –       | –                 | -100.0%                 | 0.1%                            |
| Households                         | 0.0     | 0.1     | 0.2     | 0.3                    | 122.9%                  | 0.1%                            | –                                | –       | –                 | -100.0%                 | 0.1%                            |

1. Estimates of National Expenditure data tables can be downloaded from [www.treasury.gov.za](http://www.treasury.gov.za). These tables contain detailed information by goods and services, and transfers and subsidies items by programme.

## Personnel information

Detailed information not available.

## 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 sector thought leadership, 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 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 evaluate performance and identify factors that improve service delivery outcomes.



## Expenditure trends and estimates

**Table 36.7 Sector Policy and Research 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 (%) |
|--|-----------------|-------------|-------------|------------------------|-------------------------|---------------------------------|----------------------------------|-------------|-------------|-------------------------|---------------------------------|
|  | 2016/17         | 2017/18     | 2018/19     |                        |                         |                                 | 2019/20                          | 2020/21     | 2021/22     |                         |                                 |
| R million  |                 |             |             |                        |                         |                                 |                                  |             |             |                         |                                 |
| Research   | 13.6            | 10.8        | 6.7         | 17.3                   | 8.3%                    | 60.7%                           | 19.8                             | 19.4        | 21.9        | 8.2%                    | 65.0%                           |
| Policy and Legislation   | –               | –           | 4.8         | 5.7                    | –                       | 13.2%                           | 4.2                              | 4.8         | 5.1         | -3.7%                   | 16.4%                           |
| International Relations  | –               | 3.8         | 3.3         | 6.0                    | –                       | 16.4%                           | –                                | –           | –           | -100.0%                 | 5.0%                            |
| Monitoring and Evaluation  | 0.2             | 2.1         | 2.2         | 3.3                    | 151.7%                  | 9.7%                            | 4.0                              | 4.4         | 4.8         | 13.7%                   | 13.7%                           |
| <b>Total</b>   | <b>13.8</b>     | <b>16.7</b> | <b>17.0</b> | <b>32.3</b>            | <b>32.6%</b>            | <b>100.0%</b>                   | <b>28.0</b>                      | <b>28.7</b> | <b>31.8</b> | <b>-0.5%</b>            | <b>100.0%</b>                   |
| Change to 2019 Budget estimate                                       |                 |             |             | (3.3)                  |                         |                                 | (11.4)                           | (13.6)      | –           |                         |                                 |
| <b>Economic classification</b>                                       |                 |             |             |                        |                         |                                 |                                  |             |             |                         |                                 |
| <b>Current payments</b>  | <b>13.8</b>     | <b>16.7</b> | <b>16.8</b> | <b>32.2</b>            | <b>32.6%</b>            | <b>99.5%</b>                    | <b>27.9</b>                      | <b>28.6</b> | <b>31.7</b> | <b>-0.5%</b>            | <b>99.6%</b>                    |
| Compensation of employees  | 10.3            | 10.2        | 10.9        | 19.8                   | 24.6%                   | 64.1%                           | 18.3                             | 18.0        | 20.3        | 0.7%                    | 63.2%                           |
| Goods and services <sup>1</sup>                                      | 3.6             | 6.5         | 5.9         | 12.4                   | 51.5%                   | 35.4%                           | 9.7                              | 10.6        | 11.4        | -2.6%                   | 36.5%                           |
| <i>of which:</i>   |                 |             |             |                        |                         |                                 |                                  |             |             |                         |                                 |
| <i>Administrative fees</i>   | 0.1             | 0.1         | 0.1         | 0.1                    | 4.1%                    | 0.4%                            | 0.1                              | 0.1         | 0.1         | -6.6%                   | 0.3%                            |
| <i>Catering: Departmental activities</i>                             | 0.2             | 0.2         | 0.1         | 0.3                    | 11.5%                   | 0.9%                            | 0.2                              | 0.2         | 0.2         | -9.2%                   | 0.8%                            |
| <i>Communication</i>   | 0.0             | 0.0         | 0.1         | 0.1                    | 33.2%                   | 0.3%                            | 0.1                              | 0.1         | 0.1         | -14.2%                  | 0.3%                            |
| <i>Consultants: Business and advisory services</i>                   | 1.7             | 4.8         | 3.1         | 7.4                    | 63.5%                   | 21.2%                           | 7.5                              | 8.2         | 8.7         | 5.7%                    | 26.3%                           |
| <i>Travel and subsistence</i>  | 1.1             | 1.4         | 1.9         | 3.3                    | 43.2%                   | 9.6%                            | 1.8                              | 2.0         | 2.3         | -11.5%                  | 7.7%                            |
| <i>Venues and facilities</i>   | 0.2             | –           | –           | 0.1                    | -26.3%                  | 0.4%                            | 0.0                              | 0.0         | 0.0         | -18.1%                  | 0.2%                            |
| <b>Economic classifications</b>                                      |                 |             |             |                        |                         |                                 |                                  |             |             |                         |                                 |
| <b>Transfers and subsidies<sup>1</sup></b>                           | <b>–</b>        | <b>–</b>    | <b>0.1</b>  | <b>–</b>               | <b>–</b>                | <b>0.2%</b>                     | <b>–</b>                         | <b>–</b>    | <b>–</b>    | <b>–</b>                | <b>–</b>                        |
| Households   | –               | –           | 0.1         | –                      | –                       | 0.2%                            | –                                | –           | –           | –                       | –                               |
| <b>Payments for capital assets</b>                                   | <b>0.0</b>      | <b>0.0</b>  | <b>0.1</b>  | <b>0.1</b>             | <b>46.5%</b>            | <b>0.4%</b>                     | <b>0.1</b>                       | <b>0.1</b>  | <b>0.1</b>  | <b>2.9%</b>             | <b>0.4%</b>                     |
| Machinery and equipment  | 0.0             | 0.0         | 0.1         | 0.1                    | 46.5%                   | 0.4%                            | 0.1                              | 0.1         | 0.1         | 2.9%                    | 0.4%                            |
| <b>Total</b>   | <b>13.8</b>     | <b>16.7</b> | <b>17.0</b> | <b>32.3</b>            | <b>32.6%</b>            | <b>100.0%</b>                   | <b>28.0</b>                      | <b>28.7</b> | <b>31.8</b> | <b>-0.5%</b>            | <b>100.0%</b>                   |
| <b>Proportion of total programme expenditure to vote expenditure</b> | <b>1.2%</b>     | <b>1.1%</b> | <b>1.2%</b> | <b>1.4%</b>            | <b>–</b>                | <b>–</b>                        | <b>1.2%</b>                      | <b>1.1%</b> | <b>1.2%</b> | <b>–</b>                | <b>–</b>                        |
| <b>Details of transfers and subsidies</b>                            |                 |             |             |                        |                         |                                 |                                  |             |             |                         |                                 |
| <b>Households</b>  |                 |             |             |                        |                         |                                 |                                  |             |             |                         |                                 |
| <b>Other transfers to households</b>                                 |                 |             |             |                        |                         |                                 |                                  |             |             |                         |                                 |
| <b>Current</b>   | –               | –           | 0.1         | –                      | –                       | 0.1%                            | –                                | –           | –           | –                       | –                               |
| Employee social benefits   | –               | –           | 0.1         | –                      | –                       | 0.1%                            | –                                | –           | –           | –                       | –                               |

1. Estimates of National Expenditure data tables can be downloaded from [www.treasury.gov.za](http://www.treasury.gov.za). These tables contain detailed information by goods and services, and transfers and subsidies items by programme.

## Personnel information

Detailed information not available.

## 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.
- Expand access to finance through innovative service offerings by providing blended finance support to 45 000 cooperatives over the medium term.

## Subprogrammes

- *Cooperatives Development* manages and facilitates the creation of new cooperatives and the growth of existing cooperatives to improve their competitiveness.
- *Cooperatives Programme Design and Support* reviews existing programmes and designs new programmes based on review outcomes, and changes in the cooperatives development landscape and economic conditions.
- *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 facilitating their readiness to access market opportunities.

## Expenditure trends and estimates

**Table 36.8 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 (%) |
|--|-----------------|-------------|-------------|------------------------|-------------------------|-------------------------------|----------------------------------|--------------|--------------|-------------------------|-------------------------------|
|  | 2016/17         | 2017/18     | 2018/19     |                        |                         |                               | 2019/20                          | 2020/21      | 2021/22      |                         |                               |
| R million  |                 |             |             |                        | 2016/17 - 2019/20       |                               | 2020/21                          | 2021/22      | 2022/23      | 2019/20 - 2022/23       |                               |
| Cooperatives Development   | 5.4             | 9.8         | 6.1         | 9.0                    | 18.3%                   | 7.9%                          | 12.6                             | 13.8         | 14.3         | 16.7%                   | 8.7%                          |
| Cooperatives Programme Design and Support                            | 72.6            | 82.7        | 54.2        | 105.5                  | 13.3%                   | 82.4%                         | 108.1                            | 112.8        | 116.9        | 3.5%                    | 77.9%                         |
| Supplier Development and Market Access Support                       | 0.5             | 6.7         | 15.0        | 14.5                   | 199.4%                  | 9.6%                          | 19.3                             | 20.5         | 21.6         | 14.3%                   | 13.3%                         |
| <b>Total</b>   | <b>78.6</b>     | <b>99.2</b> | <b>75.3</b> | <b>129.0</b>           | <b>18.0%</b>            | <b>100.0%</b>                 | <b>140.0</b>                     | <b>147.1</b> | <b>152.9</b> | <b>5.8%</b>             | <b>100.0%</b>                 |
| Change to 2019 Budget estimate                                       |                 |             |             | 1.4                    |                         |                               | 4.9                              | 4.8          | (6.1)        |                         |                               |
| <b>Economic classification</b>                                       |                 |             |             |                        |                         |                               |                                  |              |              |                         |                               |
| <b>Current payments</b>  | <b>14.7</b>     | <b>28.4</b> | <b>33.7</b> | <b>40.6</b>            | <b>40.5%</b>            | <b>30.7%</b>                  | <b>52.4</b>                      | <b>54.7</b>  | <b>57.0</b>  | <b>12.0%</b>            | <b>36.0%</b>                  |
| Compensation of employees  | 10.7            | 20.2        | 28.4        | 33.2                   | 45.9%                   | 24.2%                         | 42.1                             | 44.3         | 45.8         | 11.3%                   | 29.1%                         |
| Goods and services <sup>1</sup>                                      | 4.0             | 8.2         | 5.3         | 7.4                    | 23.2%                   | 6.5%                          | 10.3                             | 10.4         | 11.2         | 14.8%                   | 6.9%                          |
| of which:  |                 |             |             |                        |                         |                               |                                  |              |              |                         |                               |
| Administrative fees  | 0.1             | 0.2         | 0.2         | 0.2                    | 13.4%                   | 0.2%                          | 0.2                              | 0.2          | 0.3          | 6.6%                    | 0.2%                          |
| Catering: Departmental activities                                    | 1.0             | 1.8         | 0.2         | 0.4                    | -27.0%                  | 0.9%                          | 0.2                              | 0.3          | 0.3          | -7.5%                   | 0.2%                          |
| Communication  | 0.0             | 0.0         | 0.1         | 0.1                    | 54.8%                   | 0.1%                          | 0.1                              | 0.1          | 0.2          | 3.0%                    | 0.1%                          |
| Consultants: Business and advisory services                          | 0.1             | 0.1         | –           | 0.5                    | 83.1%                   | 0.2%                          | 0.6                              | 0.7          | 0.7          | 11.4%                   | 0.4%                          |
| Travel and subsistence   | 2.3             | 3.5         | 4.2         | 4.1                    | 20.7%                   | 3.7%                          | 6.5                              | 6.2          | 6.6          | 17.5%                   | 4.1%                          |
| Venues and facilities  | 0.0             | –           | 0.3         | 1.9                    | 392.6%                  | 0.6%                          | 2.5                              | 2.8          | 3.1          | 17.5%                   | 1.8%                          |
| <b>Transfers and subsidies<sup>1</sup></b>                           | <b>63.9</b>     | <b>70.7</b> | <b>41.2</b> | <b>88.0</b>            | <b>11.3%</b>            | <b>69.0%</b>                  | <b>87.3</b>                      | <b>92.1</b>  | <b>95.5</b>  | <b>2.8%</b>             | <b>63.8%</b>                  |
| Public corporations and private enterprises                          | 63.9            | 70.7        | 41.2        | 88.0                   | 11.3%                   | 69.0%                         | 87.3                             | 92.1         | 95.5         | 2.8%                    | 63.8%                         |
| Households   | 0.0             | 0.0         | 0.0         | –                      | -100.0%                 | –                             | –                                | –            | –            | –                       | –                             |
| <b>Payments for capital assets</b>                                   | <b>0.0</b>      | <b>0.1</b>  | <b>0.3</b>  | <b>0.4</b>             | <b>308.2%</b>           | <b>0.2%</b>                   | <b>0.3</b>                       | <b>0.3</b>   | <b>0.4</b>   | <b>-4.7%</b>            | <b>0.2%</b>                   |
| Machinery and equipment  | 0.0             | 0.1         | 0.3         | 0.4                    | 308.2%                  | 0.2%                          | 0.3                              | 0.3          | 0.4          | -4.7%                   | 0.2%                          |
| <b>Total</b>   | <b>78.6</b>     | <b>99.2</b> | <b>75.3</b> | <b>129.0</b>           | <b>18.0%</b>            | <b>100.0%</b>                 | <b>140.0</b>                     | <b>147.1</b> | <b>152.9</b> | <b>5.8%</b>             | <b>100.0%</b>                 |
| <b>Proportion of total programme expenditure to vote expenditure</b> | <b>6.6%</b>     | <b>6.8%</b> | <b>5.3%</b> | <b>5.7%</b>            | –                       | –                             | <b>5.8%</b>                      | <b>5.5%</b>  | <b>5.5%</b>  | –                       | –                             |
| <b>Details of transfers and subsidies</b>                            |                 |             |             |                        |                         |                               |                                  |              |              |                         |                               |
| Public corporations and private enterprises                          |                 |             |             |                        |                         |                               |                                  |              |              |                         |                               |
| Private enterprises  |                 |             |             |                        |                         |                               |                                  |              |              |                         |                               |
| <b>Other transfers to private enterprises</b>                        |                 |             |             |                        |                         |                               |                                  |              |              |                         |                               |
| <b>Current</b>   | <b>63.9</b>     | <b>70.7</b> | <b>41.2</b> | <b>88.0</b>            | <b>11.3%</b>            | <b>69.0%</b>                  | <b>87.3</b>                      | <b>92.1</b>  | <b>95.5</b>  | <b>2.8%</b>             | <b>63.8%</b>                  |
| Various institutions:  | 63.9            | 70.7        | 41.2        | 88.0                   | 11.3%                   | 69.0%                         | 87.3                             | 92.1         | 95.5         | 2.8%                    | 63.8%                         |
| Cooperatives incentive scheme  |                 |             |             |                        |                         |                               |                                  |              |              |                         |                               |

1. Estimates of National Expenditure data tables can be downloaded from [www.treasury.gov.za](http://www.treasury.gov.za). These tables contain detailed information by goods and services, and transfers and subsidies items by programme.

## Personnel information

Detailed information not available.

## 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 on an ongoing basis by:
  - undertaking an integrated approach to the planning, monitoring and evaluation of the SMME development sector to inform policy decision-making
  - overseeing and coordinating the design and implementation of targeted financial and non-financial support programmes to support new and existing SMMEs
  - coordinating and facilitating sustainable partnerships with the private sector, state-owned entities and the public sector to support SMME development
  - implementing institutional governance systems and overseeing entities in the department's portfolio.
- Scale up and coordinate support for SMMEs, cooperatives, and village and township economies by establishing 150 incubation centres/digital hubs in townships and rural areas over the medium term.
- Expand access to finance through innovative service offerings by providing blended finance support to 75 000 SMMEs over the medium term.

### Subprogrammes

- *Enterprise and Supplier Development* manages and facilitates the establishment of new and productive enterprises, and the sustainability and growth of existing enterprises.
- *SMMEs 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. This subprogramme also works with municipalities to develop, enhance and implement enterprise development programmes towards improved 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 36.9 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 (%) |
|--|-----------------|----------------|----------------|------------------------|-------------------------|--------------------------------|----------------------------------|----------------|----------------|-------------------------|--------------------------------|
|  | 2016/17         | 2017/18        | 2018/19        |                        |                         |                                | 2019/20                          | 2020/21        | 2021/22        |                         |                                |
| R million  |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| Enterprise and Supplier Development                                  | 689.9           | 845.0          | 861.1          | 1 605.9                | 32.5%                   | 73.9%                          | 1 713.0                          | 1 962.8        | 1 998.0        | 7.6%                    | 81.7%                          |
| SMMES Programme Design and Support                                   | 283.4           | 270.7          | 281.4          | 369.9                  | 9.3%                    | 22.3%                          | 390.0                            | 413.7          | 427.7          | 5.0%                    | 18.0%                          |
| SMME Competitiveness   | 12.0            | 40.2           | 56.7           | –                      | -100.0%                 | 2.0%                           | –                                | –              | –              | –                       | –                              |
| Entrepreneurship   | 20.4            | 70.6           | 2.6            | 7.0                    | -29.9%                  | 1.9%                           | 6.7                              | 7.1            | 6.8            | -0.9%                   | 0.3%                           |
| <b>Total</b>   | <b>1 005.7</b>  | <b>1 226.5</b> | <b>1 201.8</b> | <b>1 982.8</b>         | <b>25.4%</b>            | <b>100.0%</b>                  | <b>2 109.7</b>                   | <b>2 383.6</b> | <b>2 432.5</b> | <b>7.1%</b>             | <b>100.0%</b>                  |
| Change to 2019 Budget estimate                                       |                 |                |                | (298.1)                |                         |                                | (297.6)                          | (155.5)        | (201.1)        |                         |                                |
| <b>Economic classification</b>                                       |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| <b>Current payments</b>  | <b>54.2</b>     | <b>51.2</b>    | <b>36.6</b>    | <b>44.2</b>            | <b>-6.5%</b>            | <b>3.4%</b>                    | <b>45.5</b>                      | <b>50.6</b>    | <b>49.7</b>    | <b>3.9%</b>             | <b>2.1%</b>                    |
| Compensation of employees  | 40.8            | 36.0           | 28.4           | 34.5                   | -5.4%                   | 2.6%                           | 36.4                             | 41.6           | 41.8           | 6.5%                    | 1.7%                           |
| Goods and services <sup>1</sup>                                      | 13.3            | 15.2           | 8.2            | 9.7                    | -10.1%                  | 0.9%                           | 9.1                              | 8.9            | 7.9            | -6.6%                   | 0.4%                           |
| of which:  |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| Administrative fees  | 0.3             | 0.4            | 0.2            | 0.3                    | 3.1%                    | –                              | 0.2                              | 0.2            | 0.2            | -5.3%                   | –                              |
| Catering: Departmental activities                                    | 1.1             | 0.6            | 1.5            | 0.8                    | -9.6%                   | 0.1%                           | 0.5                              | 0.5            | 0.6            | -10.1%                  | –                              |
| Communication  | 0.1             | 0.1            | 0.1            | 0.1                    | -14.3%                  | –                              | 0.1                              | 0.1            | 0.1            | 17.0%                   | –                              |
| Computer services  | –               | –              | 0.0            | 1.9                    | –                       | –                              | 1.4                              | 0.9            | –              | -100.0%                 | –                              |
| Travel and subsistence   | 4.7             | 5.0            | 3.1            | 3.1                    | -12.6%                  | 0.3%                           | 3.3                              | 3.3            | 3.5            | 4.0%                    | 0.1%                           |
| Venues and facilities  | 4.6             | 0.4            | 1.0            | 2.3                    | -20.3%                  | 0.2%                           | 3.5                              | 3.7            | 3.2            | 12.0%                   | 0.1%                           |
| <b>Transfers and subsidies<sup>1</sup></b>                           | <b>951.5</b>    | <b>1 175.2</b> | <b>1 164.8</b> | <b>1 938.4</b>         | <b>26.8%</b>            | <b>96.5%</b>                   | <b>2 063.8</b>                   | <b>2 332.7</b> | <b>2 382.5</b> | <b>7.1%</b>             | <b>97.9%</b>                   |
| Departmental agencies and accounts                                   | 652.9           | 811.3          | 840.1          | 882.8                  | 10.6%                   | 58.8%                          | 889.1                            | 937.4          | 972.5          | 3.3%                    | 41.3%                          |
| Public corporations and private enterprises                          | 298.4           | 363.8          | 324.5          | 1 055.6                | 52.4%                   | 37.7%                          | 1 174.7                          | 1 395.3        | 1 410.0        | 10.1%                   | 56.5%                          |
| Non-profit institutions  | 0.1             | –              | –              | –                      | -100.0%                 | –                              | –                                | –              | –              | –                       | –                              |
| Households   | 0.1             | 0.1            | 0.3            | 0.0                    | -41.0%                  | –                              | –                                | –              | –              | -100.0%                 | –                              |
| <b>Payments for capital assets</b>                                   | <b>0.1</b>      | <b>0.2</b>     | <b>0.3</b>     | <b>0.2</b>             | <b>48.9%</b>            | <b>–</b>                       | <b>0.3</b>                       | <b>0.3</b>     | <b>0.4</b>     | <b>17.8%</b>            | <b>–</b>                       |
| Machinery and equipment  | 0.1             | 0.2            | 0.3            | 0.2                    | 48.9%                   | –                              | 0.3                              | 0.3            | 0.4            | 17.8%                   | –                              |
| <b>Total</b>   | <b>1 005.7</b>  | <b>1 226.5</b> | <b>1 201.8</b> | <b>1 982.8</b>         | <b>25.4%</b>            | <b>100.0%</b>                  | <b>2 109.7</b>                   | <b>2 383.6</b> | <b>2 432.5</b> | <b>7.1%</b>             | <b>100.0%</b>                  |
| <b>Proportion of total programme expenditure to vote expenditure</b> | <b>84.0%</b>    | <b>84.0%</b>   | <b>84.7%</b>   | <b>87.4%</b>           | <b>–</b>                | <b>–</b>                       | <b>87.7%</b>                     | <b>88.4%</b>   | <b>88.1%</b>   | <b>–</b>                | <b>–</b>                       |
| <b>Details of transfers and subsidies</b>                            |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| <b>Households</b>  |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| <b>Social benefits</b>   |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| <b>Current</b>   | <b>0.1</b>      | <b>0.1</b>     | <b>0.2</b>     | <b>0.0</b>             | <b>-41.0%</b>           | <b>–</b>                       | <b>–</b>                         | <b>–</b>       | <b>–</b>       | <b>-100.0%</b>          | <b>–</b>                       |
| Employee social benefits   | 0.1             | 0.1            | 0.2            | 0.0                    | -41.0%                  | –                              | –                                | –              | –              | -100.0%                 | –                              |
| <b>Departmental agencies and accounts</b>                            |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| <b>Departmental agencies (non-business entities)</b>                 |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| <b>Current</b>   | <b>652.9</b>    | <b>811.3</b>   | <b>840.1</b>   | <b>882.8</b>           | <b>10.6%</b>            | <b>58.8%</b>                   | <b>889.1</b>                     | <b>937.4</b>   | <b>972.5</b>   | <b>3.3%</b>             | <b>41.3%</b>                   |
| Small Enterprise Development Agency                                  | 496.5           | 619.8          | 580.2          | 680.1                  | 11.1%                   | 43.9%                          | 682.6                            | 719.5          | 746.5          | 3.2%                    | 31.8%                          |
| Small Enterprise Development Agency: Technology programme            | 139.2           | 146.1          | 199.4          | 152.3                  | 3.0%                    | 11.8%                          | 160.3                            | 169.1          | 175.4          | 4.8%                    | 7.4%                           |
| Small Enterprise Development Agency: Capacity-building programme     | 17.2            | 30.4           | 30.5           | 15.4                   | -3.7%                   | 1.7%                           | 16.3                             | 17.1           | 17.8           | 4.9%                    | 0.7%                           |
| Small Enterprise Development Agency: National gazelles programme     | –               | 15.0           | 30.0           | 35.0                   | –                       | 1.5%                           | 30.0                             | 31.7           | 32.8           | -2.1%                   | 1.5%                           |
| <b>Public corporations and private enterprises</b>                   |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| <b>Public corporations</b>   |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| <b>Other transfers to public corporations</b>                        |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| <b>Current</b>   | <b>–</b>        | <b>–</b>       | <b>–</b>       | <b>700.0</b>           | <b>–</b>                | <b>12.9%</b>                   | <b>800.0</b>                     | <b>1 000.0</b> | <b>1 000.0</b> | <b>12.6%</b>            | <b>39.3%</b>                   |
| Small Enterprise Finance Agency: Township Entrepreneurship Fund      | –               | –              | –              | 700.0                  | –                       | 12.9%                          | 800.0                            | 1 000.0        | 1 000.0        | 12.6%                   | 39.3%                          |
| <b>Public corporations and private enterprises</b>                   |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| <b>Private enterprises</b>   |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| <b>Other transfers to private enterprises</b>                        |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| <b>Current</b>   | <b>298.4</b>    | <b>363.8</b>   | <b>324.5</b>   | <b>355.6</b>           | <b>6.0%</b>             | <b>24.8%</b>                   | <b>374.7</b>                     | <b>395.3</b>   | <b>410.0</b>   | <b>4.9%</b>             | <b>17.2%</b>                   |
| Various institutions: Black business supplier development programme  | 268.0           | 256.7          | 257.7          | 286.1                  | 2.2%                    | 19.7%                          | 283.8                            | 299.4          | 310.5          | 2.8%                    | 13.2%                          |
| Various institutions: Craft customised sector programme              | 10.0            | 10.0           | 10.0           | 10.6                   | 1.8%                    | 0.7%                           | 11.1                             | 11.8           | 12.2           | 4.9%                    | 0.5%                           |
| Various institutions: National informal business upliftment scheme   | –               | 26.4           | 56.7           | 58.9                   | –                       | 2.6%                           | 79.8                             | 84.2           | 87.3           | 14.0%                   | 3.5%                           |
| Various institutions: Enterprise incubation programme                | 20.4            | 70.6           | –              | –                      | -100.0%                 | 1.7%                           | –                                | –              | –              | –                       | –                              |

1. Estimates of National Expenditure data tables can be downloaded from [www.treasury.gov.za](http://www.treasury.gov.za). These tables contain detailed information by goods and services, and transfers and subsidies items by programme.

## Personnel information

Detailed information not available.

## Entity

### Small Enterprise Development Agency

### Selected performance indicators

**Table 36.10 Small Enterprise Development Agency performance indicators by programme/objective/activity and related priority**

| Indicator  | Programme/Objective/Activity | MTSF priority   | Past           |                |                | Current        | Projections |         |         |
|--|------------------------------|---|----------------|----------------|----------------|----------------|-------------|---------|---------|
|  |                              |   | 2016/17        | 2017/18        | 2018/19        | 2019/20        | 2020/21     | 2021/22 | 2022/23 |
| Turnover increase in supported enterprises by ecosystem partners per year                                | Administration               | Priority 1:<br>Economic transformation and job creation | - <sup>1</sup> | - <sup>1</sup> | R 1.3bn        | R1.5bn         | R1.8bn      | R 2bn   | R2.3bn  |
| New jobs created and reported by ecosystem partners supported per year                                   | Administration               |   | - <sup>1</sup> | - <sup>1</sup> | - <sup>1</sup> | - <sup>1</sup> | 7 000       | 8 000   | 10 000  |
| Number of jobs sustained by ecosystem partners supported per year  | Administration               |   | - <sup>1</sup> | - <sup>1</sup> | 19 064         | 8 250          | 20 000      | 28 000  | 38 000  |
| Number of people trained in business management (group training) per year                                | Enterprise development       |   | - <sup>1</sup> | - <sup>1</sup> | 9 110          | 5 000          | 10 500      | 11 500  | 12 500  |
| Number of business development support providers capacitated to provide sector-specific support per year | Enterprise development       |   | - <sup>1</sup> | - <sup>1</sup> | - <sup>1</sup> | - <sup>1</sup> | 500         | 550     | 605     |
| Marketplace establishment facilitation in each district  | Enterprise development       |   | - <sup>1</sup> | - <sup>1</sup> | - <sup>1</sup> | - <sup>1</sup> | 9           | 24      | 36      |
| Number of SMMEs and cooperatives accessing business development support services per year                | Enterprise development       |   | - <sup>1</sup> | - <sup>1</sup> | - <sup>1</sup> | - <sup>1</sup> | 20 000      | 30 000  | 40 000  |
| Number of informal businesses supported through the ecosystem per year                                   | Enterprise development       |   | 1 747          | 1 633          | 430            | 350            | 5 000       | 7 000   | 9 000   |
| Number of co-location points established per year  | Enterprise development       |   | - <sup>1</sup> | - <sup>1</sup> | 74             | 65             | 66          | 67      | 68      |
| Number of new incubators established (prioritising township and rural areas) per year                    | Technology programme         |   | - <sup>1</sup> | - <sup>1</sup> | - <sup>1</sup> | 8              | 9           | 9       | 9       |
| Number of new enterprises established through incubation per year  | Technology programme         |   | - <sup>1</sup> | - <sup>1</sup> | 498            | 372            | 400         | 430     | 460     |

1. No historical data available.

### Entity overview

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 the development of small enterprises, and integrate government-funded small enterprise support agencies across all spheres of government. Over the medium term, the agency plans to facilitate the development and support of small business enterprises through business incubation, participate in interventions, and prioritise the growth of the manufacturing, agro-processing and ICT sectors.

Accordingly, over the period ahead, the agency will facilitate the establishment of 27 new incubators, prioritising township and rural areas, establish approximately 1 290 new enterprises through incubation, and create 25 000 new jobs and 86 000 sustained jobs with SMME ecosystem partners. The agency's enterprise development fund will also provide non-financial support such as business advice, training, mentorship and product testing to SMMEs and cooperatives.

Expenditure decreases at an average annual rate of 0.2 per cent, from R995.8 million in 2019/20 to R990.5

million in 2022/23. Combined spending on goods and services, and compensation of employees accounts for 98.2 per cent (R2.8 billion) of the agency's total budget over the MTEF period. Revenue increases at an average annual rate of 1.1 per cent, from R958.5 million in 2019/20 to R990.5 million in 2022/23. The agency derives 96.3 per cent (R2.8 billion) of its revenue over the MTEF period from transfers from the department.

## Programmes/Objectives/Activities

**Table 36.11 Small Enterprise Development Agency expenditure trends and estimates by programme/objective/activity**

| R million                 | Audited outcome |              |              |              | Revised estimate | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |              |              | Average growth rate (%) | Average: Expenditure/ Total (%) |
|---------------------------|-----------------|--------------|--------------|--------------|------------------|-------------------------|---------------------------------|----------------------------------|--------------|--------------|-------------------------|---------------------------------|
|                           | 2016/17         | 2017/18      | 2018/19      | 2019/20      |                  |                         |                                 | 2020/21                          | 2021/22      | 2022/23      |                         |                                 |
| Administration            | 147.8           | 155.7        | 163.6        | 196.0        | 9.9%             | 19.7%                   | 199.1                           | 210.9                            | 218.5        | 3.7%         | 21.5%                   |                                 |
| Enterprise development    | 440.4           | 426.2        | 441.5        | 508.9        | 4.9%             | 54.1%                   | 479.3                           | 503.2                            | 517.1        | 0.5%         | 52.2%                   |                                 |
| Seda technology programme | 184.1           | 188.0        | 227.7        | 290.9        | 16.5%            | 26.2%                   | 227.7                           | 240.3                            | 254.9        | -4.3%        | 26.3%                   |                                 |
| <b>Total</b>              | <b>772.3</b>    | <b>769.9</b> | <b>832.8</b> | <b>995.8</b> | <b>8.8%</b>      | <b>100.0%</b>           | <b>906.1</b>                    | <b>954.4</b>                     | <b>990.5</b> | <b>-0.2%</b> | <b>100.0%</b>           |                                 |

## Statements of historical financial performance, cash flow and financial position

**Table 36.12 Small Enterprise Development Agency statements of historical financial performance, cash flow and financial position**

| Statement of financial performance   |         |                 |         |                 |         |                 |                 |                  |                              |
|--|---------|-----------------|---------|-----------------|---------|-----------------|-----------------|------------------|------------------------------|
| R million  | Budget  | Audited outcome | Budget  | Audited outcome | Budget  | Audited outcome | Budget estimate | Revised estimate | Average: Outcome/ Budget (%) |
|  | 2016/17 | 2017/18         | 2018/19 | 2019/20         | 2018/19 | 2019/20         | 2019/20         | 2019/20          | 2016/17 - 2019/20            |
| <b>Revenue</b>   |         |                 |         |                 |         |                 |                 |                  |                              |
| <b>Non-tax revenue</b>   | 135.8   | 102.8           | 68.0    | (10.8)          | 25.8    | 21.2            | 17.0            | 90.7             | 82.7%                        |
| <i>of which:</i>   |         |                 |         |                 |         |                 |                 |                  |                              |
| Other non-tax revenue  | 135.8   | 102.8           | 68.0    | (10.8)          | 25.8    | 21.2            | 17.0            | 90.7             | 82.7%                        |
| <b>Transfers received</b>  | 633.8   | 652.9           | 752.3   | 811.3           | 840.1   | 857.0           | 867.8           | 867.8            | 103.1%                       |
| <b>Total revenue</b>   | 769.7   | 755.7           | 820.3   | 800.5           | 865.9   | 878.2           | 884.8           | 958.5            | 101.6%                       |
| <b>Expenses</b>  |         |                 |         |                 |         |                 |                 |                  |                              |
| <b>Current expenses</b>  | 752.2   | 772.3           | 820.3   | 769.9           | 858.5   | 832.8           | 884.8           | 995.8            | 101.7%                       |
| Compensation of employees  | 292.6   | 300.2           | 330.3   | 326.3           | 355.2   | 340.0           | 379.2           | 384.6            | 99.6%                        |
| Goods and services   | 449.9   | 453.6           | 472.0   | 430.5           | 486.0   | 476.5           | 487.1           | 594.8            | 103.2%                       |
| Depreciation   | 9.8     | 18.4            | 18.0    | 12.7            | 17.4    | 16.3            | 18.4            | 16.3             | 100.2%                       |
| Interest, dividends and rent on land                                       | -       | 0.1             | 0.0     | 0.4             | -       | 0.0             | -               | -                | 9 274.3%                     |
| <b>Total expenses</b>  | 752.2   | 772.3           | 820.3   | 769.9           | 858.5   | 832.8           | 884.8           | 995.8            | 101.7%                       |
| <b>Surplus/(Deficit)</b>   | 17.5    | (16.5)          | -       | 30.6            | 7.4     | 45.4            | -               | (37.3)           |                              |
| <b>Cash flow statement</b>   |         |                 |         |                 |         |                 |                 |                  |                              |
| <b>Cash flow from operating activities</b>                                 | -       | (73.3)          | 33.0    | 114.5           | 21.4    | 73.2            | 18.4            | (21.0)           | 128.3%                       |
| <b>Receipts</b>  |         |                 |         |                 |         |                 |                 |                  |                              |
| <b>Non-tax receipts</b>  | 135.8   | 132.7           | 68.0    | 79.2            | 25.8    | 149.5           | 17.0            | 90.7             | 183.3%                       |
| Other tax receipts   | 135.8   | 132.7           | 68.0    | 79.2            | 25.8    | 149.5           | 17.0            | 90.7             | 183.3%                       |
| <b>Transfers received</b>  | 633.8   | 620.7           | 767.3   | 721.9           | 840.1   | 724.9           | 867.8           | 867.8            | 94.4%                        |
| <b>Total receipts</b>  | 769.7   | 753.4           | 835.3   | 801.1           | 865.9   | 874.4           | 884.8           | 958.5            | 100.9%                       |
| <b>Payment</b>   |         |                 |         |                 |         |                 |                 |                  |                              |
| <b>Current payments</b>  | 769.7   | 826.7           | 802.3   | 686.6           | 844.5   | 801.2           | 866.4           | 979.4            | 100.3%                       |
| Compensation of employees  | 293.4   | 300.2           | 330.3   | 326.3           | 355.2   | 340.0           | 375.6           | 384.6            | 99.7%                        |
| Goods and services   | 476.2   | 526.5           | 472.0   | 359.9           | 489.3   | 461.2           | 490.7           | 594.8            | 100.7%                       |
| Interest and rent on land  | -       | 0.1             | 0.0     | 0.4             | -       | 0.0             | -               | -                | 9 980.0%                     |
| <b>Total payments</b>  | 769.7   | 826.7           | 802.3   | 686.6           | 844.5   | 801.2           | 866.4           | 979.4            | 100.3%                       |
| <b>Net cash flow from investing activities</b>                             | (6.8)   | (17.1)          | (12.1)  | (7.9)           | (7.4)   | (6.3)           | (10.5)          | (24.5)           | 151.6%                       |
| Acquisition of property, plant, equipment and intangible assets            | (6.8)   | (17.1)          | (12.2)  | (8.0)           | (7.4)   | (6.2)           | (10.5)          | (24.4)           | 151.2%                       |
| Acquisition of software and other intangible assets                        | -       | (0.3)           | -       | (0.1)           | -       | (0.2)           | -               | (0.0)            | -                            |
| Proceeds from the sale of property, plant, equipment and intangible assets | -       | 0.4             | 0.1     | 0.2             | -       | -               | -               | -                | 709.6%                       |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                | (6.8)   | (90.4)          | 20.9    | 106.6           | 14.0    | 66.8            | 7.9             | (45.4)           |                              |
| <b>Statement of financial position</b>                                     |         |                 |         |                 |         |                 |                 |                  |                              |
| Carrying value of assets   | 54.0    | 54.6            | 56.7    | 49.8            | 54.0    | 39.5            | 58.6            | 62.7             | 92.5%                        |
| <b>Acquisition of assets</b>   | (6.8)   | (17.1)          | (12.2)  | (8.0)           | (7.4)   | (6.2)           | (10.5)          | (24.4)           | 151.2%                       |
| Inventory  | 0.6     | 0.6             | 0.6     | 0.5             | 0.6     | 0.4             | 0.6             | 0.5              | 82.7%                        |
| Receivables and prepayments  | 11.0    | 10.1            | 10.7    | 9.5             | 10.0    | 13.3            | 9.8             | 13.5             | 111.7%                       |
| Cash and cash equivalents  | 159.6   | 87.6            | 144.4   | 194.2           | 119.0   | 261.0           | 113.2           | 138.6            | 127.1%                       |
| <b>Total assets</b>  | 225.1   | 152.9           | 212.4   | 254.0           | 183.6   | 314.2           | 182.2           | 215.3            | 116.6%                       |
| Accumulated surplus/(deficit)  | 50.0    | 48.0            | 40.0    | 78.6            | 14.5    | 124.0           | 15.0            | 20.0             | 226.5%                       |
| Trade and other payables   | 148.3   | 79.7            | 145.0   | 140.3           | 140.9   | 157.5           | 137.3           | 165.7            | 95.1%                        |
| Provisions   | 26.1    | 25.2            | 27.4    | 35.0            | 28.3    | 32.7            | 30.0            | 29.6             | 109.7%                       |
| Derivatives financial instruments  | 0.8     | -               | -       | -               | -       | -               | -               | -                | -                            |
| <b>Total equity and liabilities</b>  | 225.1   | 152.9           | 212.4   | 254.0           | 183.6   | 314.2           | 182.2           | 215.3            | 116.6%                       |

## Statements of estimates of financial performance, cash flow and financial position

**Table 36.13 Small Enterprise Development Agency statements of estimates of financial performance, cash flow and financial position**

| Statement of financial performance                              |                  |                         |                                 |                      |               |               |                         |                                 |
|---|------------------|-------------------------|---------------------------------|----------------------|---------------|---------------|-------------------------|---------------------------------|
| R million   | Revised estimate | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term estimate |               |               | Average growth rate (%) | Average: Expenditure/ Total (%) |
|   | 2019/20          | 2016/17 - 2019/20       | 2019/20                         | 2020/21              | 2021/22       | 2022/23       | 2019/20 - 2022/23       | 2019/20 - 2022/23               |
| <b>Revenue</b>  |                  |                         |                                 |                      |               |               |                         |                                 |
| Non-tax revenue   | 90.7             | -4.1%                   | 6.0%                            | 17.0                 | 17.1          | 18.0          | -41.7%                  | 3.7%                            |
| Other non-tax revenue   | 90.7             | -4.1%                   | 6.0%                            | 17.0                 | 17.1          | 18.0          | -41.7%                  | 3.7%                            |
| <b>Transfers received</b>                                       | <b>867.8</b>     | <b>9.9%</b>             | <b>94.0%</b>                    | <b>889.1</b>         | <b>937.4</b>  | <b>972.5</b>  | <b>3.9%</b>             | <b>96.3%</b>                    |
| <b>Total revenue</b>  | <b>958.5</b>     | <b>8.2%</b>             | <b>100.0%</b>                   | <b>906.1</b>         | <b>954.4</b>  | <b>990.5</b>  | <b>1.1%</b>             | <b>100.0%</b>                   |
| <b>Current expenses</b>   |                  |                         |                                 |                      |               |               |                         |                                 |
| Compensation of employees                                       | 384.6            | 8.6%                    | 40.2%                           | 408.7                | 436.2         | 465.7         | 6.6%                    | 44.1%                           |
| Goods and services  | 594.8            | 9.5%                    | 57.9%                           | 480.4                | 500.4         | 506.2         | -5.2%                   | 54.1%                           |
| Depreciation  | 16.3             | -3.9%                   | 1.9%                            | 17.0                 | 17.8          | 18.6          | 4.5%                    | 1.8%                            |
| <b>Total expenses</b>   | <b>995.8</b>     | <b>8.8%</b>             | <b>100.0%</b>                   | <b>906.1</b>         | <b>954.4</b>  | <b>990.5</b>  | <b>-0.2%</b>            | <b>100.0%</b>                   |
| <b>Surplus/(Deficit)</b>  | <b>(37.3)</b>    |                         |                                 | -                    | -             | -             |                         |                                 |
| <b>Cash flow statement</b>                                      |                  |                         |                                 |                      |               |               |                         |                                 |
| <b>Cash flow from operating activities</b>                      | <b>(21.0)</b>    | <b>-34.1%</b>           | <b>13.5%</b>                    | <b>17.0</b>          | <b>17.8</b>   | <b>18.6</b>   | <b>-41.7%</b>           | <b>3.7%</b>                     |
| <b>Receipts</b>   |                  |                         |                                 |                      |               |               |                         |                                 |
| Non-tax receipts  | 90.7             | -11.9%                  | 13.5%                           | 17.0                 | 17.1          | 18.0          | -41.7%                  | 3.7%                            |
| Other tax receipts  | 90.7             | -11.9%                  | 13.5%                           | 17.0                 | 17.1          | 18.0          | -41.7%                  | 3.7%                            |
| <b>Transfers received</b>                                       | <b>867.8</b>     | <b>11.8%</b>            | <b>86.5%</b>                    | <b>889.1</b>         | <b>937.4</b>  | <b>972.5</b>  | <b>3.9%</b>             | <b>96.3%</b>                    |
| <b>Total receipts</b>   | <b>958.5</b>     | <b>8.4%</b>             | <b>100.0%</b>                   | <b>906.1</b>         | <b>954.4</b>  | <b>990.5</b>  | <b>1.1%</b>             | <b>100.0%</b>                   |
| <b>Current payments</b>   |                  |                         |                                 |                      |               |               |                         |                                 |
| Compensation of employees                                       | 384.6            | 8.6%                    | 40.2%                           | 408.7                | 436.2         | 465.7         | 6.6%                    | 44.9%                           |
| Goods and services  | 594.8            | 4.2%                    | 57.5%                           | 480.4                | 500.4         | 506.2         | -5.2%                   | 55.1%                           |
| <b>Total payment</b>  | <b>979.4</b>     | <b>5.8%</b>             | <b>100.0%</b>                   | <b>889.1</b>         | <b>936.6</b>  | <b>971.9</b>  | <b>-0.3%</b>            | <b>100.0%</b>                   |
| <b>Net cash flow from investing activities</b>                  | <b>(24.5)</b>    | <b>12.8%</b>            | <b>100.0%</b>                   | <b>(21.2)</b>        | <b>(22.4)</b> | <b>(23.2)</b> | <b>-1.8%</b>            | <b>100.0%</b>                   |
| Acquisition of property, plant, equipment and intangible assets | (24.4)           | 12.5%                   | 99.7%                           | (21.2)               | (22.4)        | (23.1)        | -1.8%                   | 99.9%                           |
| Acquisition of software and other intangible assets             | (0.0)            | -52.8%                  | 1.6%                            | (0.0)                | (0.0)         | (0.0)         | -5.9%                   | 0.1%                            |
| <b>Net increase/(decrease) in cash and cash equivalents</b>     | <b>(45.4)</b>    | <b>-20.5%</b>           | <b>100.0%</b>                   | <b>(4.2)</b>         | <b>(4.6)</b>  | <b>(4.5)</b>  | <b>-53.6%</b>           | <b>100.0%</b>                   |
| <b>Statement of financial position</b>                          |                  |                         |                                 |                      |               |               |                         |                                 |
| Carrying value of assets  | 62.7             | 4.7%                    | 24.3%                           | 69.0                 | 73.7          | 76.4          | 6.8%                    | 33.4%                           |
| Acquisition of assets   | (24.4)           | 12.5%                   | -6.9%                           | (21.2)               | (22.4)        | (23.1)        | -1.8%                   | -10.8%                          |
| Inventory   | 0.5              | -4.7%                   | 0.2%                            | 0.5                  | 0.5           | 0.6           | 3.8%                    | 0.3%                            |
| Receivables and prepayments                                     | 13.5             | 10.2%                   | 5.2%                            | 13.8                 | 14.0          | 14.3          | 1.8%                    | 6.6%                            |
| Cash and cash equivalents                                       | 138.6            | 16.5%                   | 70.3%                           | 144.6                | 125.2         | 101.4         | -9.9%                   | 59.8%                           |
| <b>Total assets</b>   | <b>215.3</b>     | <b>12.1%</b>            | <b>100.0%</b>                   | <b>227.9</b>         | <b>213.4</b>  | <b>192.6</b>  | <b>-3.7%</b>            | <b>100.0%</b>                   |
| Accumulated surplus/(deficit)                                   | 20.0             | -25.3%                  | 27.8%                           | 50.0                 | 35.0          | 15.0          | -9.1%                   | 13.9%                           |
| Trade and other payables  | 165.7            | 27.6%                   | 58.6%                           | 146.5                | 145.2         | 142.3         | -4.9%                   | 70.8%                           |
| Provisions  | 29.6             | 5.5%                    | 13.6%                           | 31.4                 | 33.3          | 35.3          | 6.0%                    | 15.3%                           |
| <b>Total equity and liabilities</b>                             | <b>215.3</b>     | <b>12.1%</b>            | <b>100.0%</b>                   | <b>227.9</b>         | <b>213.4</b>  | <b>192.6</b>  | <b>-3.7%</b>            | <b>100.0%</b>                   |

## Personnel information

**Table 36.14 Small Enterprise Development Agency personnel numbers and cost by salary level**

| Number of posts estimated for 31 March 2020 |   | Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment |      |           |                  |      |           |                                  |      |           |         |      |           | Number                  |                                 |           |     |           |        |
|---|---|--|------|-----------|------------------|------|-----------|----------------------------------|------|-----------|---------|------|-----------|-------------------------|---------------------------------|-----------|-----|-----------|--------|
| Number of funded posts                      | Number of posts on approved establishment | Actual   |      |           | Revised estimate |      |           | Medium-term expenditure estimate |      |           |         |      |           | Average growth rate (%) | Average: Salary level/Total (%) |           |     |           |        |
|   |   | 2018/19  |      | Unit cost | 2019/20          |      | Unit cost | 2020/21                          |      | Unit cost | 2021/22 |      | Unit cost |                         |                                 | 2022/23   |     | Unit cost |        |
| Small Enterprise Development Agency         |   | Number   | Cost | Unit cost | Number           | Cost | Unit cost | Number                           | Cost | Unit cost | Number  | Cost | Unit cost | Number                  | Cost                            | Unit cost |     |           |        |
| Salary level                                | 750                                       | 748  | 704  | 340.0     | 0.5              | 723  | 384.6     | 0.5                              | 750  | 408.7     | 0.5     | 750  | 436.2     | 0.6                     | 750                             | 465.7     | 0.6 | 6.6%      | 100.0% |
| 1 – 6                                       | 254                                       | 254  | 235  | 49.0      | 0.2              | 245  | 56.0      | 0.2                              | 254  | 59.8      | 0.2     | 254  | 63.9      | 0.3                     | 254                             | 68.2      | 0.3 | 6.8%      | 33.9%  |
| 7 – 10                                      | 420                                       | 418  | 398  | 212.6     | 0.5              | 407  | 241.7     | 0.6                              | 420  | 256.0     | 0.6     | 420  | 273.3     | 0.7                     | 420                             | 291.8     | 0.7 | 6.5%      | 56.1%  |
| 11 – 12                                     | 59  | 59   | 55   | 54.0      | 1.0              | 55   | 59.8      | 1.1                              | 59   | 63.9      | 1.1     | 59   | 68.2      | 1.2                     | 59                              | 72.8      | 1.2 | 6.8%      | 7.8%   |
| 13 – 16                                     | 16  | 16   | 15   | 21.6      | 1.4              | 15   | 24.0      | 1.6                              | 16   | 25.6      | 1.6     | 16   | 27.4      | 1.7                     | 16                              | 29.2      | 1.8 | 6.8%      | 2.1%   |
| 17 – 22                                     | 1   | 1  | 1    | 2.8       | 2.8              | 1    | 3.1       | 3.1                              | 1    | 3.3       | 3.3     | 1    | 3.5       | 3.5                     | 1                               | 3.8       | 3.8 | 6.8%      | 0.1%   |

1. Rand million.

◀ 2020 ▶  
**BUDGET**

ESTIMATES OF NATIONAL  
EXPENDITURE



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA