

Small Business Development

Adjusted budget summary

R thousand	Appropriation	2024/25 Adjustments appropriation		Adjusted appropriation
		Decrease	Increase	
Amount to be appropriated	2 436 545	(18 498)	1 498	2 419 545
<i>of which:</i>				
Current payments	397 404	(18 498)	–	378 906
Transfers and subsidies	2 033 974	–	472	2 034 446
Payments for capital assets	5 167	–	1 026	6 193
Executive authority	Minister of Small Business Development			
Accounting officer	Director-General of Small Business Development			
Website	www.dsb.gov.za			

Vote purpose

Lead and coordinate an integrated approach to the promotion and development of entrepreneurship among small, medium and micro enterprises and cooperatives, and ensure an enabling legislative and policy environment to support their growth and sustainability.

Performance

Indicator	Programme	MTSF priority	Annual performance		
			Projected for 2024/25 as published in the 2024 ENE	Achieved in the first half of 2024/25 (April to September)	Changed target for 2024/25
Number of interventions exposing SMMEs and cooperatives to global market opportunities per year	Integrated Cooperatives and Micro Enterprise Development	Priority 2: Economic transformation and job creation	200	131	–
Number of business infrastructure for SMMEs and cooperatives refurbished or built per year	Integrated Cooperatives and Micro Enterprise Development		5	0	–
Number of cooperatives supported financially and/or non-financially per year	Integrated Cooperatives and Micro Enterprise Development		250	136	–
Number of informal businesses supported through the informal micro enterprises development programme per year	Integrated Cooperatives and Micro Enterprise Development		2 000	1 163	–
Number of interventions providing financial and/or non-financial support to township and rural enterprises per year	Enterprise Development, Innovation and Entrepreneurship		30 000	6 116	–
Number of interventions provided to crafters supported through the craft customised sector programme per year	Enterprise Development, Innovation and Entrepreneurship		1 000	0	–

Progress

The department did not refurbish or build business infrastructure for SMMEs or cooperatives, or provide interventions to crafters supported through the craft customised sector programme, in the first half of the financial year. These targets are planned for implementation in the third and fourth quarters. Accordingly, the department is confident that it will meet these targets.

In the first half of 2024/25, the department supported 6 116 township and rural enterprises against an annual target of 30 000. To ensure that it meets this target, the department has established a township and rural enterprises programme steering committee to monitor and assess performance against quarterly targets.

Adjusted estimates

Programme		2024/25							Total adjustments appropriation	Adjusted appropriation
		Adjustments appropriation								
R thousand	Appropriation	Amounts announced in the budget	Unforeseeable /Unavoidable	Virements and shifts	Roll-overs	Use of funds in emergency situations	Other adjustments ¹			
Administration	169 571	–	–	(4 182)	–	–	(3 000)	(7 182)	162 389	
Sector Policy and Research	60 857	–	–	(4 872)	–	–	(8 310)	(13 182)	47 675	
Integrated Cooperatives and Micro Enterprise Development	202 357	–	–	(22 934)	–	–	(5 690)	(28 624)	173 733	
Enterprise Development, Innovation and Entrepreneurship	2 003 760	–	–	31 988	–	–	–	31 988	2 035 748	
Total	2 436 545	–	–	–	–	–	(17 000)	(17 000)	2 419 545	
Economic classification										
Current payments	397 404	–	–	(1 498)	–	–	(17 000)	(18 498)	378 906	
Compensation of employees	251 574	–	–	(472)	–	–	(17 000)	(17 472)	234 102	
Goods and services	145 830	–	–	(1 026)	–	–	–	(1 026)	144 804	
Transfers and subsidies	2 033 974	–	–	472	–	–	–	472	2 034 446	
Departmental agencies and accounts	1 316 075	–	–	(1)	–	–	–	(1)	1 316 074	
Public corporations and private enterprises	717 898	–	–	(9 386)	–	–	–	(9 386)	708 512	
Non-profit institutions	1	–	–	9 387	–	–	–	9 387	9 388	
Households	–	–	–	472	–	–	–	472	472	
Payments for capital assets	5 167	–	–	1 026	–	–	–	1 026	6 193	
Machinery and equipment	5 167	–	–	1 005	–	–	–	1 005	6 172	
Software and other intangible assets	–	–	–	21	–	–	–	21	21	
Total	2 436 545	–	–	–	–	–	(17 000)	(17 000)	2 419 545	

1. Other adjustments include the shifting of funds between votes, the shifting of funds within a vote following a function shift, self-financing expenditure, declared unspent funds, and significant and unforeseeable economic and financial events.

Programme 1: Administration

Subprogramme		2024/25							Total adjustments appropriation	Adjusted appropriation
		Adjustments appropriation								
R thousand	Appropriation	Amounts announced in the budget	Unforeseeable /Unavoidable	Virements and shifts	Roll-overs	Use of funds in emergency situations	Other adjustments			
Ministry	30 829	–	–	(298)	–	–	–	(298)	30 531	
Departmental Management	28 032	–	–	(1 256)	–	–	(1 500)	(2 756)	25 276	
Corporate Management Services	82 995	–	–	(4 015)	–	–	–	(4 015)	78 980	
Financial Management	27 715	–	–	1 387	–	–	(1 500)	(113)	27 602	
Total	169 571	–	–	(4 182)	–	–	(3 000)	(7 182)	162 389	
Economic classification										
Current payments	164 697	–	–	(5 179)	–	–	(3 000)	(8 179)	156 518	
Compensation of employees	112 433	–	–	(8 553)	–	–	(3 000)	(11 553)	100 880	
Goods and services	52 264	–	–	3 374	–	–	–	3 374	55 638	
Transfers and subsidies	–	–	–	431	–	–	–	431	431	
Households	–	–	–	431	–	–	–	431	431	
Payments for capital assets	4 874	–	–	566	–	–	–	566	5 440	
Machinery and equipment	4 874	–	–	545	–	–	–	545	5 419	
Software and other intangible assets	–	–	–	21	–	–	–	21	21	
Total	169 571	–	–	(4 182)	–	–	(3 000)	(7 182)	162 389	

Programme 2: Sector Policy and Research

Subprogramme		2024/25							Total adjustments appropriation	Adjusted appropriation
		Adjustments appropriation								
R thousand	Appropriation	Amounts announced in the budget	Unforeseeable /Unavoidable	Virements and shifts	Roll-overs	Use of funds in emergency situations	Other adjustments			
Business	17 271	–	–	(464)	–	–	(4 000)	(4 464)	12 807	
Intelligence and Sector-Wide Monitoring and Evaluation	16 849	–	–	1 468	–	–	(4 310)	(2 842)	14 007	
Intergovernmental Relations and Business Efficiency	26 737	–	–	(5 876)	–	–	–	(5 876)	20 861	
Total	60 857	–	–	(4 872)	–	–	(8 310)	(13 182)	47 675	
Economic classification										
Current payments	60 761	–	–	(4 931)	–	–	(8 310)	(13 241)	47 520	
Compensation of employees	43 911	–	–	2 228	–	–	(8 310)	(6 082)	37 829	
Goods and services	16 850	–	–	(7 159)	–	–	–	(7 159)	9 691	
Payments for capital assets	96	–	–	59	–	–	–	59	155	
Machinery and equipment	96	–	–	59	–	–	–	59	155	
Total	60 857	–	–	(4 872)	–	–	(8 310)	(13 182)	47 675	

Programme 3: Integrated Cooperatives and Micro Enterprise Development

Subprogramme		2024/25							Total adjustments appropriation	Adjusted appropriation
		Adjustments appropriation								
R thousand	Appropriation	Amounts announced in the budget	Unforeseeable /Unavoidable	Virements and shifts	Roll-overs	Use of funds in emergency situations	Other adjustments			
Integrated Co-operatives and Micro Enterprise Development	78 744	–	–	(3 424)	–	–	(4 000)	(7 424)	71 320	
Economic Transformation Initiatives	63 780	–	–	(7 050)	–	–	(1 690)	(8 740)	55 040	
Value Chain and Market Access Support	59 833	–	–	(12 460)	–	–	–	(12 460)	47 373	
Total	202 357	–	–	(22 934)	–	–	(5 690)	(28 624)	173 733	
Economic classification										
Current payments	138 964	–	–	(23 168)	–	–	(5 690)	(28 858)	110 106	
Compensation of employees	73 559	–	–	(23 434)	–	–	(5 690)	(29 124)	44 435	
Goods and services	65 405	–	–	266	–	–	–	266	65 671	
Transfers and subsidies	63 289	–	–	–	–	–	–	–	63 289	
Public corporations and private enterprises	63 289	–	–	–	–	–	–	–	63 289	
Payments for capital assets	104	–	–	234	–	–	–	234	338	
Machinery and equipment	104	–	–	234	–	–	–	234	338	
Total	202 357	–	–	(22 934)	–	–	(5 690)	(28 624)	173 733	

Programme 4: Enterprise Development, Innovation and Entrepreneurship

Subprogramme		2024/25							Total adjustments appropriation	Adjusted appropriation
		Adjustments appropriation								
R thousand	Appropriation	Amounts announced in the budget	Unforeseeable /Unavoidable	Virements and shifts	Roll-overs	Use of funds in emergency situations	Other adjustments			
Enterprise Development, Innovation and Entrepreneurship	3 872	–	–	4 224	–	–	–	4 224	8 096	
Entrepreneurship and Enterprise Development	1 329 996	–	–	9 651	–	–	–	9 651	1 339 647	
Funding Support and Coordination	669 892	–	–	18 113	–	–	–	18 113	688 005	
Total	2 003 760	–	–	31 988	–	–	–	31 988	2 035 748	
Economic classification										
Current payments	32 982	–	–	31 780	–	–	–	31 780	64 762	
Compensation of employees	21 671	–	–	29 287	–	–	–	29 287	50 958	
Goods and services	11 311	–	–	2 493	–	–	–	2 493	13 804	
Transfers and subsidies	1 970 685	–	–	41	–	–	–	41	1 970 726	
Departmental agencies and accounts	1 316 075	–	–	(1)	–	–	–	(1)	1 316 074	
Public corporations and private enterprises	654 609	–	–	(9 386)	–	–	–	(9 386)	645 223	
Non-profit institutions	1	–	–	9 387	–	–	–	9 387	9 388	
Households	–	–	–	41	–	–	–	41	41	
Payments for capital assets	93	–	–	167	–	–	–	167	260	
Machinery and equipment	93	–	–	167	–	–	–	167	260	
Total	2 003 760	–	–	31 988	–	–	–	31 988	2 035 748	

Details of adjustments to the 2024 Estimates of National Expenditure

Virements and shifts within the vote

Programmes

1. Administration
2. Sector Policy and Research
3. Integrated Cooperatives and Micro Enterprise Development
4. Enterprise Development, Innovation and Entrepreneurship

From:			To:			
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand	
Programme 1		(9 119)	Programme 1		997	
Goods and services	Computer services	(21)	Software and other intangible assets	Job Access With Speech software for the visually impaired	21	
	Computer services	(63)		Machinery and equipment	Finance leases	63
	Computer services	(482)			Laptops	482
	Compensation of employees	Vacant posts	(431)	Households	Leave gratuities	431
		Vacant posts	(2 228)	Programme 2		2 228
		Vacant posts	(5 881)	Compensation of employees	Salaries and wages, social contributions	2 228
			Programme 4		5 894	
	Vacant posts	(13)	Compensation of employees	Salaries and wages, social contributions	5 881	
				Leave gratuities	13	
Shifts within the programme as a percentage of the programme budget		0.6%				
Virements to other programmes as a percentage of the programme budget		4.8%				
Programme 2		(7 159)	Programme 1		3 940	
Goods and services	Ombud offices	(940)	Goods and services	Travel and subsistence	940	
	Consultants	(3 000)		Audit costs, travel and subsistence	3 000	
	Travel and subsistence	(59)	Programme 2		59	
	Cannabis projects		(500)	Machinery and equipment	Finance leases	59
				Programme 3		500
Reclassification of ombud offices	(2 660)	Goods and services	International Cooperatives Day celebrations	500		
			Programme 4		2 660	
			Goods and services	Reclassification of ombud offices	2 660	
Shifts within the programme as a percentage of the programme budget		0.1%				
Virements to other programmes as a percentage of the programme budget¹		11.7%				
Programme 3		(23 668)	Programme 3		234	
Goods and services	Administrative fees	(63)	Machinery and equipment	Finance leases	63	
	Travel and subsistence	(92)		Finance leases	92	
	Travel and subsistence	(79)		Finance leases	79	
Compensation of employees	Vacant posts	(23 434)	Programme 4		23 434	
			Compensation of employees	Salaries and wages, social contributions	23 434	
Shifts within the programme as a percentage of the programme budget		0.1%				
Virements to other programmes as a percentage of the programme budget¹		11.6%				

Virements and shifts within the vote (continued)

From:			To:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 4		(9 595)	Programme 4		9 595
Goods and services	Catering services	(167)	Machinery and equipment	Finance leases	167
Compensation of employees	Vacant posts	(41)	Households	Leave gratuities	41
Departmental agencies and accounts	Reclassification of the craft customised sector programme ²	(1)	Non-profit institutions	Reclassification of the craft customised sector programme ²	1
Public corporations and private enterprises	Reclassification of the craft customised sector programme ²	(9 386)		Reclassification of the craft customised sector programme ²	9 386
Shifts within the programme as a percentage of the programme budget		0.5%			
Virements to other programmes as a percentage of the programme budget		0%			
Total		(49 541)			49 541

1. Only Parliament may approve this virement
2. National Treasury approval has been obtained.

Other adjustments – R17 million

Declared unspent funds

Programme 1: Administration

R3 million in unspent funds is declared on compensation of employees due to a high vacancy rate after the department’s organisational structure was revised.

Programme 2: Sector Policy and Research

R8.3 million in unspent funds is declared on compensation of employees due to a high vacancy rate after the department’s organisational structure was revised.

Programme 3: Integrated Cooperatives and Micro Enterprise Development

R5.7 million in unspent funds is declared on compensation of employees due to a high vacancy rate after the department’s organisational structure was revised.

Expenditure outcome for 2023/24 and actual expenditure for 2024/25

Programme	2023/24					2024/25			
	Adjusted appropriation	Outcome			Adjusted appropriation	Adjusted appropriation/ Total (%)	Actual expenditure		
		Apr 23 - Sep 23	% of adjusted appropriation	Apr 23 - Mar 24			% of adjusted appropriation	Apr 24 - Sep 24	% of adjusted appropriation
R thousand									
Administration	159 878	66 075	41.3	142 601	89.2	162 389	6.7	82 451	50.8
Sector Policy and Research	51 495	6 965	13.5	14 430	28.0	47 675	2	15 002	31.5
Integrated Cooperatives and Micro Enterprise Development	201 615	55 399	27.5	130 832	64.9	173 733	7.2	47 624	27.4
Enterprise Development, Innovation and Entrepreneurship	2 116 320	1 322 670	62.5	2 196 964	103.8	2 035 748	84.1	480 891	72.7
Total	2 529 308	1 451 109	57.4	2 484 827	98.2	2 419 545	100.0	625 968	67.2

Expenditure outcome for 2023/24 and actual expenditure for 2024/25 (continued)

Economic classification	2023/24					2024/25				
	Adjusted appropriation	Outcome			Adjusted appropriation/ Total (%)	Adjusted appropriation/ Total (%)	Actual expenditure			
		Apr 23 - Sep 23 % of adjusted appropriation	Apr 23 - Mar 24 % of adjusted appropriation	Apr 23 - Sep 23 adjusted			Apr 23 - Mar 24 adjusted	Apr 24 - Sep 24 % of adjusted appropriation	Apr 24 - Sep 24 adjusted	
R thousand										
Current payments	349 927	137 215	39.2	319 866	91.4	378 906	15.7	167 552	44.2	
Compensation of employees	203 423	84 990	41.8	181 452	89.2	234 102	9.7	105 592	45.1	
Goods and services	146 504	52 225	35.6	138 414	94.5	144 804	6.0	61 960	42.8	
Transfers and subsidies	2 172 588	1 311 265	60.4	2 155 746	99.2	2 034 446	84.1	455 355	71.5	
Departmental agencies and accounts	1 404 783	581 298	41.4	1 404 484	100	1 316 074	54.4	930 430	70.7	
Public corporations and private enterprises	759 110	729 277	96.1	742 445	97.8	708 512	29.3	517 828	73.1	
Non-profit institutions	8 000	–	–	8 000	100	9 388	0.4	6 116	65.1	
Households	695	690	99.3	817	117.6	472	0.0	981	207.8	
Payments for capital assets	6 793	2 629	38.7	6 699	98.6	6 193	0.3	3 061	49.4	
Machinery and equipment	6 793	2 629	38.7	6 699	98.6	6 172	0.3	3 040	49.3	
Software and other intangible assets	–	–	–	–	–	21	0.0	21	100	
Payments for financial assets	–	–	–	2 516	–	–	–	–	–	
Total	2 529 308	1 451 109	57.4	2 484 827	98.2	2 419 545	100.0	625 968	67.2	

Expenditure trends

Total expenditure in 2023/24 was R2.5 billion, 98.2 per cent of the adjusted appropriation for the year. Mid-year expenditure in 2023/24 was R1.5 billion, 57.4 per cent of the adjusted appropriation, whereas expenditure in the first half of 2024/25 was R1.6 billion, 67.2 per cent of the adjusted appropriation of R2.4 billion. Compared to the first half of 2023/24, expenditure over the same period in 2024/25 increased by R174.9 million, 10.8 per cent. This was mainly due to an early disbursement to entities to ensure that the department's programmes were implemented appropriately to reach annual targets.

Departmental receipts

Economic classification	2023/24					2024/25				
	Adjusted	Outcome			Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Actual receipts		
		Apr 23 - Sep 23 % of adjusted estimate	Apr 23 - Mar 24 % of adjusted estimate	Apr 23 - Sep 23 adjusted estimate				Apr 23 - Mar 24 adjusted estimate	Apr 24 - Sep 24 % of adjusted estimate	Apr 24 - Sep 24 adjusted estimate
R thousand										
Departmental receipts	116	74	63.8	2 418	2 084.5	71	330	100.0	296	89.6
Sales of goods and services produced by department	64	30	46.9	61	95.3	66	66	20.0	32	48.7
Fines, penalties and forfeits	–	–	–	3	–	–	–	–	–	–
Interest, dividends and rent on land	26	18	69.2	1 212	4 661.5	5	24	7.3	24	97.9
Sales of capital assets	–	–	–	–	–	–	240	72.7	240	100.0
Transactions in financial assets and liabilities	26	26	100.0	1 142	4 392.3	–	–	–	–	–
Total	116	74	63.8	2 418	2 084.5	71	330	100.0	296	89.6

Revenue trends

Mid-year revenue in 2023/24 was R74 000, 63.8 per cent of the adjusted estimate, whereas revenue for the first half of 2024/25 was R295 665, 89.6 per cent of the adjusted estimate of R330 000. Compared to the first half of 2023/24, revenue over the same period in 2024/25 increased by R221 665, 299 per cent. This was mainly due to the sale of an old ministerial vehicle.

Changes to transfers and subsidies, including conditional grants

Summary of changes to transfers and subsidies per programme

R thousand	Appropriation	2024/25						Total adjustments appropriation	Adjusted appropriation
		Adjustments appropriation							
		Amounts announced in the budget	Unforeseeable /Unavoidable	Virements and shifts	Roll-overs	Use of funds in emergency situations	Other adjustments		
Administration									
Households									
Social benefits									
Current	-	-	-	431	-	-	-	431	431
Households	-	-	-	431	-	-	-	431	431
Enterprise									
Development, Innovation and Entrepreneurship									
Departmental agencies and accounts									
Departmental agencies (non-business entities)									
Current	1	-	-	(1)	-	-	-	(1)	-
Various institutions: Craft customised sector programme	1	-	-	(1)	-	-	-	(1)	-
Public corporations and private enterprises									
Private enterprises									
Other transfers									
Current	12 219	-	-	(9 386)	-	-	-	(9 386)	2 833
Various institutions: Craft customised sector programme	12 219	-	-	(9 386)	-	-	-	(9 386)	2 833
Non-profit institutions									
Current	1	-	-	9 387	-	-	-	9 387	9 388
Various institutions: Craft customised sector programme	1	-	-	9 387	-	-	-	9 387	9 388
Households									
Social benefits									
Current	-	-	-	41	-	-	-	41	41
Employee social benefits	-	-	-	41	-	-	-	41	41