

Vote 31

Small Business Development

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	127.6	125.1	–	2.6	128.8	137.2
Small, Medium and Micro Enterprises and Cooperatives Policy and Research	22.0	22.0	–	–	24.3	25.7
Small, Medium and Micro Enterprises and Cooperatives Programme Design and Support	1 300.2	69.9	1 230.3	–	1 376.8	1 455.3
Total expenditure estimates	1 449.8	217.0	1 230.3	2.6	1 529.9	1 618.3

Executive authority: Minister of Small Business Development
 Accounting officer: Director General of Small Business Development
 Website address: www.dsbd.gov.za

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

Vote purpose

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

Mandate

The Department of Small Business Development was established in May 2014 to lead an integrated approach to the promotion and development of small businesses and cooperatives. The department's work in this regard focuses on the economic and legislative drivers that stimulate entrepreneurship and contribute to radical economic transformation. The realisation of this mandate will lead to increased employment, poverty reduction and reduced inequality.

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

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

Selected performance indicators

Table 31.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of black small, medium and micro enterprises (SMMEs) financially assisted through the black business supplier development programme per year	Small, Medium and Micro Enterprises and Cooperatives Programme Design and Support	Outcome 4: Decent employment through inclusive growth	1 066 ¹	1 872 ¹	480	600	641	677	715
Number of cooperatives supported through training per year	Small Medium and Micro Enterprises and Cooperatives Programme Design and Support	Outcome 4: Decent employment through inclusive growth	– ²	– ²	350 ³	370 ³	270 ³	286 ³	302 ³
Number of cooperatives financially assisted through the cooperative incentive scheme per year	Small Medium and Micro Enterprises and Cooperatives Programme Design and Support	Outcome 7: Vibrant, equitable, sustainable rural communities contributing towards food security for all	243	431	350 ³	370 ³	270 ³	286 ³	302 ³

Table 31.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of informal business infrastructure funded through the shared economic infrastructure facility per year	Small Medium and Micro Enterprises and Cooperatives Programme Design and Support	Outcome 7: Vibrant, equitable, sustainable rural communities contributing towards food security for all	-2	-2	-2	-2	6	6	6
Number of informal enterprises financially assisted through the national informal business upliftment scheme per year	Small Medium and Micro Enterprises and Cooperatives Programme Design and Support		-2	-2	-2	1 666	1 696	1 807	1 942
Number of incubators established through the enterprise incubation programme per year	Small Medium and Micro Enterprises and Cooperatives Programme Design and Support	Outcome 5: A skilled and capable workforce to support an inclusive growth path	-2	-2	-2	1	4	4	4

1. Target was reduced to align with available funds.

2. No historical data available.

3. This indicator was incorporated within "Number of cooperatives financially assisted through the cooperative incentive scheme per year". It should be noted that the training is the prerequisite of financial assistance, hence target for the two are the same.

Expenditure analysis

The Department of Small Business Development's work supports the realisation of the National Development Plan's goal of supporting small enterprises to transform the economy and make it more inclusive. It also contributes directly to outcome 4 (decent employment through inclusive growth) of government's 2014-2019 medium-term strategic framework, which sets the department the task of identifying the institutional and regulatory changes required to accelerate growth of the small business sector and increase its contribution to job creation. Over the medium term, the department plans to evaluate the strategy for the development of small enterprises and entrepreneurship, increase its support for small enterprises, develop and provide incentives to cooperatives, and support incubators for small enterprises. The department's total budget allocation, which includes transfers to the Small Enterprise Development Agency, is expected to increase at an annual rate of 7.1 per cent, from R1.2 billion in 2016/17 to R1.6 billion by 2019/20.

Evaluating and reviewing strategy

The department plans over the medium term to review the National Small Business Act (1996) and develop the National Small Business Amendment Bill. The bill is expected to include a more accurate definition of a small, medium and micro enterprise, which should allow for the development of more appropriate policy and support interventions. The bill will also propose recommendations to streamline public entities in the sector to avoid duplications in the support government provides to small businesses.

The department is also considering evaluating and revising the 2005 strategy for the development of small businesses and entrepreneurship. The evaluation will allow for an evidence-based review of the strategy to ensure that it is relevant and responsive to business cycles, recent economic activities, and the socioeconomic effects of high unemployment, inequality and poverty. The department has allocated R91.6 million, or 2 per cent of its budget over the medium term, for these legislative, regulatory and research activities.

Increasing support for small enterprises

The Small Enterprise Development Agency provides non-financial support and incubation to small enterprises and cooperatives through the National Gazelles and incubator support programmes. The National Gazelles programme is an enterprise accelerator that identifies high-potential small enterprises and provides them with mentorship and coaching, training, market development, and access to finance. The programme is set to support 600 small enterprises over the medium term. The incubation support programme provides institutional support for small enterprises and cooperatives to develop, pilot and refine innovations and approaches. The agency expects to place 7 379 small enterprises and cooperatives into incubators over the medium term. To fund these activities, the department is set to transfer R2.3 billion, or 50.3 per cent of the department's total budget over the medium term, to the agency. The transfers are provided for in the *Small, Medium and Micro Enterprises and Cooperatives Programme Design and Support* programme.

The department will continue to support small, black-owned enterprises through the black business supplier development programme, which is allocated R813.8 million over the medium term in the *Small, Medium and Micro Enterprises and Cooperatives Programme Design and Support* programme. The black business supplier development programme is a cost-sharing grant offered to small, black-owned enterprises to acquire tools, machinery, equipment and training to the maximum of R1 million per applicant. An estimated 2 033 SMMEs are set to receive support through the programme over the medium term.

Small enterprises will also benefit from the national informal business upliftment scheme, which is allocated R311.5 million over the medium term. The scheme aims to develop and grow 5 445 informal businesses and cooperatives by providing financial and non-financial support services to improve competitiveness, facilitate market access, and leverage public and private procurement. Spending on the scheme falls under the *Competitiveness Support* subprogramme in the *Small, Medium and Micro Enterprises and Cooperatives Programme Design and Support* programme.

The shared economic infrastructure facility is the main implementation pillar of the national informal business upliftment scheme. The facility provides a 50-50 cost-sharing grant for public-private sector investments in economic infrastructure. The grant targets mainly infrastructure projects that create an enabling environment for small businesses in townships, rural areas and inner cities. The department plans to support 18 informal business structures through the shared economic infrastructure facility over the medium term.

Providing incentives to cooperatives

The department plans to continue improving coordination between all spheres of government to strengthen support for cooperatives through the cooperative incentive scheme. The incentive is a 100 per cent grant for registered primary cooperatives, and is aimed at improving the viability and competitiveness of cooperative enterprises by lowering the cost of doing business. Funding for the cooperative incentive scheme is expected to increase at an annual average rate of 5.6 per cent over the medium term, from R75 million in 2016/17 to R88 million in 2019/20. However, the number of cooperatives accessing funding through the scheme will decrease from 370 in 2016/17 to 302 by 2019/20 due to budget constraints. The activities around cooperatives policy development will amount to R25.6 million over the medium term, budgeted for in the *Cooperatives Development* subprogramme in the *Small Medium and Micro Enterprises and Cooperatives Programme Design and Support* programme.

Supporting incubators for small enterprises

Over the medium term, the enterprise incubator programme plans to encourage public-private sector partnerships in support of incubators, and improved infrastructure facilities for SMMEs and cooperatives. The programme will incentivise market-driven incubators that will nurture small enterprises and cooperatives to gain competitive technical and business development skills, and mentorship for the fulfilment of supply-chain quality requirements. The department has allocated R193.5 million over the medium term, of which 83.8 per cent or R162.2 million will fund the establishment of incubators, to the *Market Development* subprogramme within the *Small, Medium and Micro Enterprises and Cooperatives Programme Design and Support* programme. The department plans to support 12 incubators over the medium term. In partnership with other stakeholders, the department will develop programmes aimed at improving the quality of products and services; and assist local suppliers in expanding production capacity, identifying market access opportunities, and facilitating market opportunities internationally.

Expenditure trends

Table 31.2 Vote expenditure trends by programme and economic classification

Programmes																																				
1. Administration																																				
2. Small, Medium and Micro Enterprises and Cooperatives Policy and Research																																				
3. Small, Medium and Micro Enterprises and Cooperatives Programme Design and Support																																				
Programme	Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Average: Outcome/Annual budget (%)			Average: Outcome/Adjusted appropriation (%)					
R million	2013/14			2014/15			2015/16			2016/17			2013/14			2014/15			2015/16			2016/17			2013/14			2014/15			2015/16			2016/17		
Programme 1	13.5	13.5	13.5	45.0	45.0	22.4	64.0	81.4	66.4	118.1	114.0	108.6	87.6%			87.5%			87.5%			87.5%			87.5%			87.5%			87.5%					
Programme 2	13.5	13.5	13.5	12.2	12.2	11.7	15.2	11.7	11.7	26.1	25.8	21.7	87.5%			87.5%			87.5%			87.5%			87.5%			87.5%			87.5%					
Programme 3	1 012.6	1 012.6	1 025.4	1 027.4	1 027.4	1 091.5	1 024.0	1 034.4	1 020.8	1 181.3	1 178.6	1 077.2	99.3%			99.3%			99.3%			99.3%			99.3%			99.3%			99.3%					
Total	1 039.5	1 039.5	1 052.4	1 084.6	1 084.6	1 125.5	1 103.2	1 127.5	1 098.9	1 325.4	1 318.4	1 207.4	98.5%			98.5%			98.5%			98.5%			98.5%			98.5%			98.5%					
Change to 2016 Budget estimate												(7.0)																								

Table 31.2 Vote expenditure trends by programme and economic classification

Economic classification	2013/14			2014/15			2015/16			2016/17			Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate		
R million														
Current payments	87.1	87.1	87.1	130.7	130.7	100.9	166.2	166.5	137.5	215.5	208.5	193.5	86.6%	87.5%
Compensation of employees	55.3	55.3	55.3	84.0	84.0	73.8	109.7	111.5	93.1	136.7	129.7	114.7	87.4%	88.5%
Goods and services	31.8	31.8	31.8	46.8	46.8	27.1	56.5	55.0	44.3	78.8	78.8	78.8	85.1%	85.7%
Transfers and subsidies	951.4	951.4	964.2	949.2	949.2	1 023.0	935.8	958.4	958.2	1 105.8	1 105.8	1 009.8	100.3%	99.8%
Departmental agencies and accounts	648.7	648.7	661.5	624.7	624.7	644.4	610.4	610.4	622.8	633.8	633.8	633.8	-	-
Higher education institutions	-	-	-	-	-	-	-	12.5	-	-	-	-	-	-
Public corporations and private enterprises	294.1	294.1	294.1	308.2	308.2	362.3	308.8	318.8	318.6	472.0	472.0	376.0	97.7%	97.0%
Non-profit institutions	8.3	8.3	8.3	16.3	16.3	16.3	16.7	16.7	16.7	-	-	-	100.0%	100.0%
Households	0.3	0.3	0.3	-	-	-	-	0.1	0.1	-	-	-	126.3%	105.9%
Payments for capital assets	1.0	1.0	1.0	4.7	4.7	1.6	1.1	2.6	3.2	4.2	4.2	4.2	90.8%	80.0%
Machinery and equipment	1.0	1.0	1.0	4.7	4.7	1.6	1.1	2.6	3.2	4.2	4.2	4.2	90.6%	79.8%
Total	1 039.5	1 039.5	1 052.4	1 084.6	1 084.6	1 125.5	1 103.2	1 127.5	1 098.9	1 325.4	1 318.4	1 207.4	98.5%	98.1%

Expenditure estimates

Table 31.3 Vote expenditure estimates by programme and economic classification

Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
				2016/17	2013/14 - 2016/17	2017/18		
R million								
Programme 1	108.6	100.6%	4.7%	127.6	128.8	137.2	8.1%	8.7%
Programme 2	21.7	17.0%	1.3%	22.0	24.3	25.7	5.8%	1.6%
Programme 3	1 077.2	2.1%	94.0%	1 300.2	1 376.8	1 455.3	10.6%	89.7%
Total	1 207.4	5.1%	100.0%	1 449.8	1 529.9	1 618.3	10.3%	100.0%
Change to 2016 Budget estimate				(9.7)	(10.1)	(10.8)		
Economic classification								
Current payments	193.5	30.5%	11.6%	217.0	226.8	242.2	7.8%	15.1%
Compensation of employees	114.7	27.5%	7.5%	137.5	141.4	152.3	9.9%	9.4%
Goods and services	78.8	35.4%	4.1%	79.5	85.4	89.9	4.5%	5.7%
Transfers and subsidies	1 009.8	2.0%	88.2%	1 230.3	1 300.5	1 373.3	10.8%	84.6%
Departmental agencies and accounts	633.8	-0.8%	57.1%	735.7	778.4	822.0	9.1%	51.2%
Public corporations and private enterprises	376.0	8.5%	30.1%	494.6	522.1	551.4	13.6%	33.5%
Payments for capital assets	4.2	59.4%	0.2%	2.6	2.6	2.7	-13.3%	0.2%
Machinery and equipment	4.2	59.4%	0.2%	2.6	2.6	2.7	-13.3%	0.2%
Total	1 207.4	5.1%	100.0%	1 449.8	1 529.9	1 618.3	10.3%	100.0%

Goods and services expenditure trends and estimates

Table 31.4 Vote goods and services expenditure 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 (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
Administrative fees	228	152	509	1 647	93.3%	1.4%	998	2 184	2 177	9.7%	2.1%
Advertising	738	737	1 946	2 960	58.9%	3.5%	2 365	3 350	3 538	6.1%	3.7%
Minor assets	2	23	40	71	228.7%	0.1%	125	82	89	7.8%	0.1%
Audit costs: External	-	-	1 072	3 274	-	2.4%	3 800	3 435	3 570	2.9%	4.2%
Bursaries: Employees	-	-	7	300	-	0.2%	350	380	401	10.2%	0.4%
Catering: Departmental activities	851	679	955	2 174	36.7%	2.6%	1 140	2 005	2 130	-0.7%	2.2%
Communication	694	892	1 481	1 684	34.4%	2.6%	1 101	1 981	2 101	7.7%	2.1%
Computer services	-	-	3 897	7 072	-	6.0%	6 360	6 705	7 126	0.3%	8.2%
Consultants: Business and advisory services	1 459	1 460	745	11 820	100.8%	8.5%	10 448	7 902	8 347	-10.9%	11.5%
Legal services	13	(315)	-	600	258.7%	0.2%	1 166	660	697	5.1%	0.9%
Contractors	2 187	1 402	673	1 306	-15.8%	3.1%	1 040	1 508	1 600	7.0%	1.6%

Table 31.4 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R thousand											
Agency and support/outourced services	125	(2)	–	120	-1.4%	0.1%	1 350	400	422	52.1%	0.7%
Entertainment	7	255	–	30	62.4%	0.2%	51	32	34	4.3%	–
Fleet services (including government motor transport)	90	166	276	522	79.7%	0.6%	212	535	561	2.4%	0.5%
Inventory: Materials and supplies	–	–	–	–	–	–	1	–	–	–	–
Consumable supplies	46	58	354	1 097	187.8%	0.9%	435	529	550	-20.6%	0.8%
Consumables: Stationery, printing and office supplies	427	1 201	907	1 263	43.5%	2.1%	2 528	2 407	2 481	25.2%	2.6%
Operating leases	904	667	6 839	15 640	158.6%	13.2%	16 964	17 333	18 309	5.4%	20.5%
Rental and hiring	2	–	4	65	219.1%	–	–	–	–	-100.0%	–
Property payments	2	–	–	1	-20.6%	–	–	450	475	680.2%	0.3%
Transport provided: Departmental activity	–	100	–	–	–	0.1%	–	–	–	–	–
Travel and subsistence	20 574	15 180	19 309	22 819	3.5%	42.8%	23 997	29 331	30 867	10.6%	32.1%
Training and development	1 284	1 250	3 738	1 116	-4.6%	4.1%	1 500	–	–	-100.0%	0.8%
Operating payments	748	1 482	335	513	-11.8%	1.7%	321	390	412	-7.0%	0.5%
Venues and facilities	1 390	1 743	1 233	2 698	24.7%	3.9%	3 266	3 818	4 046	14.5%	4.1%
Total	31 771	27 130	44 320	78 792	35.4%	100.0%	79 518	85 417	89 933	4.5%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 31.5 Vote transfers and subsidies trends and estimates

	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R thousand											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	661 497	644 398	622 835	633 814	-1.4%	63.3%	735 701	778 371	821 959	9.1%	59.3%
Small Enterprise Development Agency	525 372	502 283	478 183	481 495	-2.9%	49.1%	575 766	609 160	643 272	10.1%	46.1%
Small Enterprise Development Agency: Technology programme	123 295	126 368	132 181	139 187	4.1%	12.9%	146 146	154 622	163 281	5.5%	12.0%
Small Enterprise Development Agency: Capacity building programme	12 830	15 747	12 471	13 132	0.8%	1.3%	13 789	14 589	15 406	5.5%	1.1%
Public corporations and private enterprises											
Other transfers to public corporations											
Current	–	9 000	18 751	10 000	–	0.9%	10 000	10 000	10 560	1.8%	0.8%
Industrial Development Corporation: Isivande Women's Fund	–	–	8 751	–	–	0.2%	–	–	–	–	–
Industrial Development Corporation: Craft customised sector programme	–	9 000	10 000	10 000	–	0.7%	10 000	10 000	10 560	1.8%	0.8%
Public corporations and private enterprises											
Other transfers to private enterprises											
Current	294 101	353 302	299 874	461 972	16.2%	34.8%	484 571	512 146	540 826	5.4%	39.9%
Various institutions: Black business supplier development programme	218 621	278 302	224 876	245 000	3.9%	23.9%	256 750	270 953	286 126	5.3%	21.1%
Various institutions: Cooperatives incentive scheme	75 480	75 000	74 998	75 000	-0.2%	7.4%	78 750	83 318	87 984	5.5%	6.5%
Various institutions: National informal business upliftment scheme	–	–	–	95 698	–	2.4%	99 406	103 138	108 914	4.4%	8.1%
Various institutions: Enterprise incubation programme	–	–	–	46 274	–	1.1%	49 665	54 737	57 802	7.7%	4.2%
Non-profit institutions*											
Current	8 335	16 320	16 726	–	-100.0%	1.0%	–	–	–	–	–
South African Women Entrepreneurs Network	8 335	16 320	16 726	–	-100.0%	1.0%	–	–	–	–	–
Households											
Social benefits											
Current	155	22	61	–	-100.0%	–	–	–	–	–	–
Employee social benefits	155	22	61	–	-100.0%	–	–	–	–	–	–
Households											
Other transfers to households											
Current	154	–	2	–	-100.0%	–	–	–	–	–	–
Gifts and donations	154	–	2	–	-100.0%	–	–	–	–	–	–
Total	964 242	1 023 042	958 249	1 105 786	4.7%	100.0%	1 230 272	1 300 517	1 373 345	7.5%	100.0%

Personnel information

Table 31.6 Vote personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2015/16			2016/17			2017/18		2018/19		2019/20				2016/17 - 2019/20			
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				Number	Cost	Unit cost
Small Business Development																			
Salary level	205	23	156	93.1	0.6	201	114.7	0.6	217	137.5	0.6	205	141.4	0.7	205	152.3	0.7	0.7%	100.0%
1 – 6	24	8	15	3.1	0.2	27	4.9	0.2	29	6.6	0.2	30	7.6	0.3	30	8.1	0.3	3.6%	14.0%
7 – 10	89	9	70	26.2	0.4	92	34.5	0.4	102	45.2	0.4	93	44.7	0.5	93	48.3	0.5	0.4%	45.9%
11 – 12	42	3	37	25.4	0.7	43	31.2	0.7	47	37.7	0.8	43	37.6	0.9	43	40.7	0.9	–	21.3%
13 – 16	48	3	32	34.2	1.1	37	39.7	1.1	37	43.4	1.2	37	46.6	1.3	37	50.0	1.4	–	17.9%
Other	2	–	2	4.2	2.1	2	4.4	2.2	2	4.6	2.3	2	4.9	2.5	2	5.2	2.6	–	1.0%
Programme	205	23	156	93.1	0.6	201	114.7	0.6	217	137.5	0.6	205	141.4	0.7	205	152.3	0.7	0.7%	100.0%
Programme 1	94	11	51	34.6	0.7	97	52.4	0.5	113	70.1	0.6	101	68.6	0.7	101	73.8	0.7	1.4%	49.8%
Programme 2	15	–	14	9.9	0.7	13	10.0	0.8	13	10.8	0.8	13	11.6	0.9	13	12.5	1.0	–	6.3%
Programme 3	96	12	91	48.6	0.5	91	52.2	0.6	91	56.5	0.6	91	61.1	0.7	91	66.0	0.7	–	44.0%

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

2. Rand million.

Departmental receipts

Table 31.7 Departmental receipts by economic classification

Audited outcome	Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)			
					2017/18	2018/19	2019/20					
R thousand	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20			
Departmental receipts	–	–	121	50	50	–	100.0%	55	60	70	11.9%	100.0%
Sales of goods and services produced by department	–	–	121	50	50	–	100.0%	55	60	70	11.9%	100.0%
Sales by market establishments	–	–	–	–	–	–	–	–	–	–	–	–
Total	–	–	121	50	50	–	100.0%	55	60	70	11.9%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 31.8 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20		
Ministry	13.5	22.4	29.9	25.0	22.9%	42.0%	30.8	26.8	28.6	4.6%	21.9%
Departmental Management	–	–	15.2	18.7	–	15.7%	21.0	19.3	20.7	3.5%	15.7%
Corporate Services	–	–	21.3	42.8	–	29.7%	50.0	52.9	56.2	9.5%	39.8%
Financial Management	–	–	–	15.5	–	7.2%	18.8	17.9	19.1	7.2%	14.0%
Communications	–	–	–	12.0	–	5.5%	7.1	11.8	12.6	1.7%	8.6%
Total	13.5	22.4	66.4	114.0	103.9%	100.0%	127.6	128.8	137.2	6.4%	100.0%
Change to 2016				(4.1)			6.1	3.7	5.2		
Budget estimate											

Table 31.8 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2016/17 - 2019/20	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Current payments	12.5	21.3	63.5	110.0	106.2%	95.8%	125.1	126.2	134.5	7.0%	97.7%
Compensation of employees	3.8	11.4	34.6	57.8	146.9%	49.8%	70.1	68.6	73.8	8.5%	53.3%
Goods and services ¹	8.7	9.9	28.9	52.2	81.7%	46.1%	54.9	57.6	60.7	5.2%	44.4%
of which:											
Advertising	–	0.7	1.9	3.0	–	2.6%	2.4	3.4	3.5	6.1%	2.4%
Audit costs: External	–	–	1.1	3.3	–	2.0%	3.8	3.4	3.6	2.9%	2.8%
Computer services	–	–	3.9	7.1	–	5.1%	6.4	6.7	7.1	0.3%	5.4%
Consumables: Stationery, printing and office supplies	–	0.2	0.7	0.8	167.5%	0.8%	2.1	1.8	1.9	32.5%	1.3%
Operating leases	0.5	0.2	6.8	15.1	220.7%	10.4%	17.0	16.5	17.5	5.0%	13.0%
Travel and subsistence	7.8	6.4	10.6	11.2	12.9%	16.7%	12.7	15.7	16.6	13.9%	11.1%
Payments for capital assets	0.9	1.1	3.0	4.0	63.6%	4.2%	2.6	2.6	2.7	-12.0%	2.3%
Machinery and equipment	0.9	1.1	3.0	4.0	63.6%	4.2%	2.6	2.6	2.7	-12.0%	2.3%
Total	13.5	22.4	66.4	114.0	103.9%	100.0%	127.6	128.8	137.2	6.4%	100.0%
Proportion of total programme expenditure to vote expenditure	1.3%	2.0%	6.0%	8.6%	–	–	8.8%	8.4%	8.5%	–	–

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

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

Programme purpose

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

Objective

- Promote a sustainable and competitive environment for SMMEs and cooperatives over the medium term by:
 - reviewing the enterprise development strategy framework
 - conducting relevant and focused research on the legislative and regulatory protocols that impede the development and growth of small businesses
 - amending the Cooperatives Development Act (2005)
 - amending the National Small Business Act (1996).

Subprogrammes

- *Policy, Research and Legislation* produces reliable information for policy formulation on support to SMMEs and cooperatives.
- *Monitoring and Evaluation* provides quantifiable analysis and information on SMMEs and cooperatives in South Africa.
- *International Relations* manages, coordinates, and facilitates international relations interventions focusing on the development of SMMEs and cooperatives.

Expenditure trends and estimates

Table 31.9 Small, Medium and Micro Enterprises and Cooperatives Policy and Research expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Policy, Research and Legislation	13.5	11.7	11.7	21.6	16.8%	93.2%	11.2	13.0	13.8	-13.8%	60.9%
Monitoring and Evaluation	-	-	-	4.3	-	6.8%	6.7	7.1	7.5	20.5%	26.1%
International Relations	-	-	-	-	-	-	4.1	4.2	4.4	-	13.0%
Total	13.5	11.7	11.7	25.8	24.1%	100.0%	22.0	24.3	25.7	-0.2%	100.0%
Change to 2016 Budget estimate				(0.3)			(4.2)	(4.8)	(5.0)		
Economic classification											
Current payments	13.4	11.6	11.7	25.8	24.3%	99.6%	22.0	24.3	25.7	-0.1%	99.9%
Compensation of employees	7.8	9.8	9.9	14.2	22.1%	66.4%	10.8	11.6	12.5	-4.2%	50.2%
Goods and services ¹	5.6	1.9	1.8	11.6	27.2%	33.2%	11.2	12.7	13.2	4.5%	49.8%
of which:											
Administrative fees	-	-	-	0.3	-	0.5%	0.1	0.6	0.6	27.5%	1.6%
Catering: Departmental activities	0.1	-	-	0.4	53.0%	0.8%	0.1	0.5	0.5	13.8%	1.5%
Communication	-	0.1	0.1	0.3	85.1%	0.7%	0.1	0.3	0.4	12.0%	1.1%
Consultants: Business and advisory services	0.6	-	-	6.8	129.0%	11.7%	7.2	5.4	5.7	-5.8%	25.5%
Travel and subsistence	2.7	1.2	1.2	2.9	3.3%	12.6%	3.5	4.8	4.9	19.0%	16.5%
Venues and facilities	0.1	-	0.3	0.7	73.2%	1.7%	0.2	0.6	0.6	-1.7%	2.1%
Transfers and subsidies¹	0.1	-	-	-	-100.0%	0.1%	-	-	-	-	-
Households	0.1	-	-	-	-100.0%	0.1%	-	-	-	-	-
Payments for capital assets	-	-	-	0.1	19.7%	0.3%	-	-	-	-100.0%	0.1%
Machinery and equipment	-	-	-	0.1	19.7%	0.3%	-	-	-	-100.0%	0.1%
Total	13.5	11.7	11.7	25.8	24.1%	100.0%	22.0	24.3	25.7	-0.2%	100.0%
Proportion of total programme expenditure to vote expenditure	1.3%	1.0%	1.1%	2.0%	-	-	1.5%	1.6%	1.6%	-	-

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

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

Programme purpose

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

Objectives

- Promote the broader participation of small businesses and cooperatives in the mainstream economy by providing financial incentives to 2 891 small businesses and cooperatives through the black business supplier development programme and the cooperative incentive scheme, and 18 informal business structures through the shared economic infrastructure facility over the medium term.
- Develop and grow SMMEs and cooperatives in townships and rural areas by supporting 5 445 informal businesses through the national informal business upliftment scheme over the medium term.
- Attract and establish public and private partnerships to maximise support for SMMEs and cooperatives through the enterprise incubation programme by financing 12 incubators over the medium term.

Subprogrammes

- *Competitiveness Support* creates an enabling environment for small businesses to strengthen the local economy.
- *Enterprise Development* manages and facilitates the establishment of new and productive enterprises, and manages the sustainability and growth of existing small businesses.
- *Cooperatives Development* manages, facilitates and supports the development of cooperatives in order to improve their competitiveness and growth.

- *Market Development* establishes strategic partnerships with other spheres of government and the private sector for the sustainable development of SMMEs and cooperatives through ensuring access to markets, expansion into new markets and support for innovation.
- *Small Medium and Micro Enterprises Development Finance* ensures access to finance for small businesses to facilitate participation in the mainstream economy.

Expenditure trends and estimates

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

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million											
Competitiveness Support	25.2	32.7	42.6	109.2	63.0%	4.9%	112.6	114.6	121.2	3.5%	8.6%
Enterprise Development	686.9	681.2	652.8	656.8	-1.5%	62.0%	762.6	809.7	855.5	9.2%	58.1%
Cooperatives Development	-	3.4	3.9	6.8	-	0.3%	8.0	8.5	9.1	9.9%	0.6%
Market Development	-	-	-	61.3	-	1.4%	57.9	65.8	69.8	4.4%	4.8%
Small Medium and Micro Enterprises Development Finance	313.3	374.2	321.4	344.5	3.2%	31.4%	359.1	378.2	399.7	5.1%	27.9%
Total	1 025.4	1 091.5	1 020.8	1 178.6	4.8%	100.0%	1 300.2	1 376.8	1 455.3	7.3%	100.0%
Change to 2016 Budget estimate				(2.6)			(11.5)	(9.0)	(8.1)		
Economic classification											
Current payments	61.1	68.0	62.3	72.7	6.0%	6.1%	69.9	76.3	82.0	4.1%	5.7%
Compensation of employees	43.7	52.6	48.6	57.7	9.7%	4.7%	56.5	61.1	66.0	4.5%	4.5%
Goods and services ¹	17.4	15.4	13.7	15.0	-4.9%	1.4%	13.4	15.2	16.0	2.2%	1.1%
of which:											
Catering: Departmental activities	0.7	0.5	0.7	0.5	-10.5%	0.1%	0.3	0.6	0.7	8.9%	-
Consultants: Business and advisory services	0.9	1.4	-	2.9	47.6%	0.1%	2.0	2.0	2.1	-9.8%	0.2%
Consumables: Stationery, printing and office supplies	0.3	0.6	-	0.3	4.2%	-	0.3	0.4	0.4	5.4%	-
Operating leases	0.4	0.5	-	0.4	1.2%	-	-	0.6	0.7	16.2%	-
Travel and subsistence	10.1	7.6	7.5	8.7	-5.1%	0.8%	7.8	8.8	9.3	2.6%	0.7%
Venues and facilities	1.3	1.2	0.8	1.0	-9.1%	0.1%	2.5	1.9	2.0	27.9%	0.1%
Transfers and subsidies¹	964.2	1 023.0	958.2	1 105.8	4.7%	93.9%	1 230.3	1 300.5	1 373.3	7.5%	94.3%
Departmental agencies and accounts	661.5	644.4	622.8	633.8	-1.4%	59.4%	735.7	778.4	822.0	9.1%	55.9%
Public corporations and private enterprises	294.1	362.3	318.6	472.0	17.1%	33.5%	494.6	522.1	551.4	5.3%	38.4%
Non-profit institutions	8.3	16.3	16.7	-	-100.0%	1.0%	-	-	-	-	-
Households	0.3	-	0.1	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	0.1	0.5	0.2	0.1	12.2%	-	-	-	-	-100.0%	-
Machinery and equipment	0.1	0.5	0.2	0.1	12.2%	-	-	-	-	-100.0%	-
Total	1 025.4	1 091.5	1 020.8	1 178.6	4.8%	100.0%	1 300.2	1 376.8	1 455.3	7.3%	100.0%
Proportion of total programme expenditure to vote expenditure	97.4%	97.0%	92.9%	89.4%	-	-	89.7%	90.0%	89.9%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	661.5	644.4	622.8	633.8	-1.4%	59.4%	735.7	778.4	822.0	9.1%	55.9%
Small Enterprise Development Agency	525.4	502.3	478.2	481.5	-2.9%	46.0%	575.8	609.2	643.3	10.1%	43.5%
Small Enterprise Development Agency: Technology programme	123.3	126.4	132.2	139.2	4.1%	12.1%	146.1	154.6	163.3	5.5%	11.4%
Small Enterprise Development Agency: Capacity Building Programme	12.8	15.7	12.5	13.1	0.8%	1.3%	13.8	14.6	15.4	5.5%	1.1%
Non-profit institutions	8.3	16.3	16.7	-	-100.0%	1.0%	-	-	-	-	-
South African Women Entrepreneurs Network	8.3	16.3	16.7	-	-100.0%	1.0%	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	-	9.0	18.8	10.0	-	0.9%	10.0	10.0	10.6	1.8%	0.8%
Industrial Development Corporation:	-	-	8.8	-	-	0.2%	-	-	-	-	-
Isivande Women's Fund	-	-	-	-	-	-	-	-	-	-	-
Industrial Development Corporation: Craft customised sector programme	-	9.0	10.0	10.0	-	0.7%	10.0	10.0	10.6	1.8%	0.8%

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

R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	294.1	353.3	299.9	462.0	16.2%	32.6%	484.6	512.1	540.8	5.4%	37.6%
Various institutions: Black business supplier development programme	218.6	278.3	224.9	245.0	3.9%	22.4%	256.8	271.0	286.1	5.3%	19.9%
Various institutions: Cooperatives incentive scheme	75.5	75.0	75.0	75.0	-0.2%	7.0%	78.8	83.3	88.0	5.5%	6.1%
Various institutions: National informal business upliftment scheme	-	-	-	95.7	-	2.2%	99.4	103.1	108.9	4.4%	7.7%
Various institutions: Enterprise incubation programme	-	-	-	46.3	-	1.1%	49.7	54.7	57.8	7.7%	3.9%

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

Entity

Small Enterprise Development Agency

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

- The **Small Enterprise Development Agency** was established in 2004 in terms of the National Small Business Amendment Act (2004). It is mandated to implement government's small business strategy, design and implement a standard and common national delivery network for small enterprise development, and integrate government funded small enterprise support agencies across all tiers of government. The agency's total budget for 2017/18 is R735.7 million.