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BUDGET 2015

ESTIMATES OF NATIONAL EXPENDITURE

VOTE 31

SMALL BUSINESS DEVELOPMENT



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Estimates of National Expenditure

2015

National Treasury

Republic of South Africa

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The 2015 Estimates of National Expenditure e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za.

Compared to the abridged version of the 2015 ENE, the 2015 ENE e-publications provide more detailed information, including on goods and services, transfers and subsidies, as well as on programme specific personnel expenditure. The abridged version of the ENE contains one additional table at the end of a chapter that shows expenditure on infrastructure, whereas the vote ENE e-publications' additional tables also contain summaries of expenditure on conditional allocations to provinces and municipalities; departmental public private partnerships; and donor funding. Budget information is also provided for the public entities that are not shown in detail in the abridged publication. In some e-publications more detailed information at the level of site service delivery is included.

Foreword

Some of the tough economic conditions occasioned by the 2008 to 2009 global financial crisis continue to plague most parts of the world: Economic growth remains sluggish, unemployment and inequality levels are elevated, while financial markets tend to reposition themselves substantially at the slightest sign of unsettling news. As an open economy, South Africa is highly susceptible to global economic developments, often disproportionately so. In the face of all of this, the 2015 Medium Term Expenditure Framework (MTEF) response provides for positive real growth in expenditure averaging 2.1 per cent per year. The annual budget reaches R1.6 trillion by 2017/18.

True to the commitment government made in the Medium Term Budget Policy Statement (MTBPS) in October 2014, the budget framework sets out departmental programmes and plans that fit within the broad expenditure envelope published last year. To keep our fiscal accounts firmly on a sustainable path, the MTBPS proposed a fiscal policy package that has trimmed overall spending by R25 billion, which is the combined amount for 2015/16 and 2016/17. Government spending does continue to surpass inflation after these adjustments in both years, but growth is marginally slower. In addition, for 2017/18, R45 billion is placed in an unallocated reserve to cushion our plans against unforeseeable eventualities. Further, to achieve our fiscal objectives, government has had to institute carefully selected tax measures too. These are implemented within the framework of a progressive tax system and have been informed by the work of the Davies Tax Committee. The tax proposals are set out in detail in chapter 4 of the Budget Review.

The process of realigning expenditure in response to the closing of the fiscal space is being actively managed, in the context of government's 2014-2019 medium term strategic framework. Some of our aspirations might take longer to realise. Within government's institutions, more urgent and essential existing programmes are being prioritised above other programmes that are reduced. The implementation of some newly proposed programmes will either be phased in over a longer period or, in some cases, possibly even delayed. Social sector spending and key infrastructure spending, as well as other key areas of spending, continue to grow in real terms.

In addition to the reprioritisation of government programmes, the policy frameworks and implementation methodology of programmes are being re-evaluated, with a focus on service delivery of programmes. In line with the 2013/14 National Treasury instruction on cost containment measures, financing programmes must entail a greater share of goods and services budgets being devoted towards core areas of service delivery. The focus of government programmes is being sharpened, both in terms of spatial distribution, and in terms of their nature and emphasis. Effectiveness and efficiency of expenditure is our guiding mantra.

The spending plans contained in the 2015 Budget do respond to our short term needs for economic growth. However, to achieve our ambition of faster growth, which we unquestionably need for pushing back the frontiers of unemployment, poverty and inequality, we must continue to strive towards shifting the composition of expenditure more towards investment, away from consumption. Institutional spending, as always, is being closely monitored, and the ongoing process of realignment continues. The details of the spending of national government departments and its entities are encompassed in the chapters of this publication.

All the expenditure and service delivery information contained in the chapters of this publication result from a wide ranging intergovernmental consultative process, leading to executive approval of reprioritised and realigned spending allocations. Many people have contributed to making this publication possible, particularly my colleagues in national departments and agencies. Their collaboration and understanding during the budget allocation and document drafting processes has been invaluable. Appreciation is also due to the dedicated team at National Treasury for the publication of this highly valuable resource.



Lungisa Fuzile
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of national Expenditure (ENE) publications provide comprehensive information on how budget resources are generated, how institutions have spent their budgets in previous years, and how institutions plan to spend the resources allocated to them over the MTEF period. Key performance indicators are included for each national government vote and entity showing what the institutions aim to achieve by spending their budget allocations in a particular manner. This information provides Parliament and the public with the necessary tools to hold government accountable against the 14 outcomes set out in the 2014-2019 medium term strategic framework.

The 2015 ENE publications largely retain the scope of information presented in previous years' publications. For ease of comprehension, however, in the 2015 publications information is presented in a more succinct and concise manner in data tables and their accompanying explanatory narratives. The reader can thus more readily understand what each institution is planning to spend its budget on and what it aims to achieve. Each chapter in the abridged 2015 ENE publication relates to a specific budget vote. A separate, more detailed, e-publication is also available for each vote.

Compared to the abridged version of the 2015 ENE, the 2015 ENE e-publications provide more detailed information, including on goods and services, transfers and subsidies, as well as on programme specific personnel expenditure. The abridged version of the ENE contains one additional table at the end of a chapter that shows expenditure on infrastructure, whereas the vote ENE e-publications' additional tables also contain summaries of expenditure on conditional allocations to provinces and municipalities; departmental public private partnerships; and donor funding. Budget information is also provided for the public entities that are not shown in detail in the abridged publication. In some e-publications more detailed information at the level of site service delivery is included.

A separate 2015 ENE Overview e-publication is also available, which contains a description at the main budget non-interest spending level, summarising the ENE publication information across votes. The 2015 ENE Overview contains this narrative explanation and summary tables; a description of the budgeting approach; and 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 31

Small Business Development

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	64.0	63.5	–	0.6	66.6	69.1
Cooperatives Support and Development	15.2	15.0	–	0.2	16.1	16.7
Enterprise Development and Entrepreneurship	1 024.0	87.7	935.8	0.4	1 042.5	1 171.5
Total expenditure estimates	1 103.2	166.2	935.8	1.1	1 125.2	1 257.4

Executive authority: Minister of Small Business Development
 Accounting officer: Director General of Small Business Development
 Website address: –

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, public entities, donor funding, public private partnerships, conditional allocations to provinces and municipalities and expenditure information at the level of service delivery, where appropriate.

Vote purpose

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

Mandate

The Department of Small Business Development was established as a national department in accordance with the reorganisation of some national departments announced by the President in May 2014. The department is tasked with the responsibility to lead an integrated approach to the promotion and development of small businesses and cooperatives through a focus on the economic and legislative drivers that stimulate entrepreneurship to contribute to radical 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) as amended
- 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		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of enterprises approved for the women business development scheme per year ¹	Enterprise Development and Entrepreneurship	Outcome 5: A skilled and capable workforce to support an inclusive growth path	– ¹	– ¹	– ¹	100	300	500	700
Number of women entrepreneurs trained on the Bavumile skills development programme per year ¹	Enterprise Development and Entrepreneurship		– ¹	– ¹	– ¹	65	300	500	700
Number of companies financially assisted through the black business supplier development programme per year	Enterprise Development and Entrepreneurship	Outcome 4: Decent employment through inclusive economic growth	299	1 212	1 066	1 872	796	796	850
Number of companies financially assisted through the cooperative incentive scheme per year	Enterprise Development and Entrepreneurship		183	314	243	431	300	300	310
Number of export ready SMMEs developed per year ¹	Enterprise Development and Entrepreneurship	Outcome 5: A skilled and capable workforce to support an inclusive growth path	– ¹	– ¹	– ¹	– ¹	1 200	1 300	1 400

¹. New indicators in line with the establishment of the new department, hence no historical data.

Expenditure analysis

The national development plan articulates the important role of small businesses and cooperatives in achieving inclusive economic growth, and that these small enterprises are key to achieving the plan's job creation target for 2030. The plan further identifies that regulatory compliance costs need to be reduced in order to transform the economy, for small businesses in particular. Against this background, a designated department to advance the interests and role of small businesses and cooperatives was established in 2014. The department's work will contribute to outcome 4 of government's medium term strategic framework: decent employment through inclusive economic growth, particularly sub-outcome 3, which deals with the elimination of unnecessary regulatory burdens and lower price increases for key inputs and wage goods.

The department will advocate for a conducive regulatory environment for small businesses and cooperatives to access finance, investment and markets, in an equitable and sustainable manner. The department provides various customised intervention programmes, designed to increase the sustainability of cooperatives so that they can contribute to the economy, particularly in the manufacturing, agro-processing, mining and services sector. By encouraging government procurement with small businesses and cooperatives, the department will facilitate their development and growth. It will facilitate partnerships with all spheres of government as well as the private sector to ensure mutual cooperation that will benefit small businesses and cooperatives.

The department's total budget is R3.5 billion over the MTEF period, including a Cabinet approved additional allocation of R139.3 million to support the establishment of the department. Expenditure on compensation of employees is expected to grow by 13.3 per cent over the medium term as the department expands its personnel to 171 in 2017/18. 64.3 per cent of personnel will be in the *Enterprise Development and Entrepreneurship* programme to provide customised interventions to support small businesses and cooperatives. This is also where the bulk of the department's spending over the medium term is, at R3.2 billion over the period. The *Cooperative Support and Development* programme funds the implementation of a new support model for cooperatives, including implementing the Cooperatives Amendment Act (2013). The programme's budget over the medium term is R48 million.

Regulatory and institutional support for cooperatives

Over the medium term, the department will finalise regulations for cooperatives to ensure that the Cooperatives Amendment Act (2013) will be properly implemented. The act aims to improve the failure rate of cooperatives and address past problems in cooperative governance, structures, compliance and sustainability. It will also improve coordination between national, provincial and local government to strengthen their support for cooperatives. The department will conclude transversal agreements with other government departments to enhance the implementation of the act in support of the growth of cooperatives. These activities are funded in the *Cooperatives Support and Development* programme.

Non-financial and financial support for small businesses and cooperatives

Transfers and subsidies account for 85.5 per cent of the department's expenditure over the medium term. R2 billion, the bulk of this funding, is earmarked for the Small Enterprise Development Agency, which provides non-financial support services to small businesses and cooperatives, including business and technology incubation services in specific sectors, focusing on start-ups and enterprises that need rehabilitation. The department will also provide R686 million in incentives to small enterprises in the mining, manufacturing, agro-processing and services sectors through transfers to the black business supplier development programme, as well as R229 million to cooperatives through transfers to the cooperatives incentive scheme. Both these incentive initiatives are also funded in the *Enterprise Development and Entrepreneurship* programme. Over 3 000 small businesses and cooperatives are expected to be supported over the medium term by these incentives.

Women, youth and people with disabilities

The department supports the South African Women Entrepreneurs Network and the Isivande Women's Fund through transfers in the *Enterprise Development and Entrepreneurship* programme. Over the medium term, these transfers total R83.6 million. The department's Bavumile skills enhancement programme aims to enhance women's existing skills to produce quality, commercially viable products for major local and international markets. Over the medium term, the programme prioritises the creative industries and women in rural areas and townships, and aims to train 1 500 women entrepreneurs, a significant increase from the 65 women that were trained in 2014/15. Women with craft skills such as sewing and beading are provided with specialist skills

training and assistance in establishing their own enterprises and cooperatives. Funding is in the *Enterprise Development and Entrepreneurship* programme's *Gender, Youth and People with Disabilities Economic Empowerment* subprogramme, which is allocated R154.9 million over the medium term. The department will facilitate the implementation of the Youth Black Business Supplier Development Programme which is intended to benefit 1 100 youth enterprises by 2017/18.

Expenditure trends

Table 31.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Cooperatives Support and Development														
3. Enterprise Development and Entrepreneurship														
Programme														
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Programme 1	-	-	10.7	-	-	9.5	-	10.8	13.5	11.3	45.0	45.0	694.7%	140.9%
Programme 2	-	-	12.4	-	-	10.4	-	14.1	13.5	11.8	12.2	12.2	409.7%	184.7%
Programme 3	-	-	712.4	-	-	821.6	-	1 017.7	1 012.6	1 125.0	1 027.4	1 027.4	317.7%	174.8%
Total	-	-	735.5	-	-	841.6	-	1 042.6	1 039.5	1 148.1	1 084.6	1 084.6	322.4%	174.0%
Change to 2014 Budget estimate												(63.6)		
Economic classification														
Current payments	-	-	70.2	-	-	75.9	-	89.1	87.1	95.5	130.7	130.7	381.1%	165.5%
Compensation of employees	-	-	40.3	-	-	47.1	-	57.0	55.3	68.9	84.0	84.0	329.0%	160.8%
Goods and services of which:	-	-	29.9	-	-	28.9	-	32.1	31.8	26.6	46.8	46.8	516.3%	174.0%
Administrative fees	-	-	0.1	-	-	0.2	-	0.3	0.2	0.2	0.2	0.2	360.3%	156.9%
Advertising	-	-	0.1	-	-	0.1	-	0.9	0.7	0.0	0.7	0.7	33360.0%	100.4%
Assets less than the capitalisation threshold	-	-	0.0	-	-	0.0	-	0.0	0.0	0.0	0.0	0.0	940.0%	106.8%
Audit costs: External	-	-	-	-	-	-	-	-	-	-	1.0	1.0	-	100.0%
Catering: Departmental activities	-	-	0.2	-	-	0.2	-	1.0	0.9	0.5	0.7	0.7	403.7%	119.3%
Communication	-	-	0.6	-	-	0.6	-	0.8	0.7	0.8	0.9	0.9	352.0%	167.9%
Consultants and professional services:	-	-	6.8	-	-	3.2	-	2.6	1.5	2.6	4.5	4.5	603.5%	226.2%
Business and advisory services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contractors	-	-	0.3	-	-	0.6	-	2.5	2.2	0.9	4.1	4.1	765.1%	109.7%
Agency and support / outsourced services	-	-	0.3	-	-	-	-	0.1	0.1	0.0	1.0	1.0	27480.0%	122.2%
Entertainment	-	-	0.0	-	-	0.0	-	0.0	0.0	0.0	0.3	0.3	1500.0%	100.0%
Fleet services (including government motor transport)	-	-	0.1	-	-	0.1	-	0.1	0.1	0.1	0.2	0.2	404.3%	140.8%
Consumable supplies	-	-	0.0	-	-	0.0	-	0.0	0.0	0.0	0.1	0.1	1118.2%	153.8%
Consumables: Stationery, printing and office supplies	-	-	0.5	-	-	0.4	-	0.5	0.4	1.0	2.2	2.2	363.8%	130.9%
Operating leases	-	-	0.6	-	-	1.0	-	0.9	0.9	0.5	0.7	0.7	692.2%	201.9%
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-	0.0	0.1	0.1	2000.0%	100.0%
Travel and subsistence	-	-	16.8	-	-	17.9	-	18.9	20.6	14.7	19.2	19.2	506.0%	195.6%
Training and development	-	-	0.2	-	-	0.8	-	1.3	1.3	-	4.8	4.8	115.7%	115.7%
Operating payments	-	-	1.3	-	-	0.2	-	1.2	0.7	2.0	4.0	4.0	320.8%	121.6%
Venues and facilities	-	-	2.0	-	-	3.4	-	1.0	1.4	3.2	2.7	2.7	293.5%	253.8%
Transfers and subsidies	-	-	664.1	-	-	765.2	-	952.3	951.4	1 052.2	949.2	949.2	316.5%	175.1%
Departmental agencies and accounts	-	-	561.5	-	-	594.6	-	648.7	648.7	624.7	624.7	624.7	388.9%	190.8%
Public corporations and private enterprises	-	-	99.3	-	-	162.1	-	295.1	294.1	411.2	308.2	308.2	210.0%	143.1%
Non-profit institutions	-	-	3.1	-	-	7.9	-	8.3	8.3	16.3	16.3	16.3	218.6%	144.7%
Households	-	-	0.2	-	-	0.6	-	0.1	0.3	-	0.0	0.0	813.3%	813.3%
Payments for capital assets	-	-	1.2	-	-	0.5	-	1.2	1.0	0.5	4.7	4.7	1442.7%	125.5%
Machinery and equipment	-	-	1.2	-	-	0.5	-	1.2	1.0	0.5	4.7	4.7	1442.7%	125.5%
Total	-	-	735.5	-	-	841.6	-	1 042.6	1 039.5	1 148.1	1 084.6	1 084.6	322.4%	174.0%

Expenditure estimates

Table 31.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Cooperatives Support and Development								
3. Enterprise Development and Entrepreneurship								
Programme	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
				2014/15	2011/12 - 2014/15	2015/16		
R million								
Programme 1	45.0	-	2.1%	64.0	66.6	69.1	15.4%	5.4%
Programme 2	12.2	-	1.3%	15.2	16.1	16.7	11.2%	1.3%
Programme 3	1 027.4	-	96.6%	1 024.0	1 042.5	1 171.5	4.5%	93.3%
Total	1 084.6	-	100.0%	1 103.2	1 125.2	1 257.4	5.1%	100.0%
Change to 2014				(5.3)	(27.5)	48.8		
Budget estimate								
Economic classification								
Current payments	130.7	-	9.8%	166.2	173.9	182.0	11.7%	14.3%
Compensation of employees	84.0	-	6.1%	109.7	114.8	122.2	13.3%	9.4%
Goods and services	46.8	-	3.7%	56.5	59.1	59.8	8.5%	4.9%
<i>of which:</i>								
Administrative fees	0.2	-	0.0%	0.4	0.4	0.4	42.9%	0.0%
Advertising	0.7	-	0.0%	-	0.0	0.0	-88.9%	0.0%
Assets less than the capitalisation threshold	0.0	-	0.0%	0.1	0.1	0.1	36.9%	0.0%
Audit costs: External	1.0	-	0.0%	0.3	0.3	0.4	-25.0%	0.0%
Catering: Departmental activities	0.7	-	0.1%	1.0	1.0	1.0	14.6%	0.1%
Communication	0.9	-	0.1%	1.3	1.4	1.5	17.6%	0.1%
Consultants and professional services: Business and advisory services	4.5	-	0.4%	2.9	3.4	2.7	-15.7%	0.3%
Consultants and professional services: Legal costs	(0.3)	-	0.0%	-	0.0	0.0	-114.7%	0.0%
Contractors	4.1	-	0.2%	3.0	3.3	3.4	-5.8%	0.3%
Agency and support / outsourced services	1.0	-	0.0%	-	0.1	0.1	-47.2%	0.0%
Entertainment	0.3	-	0.0%	0.1	0.1	0.1	-40.4%	0.0%
Fleet services (including government motor transport)	0.2	-	0.0%	0.1	0.1	0.1	-13.1%	0.0%
Consumable supplies	0.1	-	0.0%	0.2	0.2	0.2	42.0%	0.0%
Consumables: Stationery, printing and office supplies	2.2	-	0.1%	1.3	1.4	1.5	-11.7%	0.1%
Operating leases	0.7	-	0.1%	1.9	2.2	2.5	54.6%	0.2%
Transport provided: Departmental activity	0.1	-	0.0%	-	0.0	0.0	-78.5%	0.0%
Travel and subsistence	19.2	-	2.0%	25.9	27.1	27.6	12.9%	2.2%
Training and development	4.8	-	0.2%	2.7	3.0	3.2	-12.4%	0.3%
Operating payments	4.0	-	0.2%	12.3	12.4	12.4	46.1%	0.9%
Venues and facilities	2.7	-	0.3%	3.0	2.8	2.6	-1.6%	0.2%
Transfers and subsidies	949.2	-	90.0%	935.8	949.0	1 074.1	4.2%	85.5%
Departmental agencies and accounts	624.7	-	65.6%	610.4	620.7	729.3	5.3%	56.6%
Public corporations and private enterprises	308.2	-	23.3%	308.8	309.2	324.7	1.8%	27.4%
Non-profit institutions	16.3	-	1.0%	16.7	19.1	20.1	7.2%	1.6%
Payments for capital assets	4.7	-	0.2%	1.1	2.2	1.3	-35.0%	0.2%
Machinery and equipment	4.7	-	0.2%	1.1	2.2	1.3	-35.0%	0.2%
Total	1 084.6	-	100.0%	1 103.2	1 125.2	1 257.4	5.1%	100.0%

Personnel information

Table 31.4 Vote personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2015		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 (%)	Salary level/total: Average (%)				
		2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost						
Small Business Development		157	116	55.3	0.5	168	84.0	0.5	171	109.7	0.6	170	114.8	0.7	171	122.2	0.7	0.6%	100.0%
Salary level																			
1 – 6	15	8	1.2	0.2	16	2.7	0.2	16	2.9	0.2	16	3.1	0.2	16	3.2	0.2	–	9.4%	
7 – 10	69	63	21.6	0.3	76	25.5	0.3	76	31.7	0.4	76	33.6	0.4	76	33.8	0.4	–	44.7%	
11 – 12	31	25	14.7	0.6	35	20.9	0.6	36	27.0	0.8	36	27.3	0.8	36	30.7	0.9	0.9%	21.0%	
13 – 16	42	20	17.9	0.9	41	34.9	0.9	43	48.0	1.1	42	50.8	1.2	43	54.5	1.3	1.6%	24.9%	
Programme	157	116	55.3	0.5	168	84.0	0.5	171	109.7	0.6	170	114.8	0.7	171	122.2	0.7	0.6%	100.0%	
Programme 1	36	4	3.8	1.0	45	21.1	0.5	45	31.5	0.7	45	33.0	0.7	45	35.7	0.8	–	26.5%	
Programme 2	15	13	7.8	0.6	16	10.3	0.6	16	12.8	0.8	15	13.1	0.9	16	13.8	0.9	–	9.3%	
Programme 3	106	99	43.7	0.4	107	52.6	0.5	110	65.4	0.6	110	68.7	0.6	110	72.8	0.7	0.9%	64.3%	

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

2. Rand million.

Programme 1: Administration

Programme purpose

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

Table 31.5 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand											
Ministry	10 704	9 526	13 452	45 030	61.4%	100.0%	20 935	22 311	21 846	-21.4%	45.0%
Departmental Management	–	–	–	–	–	–	14 869	15 159	17 314	–	19.3%
Corporate Services	–	–	–	–	–	–	28 221	29 117	29 983	–	35.7%
Total	10 704	9 526	13 452	45 030	61.4%	100.0%	64 025	66 587	69 143	15.4%	100.0%
Change to 2014				33 700			30 079	32 051	33 936		
Budget estimate											
Economic classification											
Current payments	10 044	9 436	12 539	40 998	59.8%	92.8%	63 465	64 984	68 493	18.7%	97.2%
Compensation of employees	3 259	3 058	3 837	21 141	86.5%	39.8%	31 541	32 991	35 678	19.1%	49.6%
Goods and services	6 785	6 378	8 702	19 857	43.0%	53.0%	31 924	31 993	32 815	18.2%	47.6%
of which:											
Administrative fees	–	–	–	–	–	–	200	187	199	–	0.2%
Advertising	–	–	–	685	–	0.9%	–	–	–	-100.0%	0.3%
Assets less than the capitalisation threshold	–	–	–	–	–	–	52	53	54	–	0.1%
Audit costs: External	–	–	–	950	–	1.2%	266	250	400	-25.0%	0.8%
Catering: Departmental activities	12	14	15	114	111.8%	0.2%	278	291	298	37.8%	0.4%
Communication	345	322	360	476	11.3%	1.9%	894	902	926	24.8%	1.3%
Consultants and professional services: Business and advisory services	–	–	–	1 512	–	1.9%	892	892	1 292	-5.1%	1.9%
Consultants and professional services: Legal costs	–	–	–	150	–	0.2%	–	–	–	-100.0%	0.1%
Contractors	6	–	4	1 558	538.0%	2.0%	580	380	380	-37.5%	1.2%
Agency and support / outsourced services	–	–	–	1 000	–	1.3%	–	–	–	-100.0%	0.4%
Entertainment	–	–	1	250	–	0.3%	45	45	45	-43.5%	0.2%
Fleet services (including government motor transport)	29	2	11	47	17.5%	0.1%	36	36	36	-8.5%	0.1%

Table 31.5 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand											
Consumable supplies	12	–	4	18	14.5%	–	83	83	83	66.4%	0.1%
Consumables: Stationery, printing and office supplies	50	44	42	1 198	188.3%	1.7%	586	602	635	-19.1%	1.2%
Operating leases	374	557	458	158	-25.0%	2.0%	1 288	1 508	1 808	125.3%	1.9%
Property payments	1	14	1	–	-100.0%	–	–	–	–	–	–
Transport provided: Departmental activity	–	–	–	100	–	0.1%	–	–	–	-100.0%	–
Travel and subsistence	5 907	5 403	7 804	8 499	12.9%	35.1%	13 125	13 354	13 348	16.2%	19.7%
Training and development	–	–	–	1 500	–	1.9%	–	–	–	-100.0%	0.6%
Operating payments	31	15	2	1 125	231.1%	1.5%	12 041	11 867	11 970	119.9%	15.1%
Venues and facilities	18	7	–	517	206.2%	0.7%	1 558	1 543	1 341	37.4%	2.0%
Transfers and subsidies	–	39	–	–	–	–	–	–	–	–	–
Households	–	39	–	–	–	–	–	–	–	–	–
Payments for capital assets	660	51	913	4 032	82.8%	7.2%	560	1 603	650	-45.6%	2.8%
Machinery and equipment	660	51	913	4 032	82.8%	7.2%	560	1 603	650	-45.6%	2.8%
Total	10 704	9 526	13 452	45 030	61.4%	100.0%	64 025	66 587	69 143	15.4%	100.0%
Proportion of total programme expenditure to vote expenditure	1.5%	1.1%	1.3%	4.2%	–	–	5.8%	5.9%	5.5%	–	–
Details of transfers and subsidies											
Households											
Social benefits											
Current	–	39	–	–	–	–	–	–	–	–	–
Employee social benefits	–	39	–	–	–	–	–	–	–	–	–

Personnel information

Table 31.6 Administration personnel numbers and cost by salary level¹

Administration	Number of posts estimated for 31 March 2015		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 (%)	Salary level/total: Average (%)		
			2013/14		2014/15		2015/16		2016/17		2017/18		2014/15 - 2017/18					
			Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost		
Salary level	36	–	4	3.8 1.0	45	21.1 0.5	45	31.5 0.7	45	33.0 0.7	45	35.7 0.8	–	–	–	–	–	100.0%
1 – 6	7	–	–	–	7	1.2 0.2	7	1.3 0.2	7	1.4 0.2	7	1.5 0.2	–	–	–	–	–	15.6%
7 – 10	7	–	1	0.4 0.4	11	2.0 0.2	11	2.5 0.2	11	2.7 0.2	11	2.8 0.3	–	–	–	–	–	24.4%
11 – 12	6	–	1	0.6 0.6	11	5.7 0.5	11	9.0 0.8	11	9.5 0.9	11	9.9 0.9	–	–	–	–	–	24.4%
13 – 16	16	–	2	2.8 1.4	16	12.3 0.8	16	18.7 1.2	16	19.5 1.2	16	21.5 1.3	–	–	–	–	–	35.6%

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

2. Rand million.

Programme 2: Cooperatives Support and Development

Programme purpose

Implement a new support model for cooperatives, including the implementation of the Cooperatives Amendment Act (2013).

Objectives

- Increase the number of cooperatives accessing the various customised intervention programmes to ensure their sustainability and economic contribution by implementing sector catalytic projects through:
 - growing and facilitating the entry of cooperative enterprises in the mining, manufacturing, agro-processing and services sectors, over the medium term
 - providing supplier development programmes for cooperatives through the Cooperatives Development Agency, over the medium term.

Subprogrammes

- *Cooperatives Development* promotes the development of cooperatives and the participation of youth in the economy, contributing towards increased employment, economic growth and poverty reduction.

Expenditure trends and estimates

Table 31.7 Cooperatives Support and Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand											
Cooperatives Development	12 373	10 445	13 527	12 158	-0.6%	100.0%	15 188	16 066	16 714	11.2%	100.0%
Total	12 373	10 445	13 527	12 158	-0.6%	100.0%	15 188	16 066	16 714	11.2%	100.0%
Change to 2014 Budget estimate				319			4 652	4 802	4 948		
Economic classification											
Current payments	12 330	10 231	13 437	12 110	-0.6%	99.2%	15 032	15 907	16 552	11.0%	99.1%
Compensation of employees	7 166	6 569	7 801	10 253	12.7%	65.5%	12 754	13 109	13 758	10.3%	82.9%
Goods and services	5 164	3 662	5 636	1 857	-28.9%	33.6%	2 278	2 798	2 794	14.6%	16.2%
of which:											
Administrative fees	–	–	–	32	–	0.1%	21	50	20	-14.5%	0.2%
Advertising	115	–	470	–	-100.0%	1.2%	–	–	–	–	–
Assets less than the capitalisation threshold	–	4	–	–	–	–	–	–	–	–	–
Catering: Departmental activities	–	34	101	22	–	0.3%	91	116	123	77.5%	0.6%
Communication	42	42	41	91	29.4%	0.4%	81	95	88	-1.1%	0.6%
Consultants and professional services: Business and advisory services	799	1 439	563	–	-100.0%	5.8%	–	–	–	–	–
Contractors	17	14	1 218	10	-16.2%	2.6%	70	70	70	91.3%	0.4%
Agency and support / outsourced services	–	–	125	–	–	0.3%	–	–	–	–	–
Entertainment	–	–	2	–	–	–	–	–	–	–	–
Fleet services (including government motor transport)	5	1	5	2	-26.3%	–	–	–	–	-100.0%	–
Consumable supplies	–	–	–	–	–	–	25	25	25	–	0.1%
Consumables: Stationery, printing and office supplies	65	118	97	450	90.6%	1.5%	120	158	163	-28.7%	1.5%
Operating leases	51	36	37	59	5.0%	0.4%	54	104	44	-9.3%	0.4%
Travel and subsistence	3 082	1 920	2 656	1 171	-27.6%	18.2%	1 640	1 958	2 044	20.4%	11.3%
Operating payments	910	16	196	20	-72.0%	2.4%	41	67	69	51.1%	0.3%
Venues and facilities	78	38	125	–	-100.0%	0.5%	135	155	148	–	0.7%
Transfers and subsidies	1	103	55	3	44.2%	0.3%	–	–	–	-100.0%	–
Households	1	103	55	3	44.2%	0.3%	–	–	–	-100.0%	–
Payments for capital assets	42	111	35	45	2.3%	0.5%	156	159	162	53.3%	0.9%
Machinery and equipment	42	111	35	45	2.3%	0.5%	156	159	162	53.3%	0.9%
Total	12 373	10 445	13 527	12 158	-0.6%	100.0%	15 188	16 066	16 714	11.2%	100.0%
Proportion of total programme expenditure to vote expenditure	1.7%	1.2%	1.3%	1.1%	–	–	1.4%	1.4%	1.3%	–	–
Details of transfers and subsidies											
Households											
Social benefits											
Current	1	3	55	3	44.2%	0.1%	–	–	–	-100.0%	–
Employee social benefits	1	3	55	3	44.2%	0.1%	–	–	–	-100.0%	–
Households											
Other transfers to households											
Current	–	100	–	–	–	0.2%	–	–	–	–	–
Gifts and donations	–	100	–	–	–	0.2%	–	–	–	–	–

Personnel information

Table 31.8 Cooperatives Support and Development personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015		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 (%)	Salary level/total: Average (%)			
		2013/14		Unit Cost	2014/15		Unit Cost	2015/16			2016/17			2017/18					2014/15 - 2017/18		
Cooperatives Support and Development		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	15	–	13	7.8	0.6	16	10.3	0.6	16	12.8	0.8	15	13.1	0.9	16	13.8	0.9	–	–	–	100.0%
7 – 10	5	–	5	1.7	0.3	6	2.1	0.4	6	2.2	0.4	6	2.3	0.4	6	2.5	0.4	–	–	–	38.1%
11 – 12	4	–	4	2.4	0.6	4	3.0	0.8	4	3.2	0.8	4	3.3	0.8	4	3.5	0.9	–	–	–	25.4%
13 – 16	6	–	4	3.6	0.9	6	5.1	0.8	6	7.4	1.2	5	7.5	1.5	6	7.8	1.3	–	–	–	36.5%

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

2. Rand million.

Programme 3: Enterprise Development and Entrepreneurship

Programme purpose

Provide customised interventions to support small, medium and micro enterprises (SMMEs) and cooperatives.

Objectives

- Increase contribution to GDP, sustainable livelihoods and the creation of job opportunities by implementing the youth black business supplier development programme to provide financial support to 900 businesses over the medium term.
- Increase the participation of SMMEs and cooperatives in the mainstream economy by implementing the global exporter passport programme to ensure an accelerated development of export ready SMMEs by 2017/18.
- Promote broader participation of small businesses and cooperatives in the mainstream economy by providing financial incentives through the black business supplier development programme and cooperatives incentive scheme, over the medium term.
- Contribute to women's development by providing training to 1 500 women entrepreneurs through the Bavumile skills development programme, by 2017/18.

Subprogrammes

- *Enterprise and Supplier Development* focuses on tools and mechanisms to assist and support previously disadvantaged SMMEs.
- *Gender, Youth and People with Disabilities Economic Empowerment* provides economic support to women, youth and people with disabilities.
- *SMMEs Local Economic Development* provides business development services for SMMEs.
- *Incentives, Grants and Soft Loans* manages incentives, grants and soft loans to provide targeted funding for SMMEs and cooperatives.
- *Entrepreneurship, Intellectual Property and Indigenous Knowledge Systems* promotes, develops and supports entrepreneurship and innovation, and indigenous knowledge systems.

Expenditure trends and estimates

Table 31.9 Enterprise Development and Entrepreneurship expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2014/15 - 2017/18
R thousand											
Enterprise and Supplier Development	588 137	624 192	674 079	659 273	3.9%	71.2%	644 617	657 609	767 596	5.2%	64.0%
Gender, Youth and People with Disabilities											
Economic Empowerment	25 368	21 171	25 201	35 669	12.0%	3.0%	47 929	52 094	54 870	15.4%	4.5%
SMMEs Local Economic Development	–	–	–	3 393	–	0.1%	4 624	4 678	4 359	8.7%	0.4%
Incentives, Grants and Soft Loans	98 897	176 251	313 289	329 045	49.3%	25.7%	322 153	323 350	339 753	1.1%	30.8%
Entrepreneurship, Intellectual Property and Indigenous Knowledge Systems	–	–	–	–	–	–	4 652	4 802	4 948	–	0.3%
Total	712 402	821 614	1 012 569	1 027 380	13.0%	100.0%	1 023 975	1 042 533	1 171 526	4.5%	100.0%
Change to 2014				(97 598)			(39 983)	(64 327)	9 896		
Budget estimate											
Economic classification	47 779	56 247	61 127	77 614	17.6%	6.8%	87 713	93 046	96 941	7.7%	8.3%
Current payments											
Compensation of employees	29 876	37 426	43 694	52 563	20.7%	4.6%	65 376	68 706	72 789	11.5%	6.1%
Goods and services	17 903	18 821	17 433	25 051	11.8%	2.2%	22 337	24 340	24 152	-1.2%	2.2%
<i>of which:</i>											
Administrative fees	94	171	228	120	8.5%	–	209	212	225	23.3%	–
Advertising	17	61	268	52	45.2%	–	–	1	1	-73.2%	–
Assets less than the capitalisation threshold	7	11	2	23	48.7%	–	3	5	5	-39.9%	–
Catering: Departmental activities	175	197	735	543	45.9%	–	624	597	602	3.5%	0.1%
Communication	178	245	293	325	22.2%	–	366	397	437	10.4%	–
Computer services	–	–	–	–	–	–	–	1	1	–	–
Consultants and professional services:	5 953	1 761	896	2 948	-20.9%	0.3%	1 965	2 503	1 378	-22.4%	0.2%
Business and advisory services											
Consultants and professional services:	77	–	13	(465)	-282.1%	–	–	1	1	-112.9%	–
Legal costs											
Contractors	248	633	965	2 534	117.0%	0.1%	2 387	2 868	2 981	5.6%	0.3%
Agency and support / outsourced services	251	–	–	(2)	-120.0%	–	–	140	147	-518.9%	–
Entertainment	4	4	4	5	7.7%	–	15	21	9	21.6%	–
Fleet services (including government motor transport)	27	56	74	117	63.0%	–	70	91	73	-14.5%	–
Inventory: Fuel, oil and gas	–	–	–	–	–	–	–	2	–	–	–
Consumable supplies	6	1	42	40	88.2%	–	53	58	58	13.2%	–
Consumables: Stationery, printing and office supplies	413	251	288	553	10.2%	–	591	616	715	8.9%	0.1%
Operating leases	171	452	409	450	38.1%	–	589	551	611	10.7%	0.1%
Property payments	3	3	1	–	-100.0%	–	–	11	–	–	–
Transport provided: Departmental activity	–	–	–	–	–	–	–	1	1	–	–
Travel and subsistence	7 796	10 620	10 114	9 495	6.8%	1.1%	11 152	11 759	12 210	8.7%	1.0%
Training and development	172	812	1 284	3 250	166.3%	0.2%	2 749	2 970	3 190	-0.6%	0.3%
Operating payments	398	195	550	2 837	92.5%	0.1%	253	480	380	-48.8%	0.1%
Venues and facilities	1 913	3 348	1 265	2 226	5.2%	0.2%	1 311	1 055	1 127	-20.3%	0.1%
Rental and hiring	–	–	2	–	–	–	–	–	–	–	–
Transfers and subsidies	664 147	765 022	951 357	949 160	12.6%	93.2%	935 841	949 029	1 074 113	4.2%	91.6%
Departmental agencies and accounts	561 514	594 570	648 667	624 650	3.6%	68.0%	610 364	620 682	729 343	5.3%	60.6%
Public corporations and private enterprises	99 284	162 068	294 101	308 190	45.9%	24.2%	308 751	309 222	324 689	1.8%	29.3%
Non-profit institutions	3 125	7 900	8 335	16 320	73.5%	1.0%	16 726	19 125	20 081	7.2%	1.7%
Households	224	484	254	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	476	345	85	606	8.4%	–	421	458	472	-8.0%	–
Machinery and equipment	476	345	85	606	8.4%	–	421	458	472	-8.0%	–
Total	712 402	821 614	1 012 569	1 027 380	13.0%	100.0%	1 023 975	1 042 533	1 171 526	4.5%	100.0%
Proportion of total programme expenditure to vote expenditure	96.9%	97.6%	97.4%	94.7%	–	–	92.8%	92.7%	93.2%	–	–

Table 31.9 Enterprise Development and Entrepreneurship expenditure trends and estimates by subprogramme and economic classification

Details of transfers and subsidies		Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
		2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand												
Households												
Social benefits												
Current												
	74	88	100	-	-100.0%	-	-	-	-	-	-	-
Employee social benefits	74	88	100	-	-100.0%	-	-	-	-	-	-	-
Households												
Other transfers to households												
Current												
	150	396	154	-	-100.0%	-	-	-	-	-	-	-
Gifts and donations	150	396	154	-	-100.0%	-	-	-	-	-	-	-
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current												
	561 514	594 570	648 667	624 650	3.6%	68.0%	610 364	620 682	729 343	5.3%	60.6%	
Small Enterprise Development Agency	441 514	441 570	525 372	498 282	4.1%	53.4%	478 183	481 495	583 197	5.4%	47.9%	
Small Enterprise Development Agency: Technology programme	120 000	153 000	123 295	126 368	1.7%	14.6%	132 181	139 187	146 146	5.0%	12.8%	
Public corporations and private enterprises												
Private enterprises												
Other transfers to private enterprises												
Current												
	88 584	162 068	294 101	308 190	51.5%	23.9%	300 000	300 000	315 000	0.7%	28.7%	
Black business supplier development programme	39 471	97 089	218 621	233 190	80.8%	16.5%	225 000	225 000	236 250	0.4%	21.6%	
Cooperatives incentive scheme	49 113	64 979	75 480	75 000	15.2%	7.4%	75 000	75 000	78 750	1.6%	7.1%	
Non-profit institutions												
Current												
	3 125	7 900	8 335	16 320	73.5%	1.0%	16 726	19 125	20 081	7.2%	1.7%	
South African Women Entrepreneurs' Network	3 125	7 900	8 335	16 320	73.5%	1.0%	16 726	19 125	20 081	7.2%	1.7%	
Public corporations and private enterprises												
Public corporations												
Other transfers to public corporations												
Current												
	10 700	-	-	-	-100.0%	0.3%	8 751	9 222	9 689	-	0.6%	
Industrial Development Corporation: Isivande Women's Fund	10 700	-	-	-	-100.0%	0.3%	8 751	9 222	9 689	-	0.6%	

Personnel information

Table 31.10 Enterprise Development and Entrepreneurship personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015		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 (%)	Salary level/total: Average (%)				
		2013/14		2014/15		2015/16		2016/17		2017/18		2014/15 - 2017/18							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Enterprise Development and Entrepreneurship																			
Salary level	106	-	99	43.7	0.4	107	52.6	0.5	110	65.4	0.6	110	68.7	0.6	110	72.8	0.7	0.9%	100.0%
1 - 6	8	-	8	1.2	0.2	9	1.5	0.2	9	1.6	0.2	9	1.7	0.2	9	1.8	0.2	-	8.2%
7 - 10	57	-	57	19.4	0.3	59	21.4	0.4	59	26.9	0.5	59	28.6	0.5	59	28.5	0.5	-	54.0%
11 - 12	21	-	20	11.7	0.6	20	12.2	0.6	21	14.9	0.7	21	14.5	0.7	21	17.4	0.8	1.6%	19.0%
13 - 16	20	-	14	11.4	0.8	19	17.5	0.9	21	21.9	1.0	21	23.9	1.1	21	25.2	1.2	3.4%	18.8%

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

2. Rand million.

Public entities and other agencies

Small Enterprise Development Agency

Mandate

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.

Selected performance indicators

Table 34.11 Small Enterprise Development Agency performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Percentage of clients satisfied with the organisation's services per year	Enhance competitiveness and capabilities of small enterprises through coordinated services, programmes and products	Outcome 4: Decent employment through inclusive economic growth	80%	98%	97%	93%	94%	95%	96%
Percentage of existing SMME clients whose turnover increased per year	Enhance competitiveness and capabilities of small enterprises through coordinated services, programmes and products		35%	63%	67%	52%	54%	56%	58%
Percentage of existing SMME clients whose number of employees increased per year	Enhance competitiveness and capabilities of small enterprises through coordinated services, programmes and products		25%	35%	40%	33%	35%	37%	39%
Number of clients working with the agency per year	Ensure equitable access to business support services		15 931	10 208	10 619	12 000	11 400	10 830	10 290
Number of supported secondary cooperatives per year	Ensure equitable access to business support services		23	28	28	27	36	45	54
Value of service provision costs covered by provincial and local government partners per year	Ensure equitable access to business support services		R7.6 million	R9.6 million	R5.7 million	R10 million	R10.3 million	R10.6 million	R10.9 million
Number of partnerships operational per year	Ensure equitable access to business support services		30	44	41	68	70	72	74
Number of jobs created through the incubation programme per year ¹	Assist SMMEs with technology through the organisation's technology programme		- ¹	2 301	2 900	1 650	1 730	1 820	1 910
Number of clients supported through the incubation programme per year ¹	Assist SMMEs with technology through the organisation's technology programme		- ¹	2 282	1 587	1 710	1 795	1 885	1 980
Number of clients assisted with technology transfer incentives per year ¹	Assist SMMEs with technology through the organisation's technology programme		- ¹	99	44	63	66	69	72
Number of clients supported with conformity assessment and product testing per year ¹	Assist SMMEs with technology through the organisation's technology programme		- ¹	159	173	137	144	151	157
Number of clients trained on national and international standards per year ¹	Assist SMMEs with technology through the organisation's technology programme		- ¹	571	825	510	536	563	590
Number of clients supported with systems implementation per year ¹	Assist SMMEs with technology through the organisation's technology programme	- ¹	35	43	32	34	36	38	
Number of incubators supported per year ¹	Assist SMMEs with technology through the organisation's technology programme	- ¹	- ¹	- ¹	48	51	54	57	

1. No historical data is available, as these are new indicators in line with the annual performance plan.

Expenditure analysis

The national development plan and outcome 4 of government's 2014-19 medium term strategic framework (decent employment through inclusive economic growth) identify small businesses as a key element in achieving the nation's job creation targets by 2030. In support of these objectives, the Small Enterprise Development Agency strives to ensure that the small enterprise sector grows and increases its contribution to sustainable and equitable social and economic development, employment and wealth creation. The agency does this through providing business advice, consultancy, training and mentoring, and by assisting SMMEs with technology through the technology programme. It also provides for the incubation of businesses through technology demonstration centres, technology incubators, and hybrid centres as part of the technology programme, as well as for the development of rural enterprises and cooperatives through the cooperatives and community private partnerships programme.

In line with the medium term strategic framework's objectives, the agency's focus over the medium term will be on continuing to develop, support and promote small enterprises to ensure their growth and sustainability by providing them with non-financial services. Thus, goods and services will remain a key cost driver, accounting for 55.8 per cent of the agency's total expenditure over the medium term. The agency intends to increase its support of clients through the incubation programme from 1 710 in 2014/15 to 1 980 in 2017/18, and increase its assistance of clients through technology transfer incentives from 63 in 2014/15 to 72 in 2017/18.

Expenditure on compensation of employees will continue to drive the expenditure in the agency, accounting for an estimated 41.8 per cent of total expenditure over the medium term. This expenditure is expected to increase to R315.1 million by 2017/18 to account for inflationary increases due to the delivery network being national. The agency's network comprises 1 national office, 9 provincial offices and 46 branches nationwide, with a projected 32 520 clients over the medium term.

An average of 94.6 per cent of the agency's revenue is expected to be derived from transfers from the Department of Small Business Development over the medium term. Other sources of revenue include funding from provincial and local governments, and specific projects from signed memorandums of agreement. Revenue is expected to decrease by R123.2 million over the medium term as a result of Cabinet approved budget reductions of R49.3 million in 2015/16 and R73.9 million in 2016/17 being effected on the agency's allocation due to its accumulated level of reserves.

Programmes/objectives/activities

Table 31.12 Small Enterprise Development Agency expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate 2014/15	Average growth rate (%) 2011/12 - 2014/15	Expenditure/ Total: Average (%) 2011/12 - 2014/15	Medium-term expenditure estimate			Average growth rate (%) 2014/15 - 2017/18	Expenditure/ Total: Average (%) 2014/15 - 2017/18
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
Enhance competitiveness and capabilities of small enterprises through coordinated services, programmes and products	154 121	151 331	161 357	173 821	4.1%	25.6%	184 614	196 094	208 305	6.2%	27.9%
Ensure equitable access to business support services	130 635	140 443	146 841	161 409	7.3%	23.1%	169 055	177 467	186 632	5.0%	25.4%
Strengthen the organisation to deliver on its mandate	191 881	193 946	174 395	206 021	2.4%	30.6%	167 514	151 860	205 260	-0.1%	26.7%
Assist SMEs with technology through the organisation's technology programme	109 693	149 828	135 637	126 368	4.8%	20.8%	132 181	138 261	146 146	5.0%	19.9%
Total	586 330	635 548	618 230	667 619	4.4%	100.0%	653 364	663 682	746 343	3.8%	100.0%

Statements of historical financial performance and position

Table 31.13 Small Enterprise Development Agency statements of historical financial performance and position

Statement of financial performance									
R thousand	Approved budget 2011/12	Audited outcome 2012/13	Approved budget 2012/13	Audited outcome 2013/14	Approved budget 2013/14	Audited outcome 2014/15	Budget estimate 2014/15	Revised estimate 2014/15	Outcome/Budget Average (%) 2011/12 - 2014/15
Revenue									
Non-tax revenue	42 571	36 275	19 392	66 890	13 000	64 133	43 001	42 969	178.2%
Other non-tax revenue	42 571	36 275	19 392	66 890	13 000	64 133	43 001	42 969	178.2%
Transfers received	530 860	508 290	540 655	566 923	603 666	576 979	624 650	624 650	99.0%
Total revenue	573 431	544 565	560 047	633 813	616 666	641 112	667 651	667 619	102.9%
Expenses									
Current expenses	573 431	586 330	560 047	635 548	608 500	618 230	667 651	667 619	104.1%
Compensation of employees	226 914	206 118	220 042	221 373	241 188	224 241	257 194	257 200	96.1%
Goods and services	333 150	360 791	324 960	396 302	350 967	378 956	393 798	393 719	109.0%
Depreciation	10 867	17 347	12 760	15 943	14 500	12 964	14 774	14 800	115.4%
Interest, dividends and rent on land	2 500	2 074	2 285	1 930	1 845	2 069	1 885	1 900	93.6%
Total expenses	573 431	586 330	560 047	635 548	608 500	618 230	667 651	667 619	104.1%
Surplus/(Deficit)	-	(41 765)	-	(1 735)	8 166	22 882	-	-	-
Statement of financial position									
Carrying value of assets	40 686	40 717	45 790	38 371	44 621	34 269	44 000	44 000	89.9%
of which:									
Acquisition of assets	(5 861)	(12 906)	(9 482)	(13 967)	(13 500)	(10 236)	(8 955)	(10 125)	125.0%
Inventory	300	238	310	251	270	383	257	277	101.1%
Receivables and prepayments	5 500	32 062	4 300	3 916	9 800	9 637	8 500	8 500	192.6%
Cash and cash equivalents	95 590	153 656	99 425	211 205	130 458	308 045	135 001	265 450	203.8%
Total assets	142 076	226 673	149 825	253 743	185 149	352 334	187 758	318 227	173.1%
Accumulated surplus/(deficit)	908	25 228	20 139	23 493	18 000	46 375	15 000	15 000	203.7%
Capital reserve fund	-	-	-	-	82	-	-	-	-
Finance lease	-	12 208	17 604	12 085	11 000	11 761	11 338	11 338	118.7%
Deferred income	-	-	6 082	-	-	-	-	-	-
Trade and other payables	105 000	173 019	90 000	200 536	137 500	275 561	140 891	271 360	194.4%
Provisions	17 168	16 218	16 000	17 629	18 567	18 637	20 529	20 529	101.0%
Derivatives financial instruments	19 000	-	-	-	-	-	-	-	-
Total equity and liabilities	142 076	226 673	149 825	253 743	185 149	352 334	187 758	318 227	173.1%

Statements of estimates of financial performance and position

Table 31.14 Small Enterprise Development Agency statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
					2014/15	2011/12 - 2014/15	2015/16		
R thousand									
Revenue									
Non-tax revenue		42 969	5.8%	8.4%	43 000	43 000	17 000	-26.6%	5.4%
Other non-tax revenue		42 969	5.8%	8.4%	43 000	43 000	17 000	-26.6%	5.4%
Transfers received		624 650	7.1%	91.6%	610 364	620 682	729 343	5.3%	94.6%
Total revenue		667 619	7.0%	100.0%	653 364	663 682	746 343	3.8%	100.0%
Expenses									
Current expenses		667 619	4.4%	100.0%	653 364	663 682	746 343	3.8%	100.0%
Compensation of employees		257 200	7.7%	36.2%	275 204	294 468	315 081	7.0%	41.8%
Goods and services		393 719	3.0%	61.0%	361 460	352 714	414 862	1.8%	55.8%
Depreciation		14 800	-5.2%	2.4%	14 900	14 900	14 900	0.2%	2.2%
Interest, dividends and rent on land		1 900	-2.9%	0.3%	1 800	1 600	1 500	-7.6%	0.3%
Total expenses		667 619	4.4%	100.0%	653 364	663 682	746 343	3.8%	100.0%
Surplus/(Deficit)		-	-100.0%	-	-	-	-	-	-
Statement of financial position									
Carrying value of assets		44 000	2.6%	14.2%	45 000	47 000	50 000	4.4%	18.1%
of which:									
Acquisition of assets		(10 125)	-7.8%	-4.3%	(8 000)	(8 000)	(8 700)	-4.9%	-3.3%
Inventory		277	5.2%	0.1%	300	310	320	4.9%	0.1%
Receivables and prepayments		8 500	-35.8%	5.3%	10 000	11 000	12 000	12.2%	4.1%
Cash and cash equivalents		265 450	20.0%	80.5%	200 562	161 560	190 850	-10.4%	77.7%
Total assets		318 227	12.0%	100.0%	255 862	219 870	253 170	-7.3%	100.0%
Accumulated surplus/(deficit)		15 000	-15.9%	9.6%	15 000	15 000	15 000	-	5.8%
Finance lease		11 338	-2.4%	4.3%	11 050	10 570	10 090	-3.8%	4.2%
Trade and other payables		271 360	16.2%	79.7%	208 135	171 105	203 262	-9.2%	81.2%
Provisions		20 529	8.2%	6.5%	21 677	23 195	24 818	6.5%	8.8%
Total equity and liabilities		318 227	12.0%	100.0%	255 862	219 870	253 170	-6.5%	100.0%

Personnel information

Table 31.15 Small Enterprise Development Agency personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
Number of funded posts	Number of posts on approved establishment	2013/14			2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18		
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Small Enterprise Development Agency	659	659	659	224.2	0.3	659	257.2	0.4	659	275.2	0.4	659	294.5	0.4	659	315.1	0.5	7.0%	100.0%
Salary level	659	659	659	224.2	0.3	659	257.2	0.4	659	275.2	0.4	659	294.5	0.4	659	315.1	0.5	7.0%	100.0%
1 - 6	200	200	200	33.8	0.2	200	36.1	0.2	200	38.7	0.2	200	41.4	0.2	200	44.3	0.2	7.0%	30.3%
7 - 10	379	379	379	132.5	0.3	379	153.6	0.4	379	164.4	0.4	379	175.9	0.5	379	188.2	0.5	7.0%	57.5%
11 - 12	70	70	70	45.7	0.7	70	54.3	0.8	70	58.1	0.8	70	62.2	0.9	70	66.5	1.0	7.0%	10.6%
13 - 16	10	10	10	12.3	1.2	10	13.1	1.3	10	14.0	1.4	10	15.0	1.5	10	16.1	1.6	7.0%	1.5%

1. Rand million.

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BUDGET 2015

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