



2019
BUDGET
ESTIMATES OF
NATIONAL EXPENDITURE

VOTE
31

SMALL BUSINESS DEVELOPMENT



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



**Estimates of
National Expenditure**

2019

National Treasury

Republic of South Africa



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The 2019 Estimates of National Expenditure is compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

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

Foreword

The Estimates of National Expenditure (ENE) publications are an integral part of the comprehensive annual budget process. The economic climate has made it necessary to focus on reprioritising existing resources towards areas where the most value can be derived for all South Africans. The budgets shown in this document reflect the outcome of a robust negotiation process, led by a committee of senior officials in central government departments, under the political guidance of the Ministers' Committee on the Budget. There was also wide-ranging intergovernmental consultation on budgets in the provincial and local spheres of government. Ultimately, these decisions are considered and endorsed by Cabinet.

The ENE publications present the detail of national government's expenditure estimates for the three-year 2019 medium-term expenditure framework period, most importantly for 2019/20 allocations contained in the Appropriation Bill, 2019, as tabled by the Minister of Finance, for Parliament's consideration and adoption.

The abridged ENE provides extensive information on the priorities, spending plans and service delivery commitments of all 40 national government votes, as well as for associated government agencies. The e-publications for each vote contain more detail on goods and services, transfers and subsidies, donor funding, public entities, and lower-level spending information on service delivery.

This information in these chapters ensures that Parliament, the public, civil society, the media, government departments, public entities and the executive can keep state institutions accountable and ensure that public funds are spent to achieve the outcomes for which they were intended. Since its launch in February 2018, the Vulekamali online portal has become the main source of transparent, user-friendly information, including information contained in ENE publications, for anybody who wants to know more about how government compiles its budget and spends public funds. The website, www.vulekamali.gov.za, continues to evolve, and now also provides geospatial information on government's infrastructure projects, which are focal in this year's budget as a key impetus for economic growth. I encourage you to be active citizens and use this information to hold government accountable for obtaining the best possible outcomes with the funds entrusted to it.

I wish to thank the executive for the political leadership shown in the budget process, our government colleagues for all of their efforts and contributions, and my team at the department for working diligently to bring it all together.



Dondo Mogajane
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure (ENE) publications describe in detail government's expenditure plans over the next three financial years, also known as the medium-term expenditure framework (MTEF) period. The 2019 MTEF period is from 2019/20 to 2021/22.

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

A separate 2019 ENE Overview publication is also available on www.treasury.gov.za and summarises the ENE information across all votes. The 2019 ENE Overview contains a narrative explanation and budget-wide summary tables; and it also has a write-up on how to interpret the information that is contained in each section of the publications.

Small Business Development

National Treasury

Republic of South Africa



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Vote 31

Small Business Development

Budget summary

R million	2019/20				2020/21	2021/22
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	124.4	120.6	–	3.8	131.5	139.6
Sector Policy and Research	35.6	35.5	–	0.1	39.4	42.3
Integrated Cooperative Development	127.6	39.5	88.0	0.1	135.1	142.3
Enterprise Development and Entrepreneurship	2 280.9	42.3	2 238.4	0.2	2 407.3	2 539.1
Total expenditure estimates	2 568.6	237.9	2 326.3	4.3	2 713.3	2 863.3
Executive authority	Minister of Small Business Development					
Accounting officer	Director-General of Small Business Development					
Website address	www.dsb.gov.za					

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

Vote purpose

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

Mandate

The department is tasked with the responsibility of leading an integrated approach to the promotion and development of small businesses and cooperatives through focusing 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)
- the National Small Business Amendment Act (2004)
- the Small Business Development Act (1981)
- the Cooperatives Act (2005)
- the Cooperatives Amendment Act (2013).

Selected performance indicators

Table 31.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Value of funding disbursed to cooperatives through the cooperatives incentive scheme per year ¹	Integrated Cooperative Development	Outcome 4: Decent employment through inclusive growth	R74.9m	R63.9m	R70.7m	R83.3m	R87.9m	R92.8m	R97.9m
Number of cooperatives supported through training per year	Integrated Cooperative Development		350	370	270	122	240	300	350
Number of black-owned small, medium and micro enterprises assisted through the black business supplier development programme per year	Enterprise Development and Entrepreneurship		480	600	641	677	715	800	845
Number of informal business infrastructure funded through the shared economic Infrastructure facility per year	Enterprise Development and Entrepreneurship	Outcome 7: Comprehensive rural development and land reform	– ²	– ²	6	6	10	15	20
Number of informal enterprises financially assisted through the national informal business upliftment scheme per year	Enterprise Development and Entrepreneurship		– ²	1 666	1 696	1 000	1 500	2 000	2 112
Number of incubators established through the enterprise incubation programme per year	Enterprise Development and Entrepreneurship	Outcome 5: A skilled and capable workforce to support an inclusive growth path	– ²	1	4	11	– ³	– ³	– ³

1. Indicator revised to measure the value of funding disbursed, as per the department's annual performance plan.

2. No historical data available.

3. Indicator discontinued as this function will be migrated to the Small Enterprise Development Agency from 2019/20.

Expenditure analysis

The National Development Plan identifies the pivotal role of small, medium and micro enterprises (SMMEs) and cooperatives in contributing to inclusive economic growth and employment. In doing so, the plan highlights the benefits of providing incentive schemes, and reducing the costs of doing business and regulatory burdens for small enterprises. The work of the Department of Small Business Development is aligned with and aims to give expression to this vision. Accordingly, over the medium term, the department will focus on: developing, evaluating and reviewing strategies and legislation for small enterprises and cooperatives; increasing support for small enterprises; and developing and supporting cooperatives.

The department has a total budget of R8.1 billion over the medium term, 72.8 percent (R5.9 billion) of which is for transfers to the Small Enterprise Development Agency for its operations, and the Small Enterprise Finance Agency for administering the small business and innovation fund. The department's expenditure is expected to increase at an average annual rate of 24.4 percent, from R1.5 billion in 2018/19 to R2.9 billion in 2021/22. This is mainly due to allocations amounting to R3.2 billion over the MTEF period to operationalise the small business and innovation fund.

Developing, evaluating and reviewing strategies and legislation for small enterprises and cooperatives

In seeking to fulfil its mandate to provide strategic and legislative drivers that stimulate entrepreneurship and

economic transformation, the department plans to undertake various legislative and policy reviews and amendments, which are expected to be completed by 2020. Key among these are drafting the National Small Business Amendment Bill, which seeks to standardise the definition of SMMEs to allow for the development of more appropriate policy and support interventions; and reviewing the integrated strategy on the promotion of entrepreneurship and small enterprises to enable it to be responsive to current economic conditions and business life cycles. Over the medium term, the department plans to conduct research focused on examining barriers to entry and other impediments to small businesses that result in increases to the cost of doing business in South Africa. Research findings will assist the department, in partnership with other stakeholders, to develop strategies related to reducing red tape, accessing markets and conducting business rescue. These activities will be carried out in the *Sector Policy and Research* programme which has a budget of R117.3 million over the MTEF period. Expenditure in the programme is expected to increase at an average annual rate of 12.3 percent, from R29.9 million in 2018/19 to R42.3 million in 2021/22.

Increasing support for small enterprises

The department provides support for small enterprises directly and indirectly through the Small Enterprise Development Agency and the Small Enterprise Finance Agency. However, the black business supplier development programme and the national informal business upliftment scheme are implemented directly by the department. The black business supplier development programme offers a cost-sharing grant for small enterprises to acquire tools, machinery, equipment and training to a maximum of R1 million per applicant, while the national informal business upliftment scheme aims to develop and grow informal businesses by providing financial, non-financial and infrastructure support services. Over the medium term, 2 360 small enterprises are expected to benefit from the black business supplier development programme, which is allocated R906.5 million in the *Enterprise Development and Entrepreneurship* programme. Over the same period, 5 612 informal businesses are expected to benefit from the national informal business upliftment scheme and 45 informal business structures are expected to be supported through the scheme's infrastructure facility, which provides a 50-50 cost-sharing grant for public and private sector investments in economic infrastructure. Spending on the scheme is in the *SMMEs Programme Design and Support* subprogramme in the *Enterprise Development and Entrepreneurship* programme, which has a total allocation of R248.4 million over the MTEF period.

Developing and supporting cooperatives

The department will continue providing financial support to cooperatives through the cooperatives incentive scheme. The scheme provides a 100 percent grant to the maximum of R350 000 per registered primary cooperative and R11 million per registered clustered cooperatives. In doing so, the scheme intends to improve the viability and competitiveness of cooperatives by lowering the cost of doing business. Over the MTEF period, the scheme aims to support 890 cooperatives with a total allocation of R278.7 million in the *Cooperatives Programme Design and Support* subprogramme in the *Integrated Cooperative Development* programme.

Expenditure trends

Table 31.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Sector Policy and Research														
3. Integrated Cooperative Development														
4. Enterprise Development and Entrepreneurship														
Programme														
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2015/16			2016/17			2017/18			2018/19			2015/16 - 2018/19	
Programme 1	64.0	81.4	66.4	118.1	114.0	98.9	127.6	121.6	117.0	124.7	127.1	121.9	93.1%	91.0%
Programme 2	12.2	12.2	11.7	26.1	25.8	13.8	22.0	18.0	16.7	22.4	22.4	29.9	87.2%	91.9%
Programme 3	88.4	92.1	89.7	112.0	109.2	78.6	106.8	106.8	99.2	111.0	115.0	118.8	92.4%	91.3%
Programme 4	938.5	941.8	931.0	1 069.3	1 069.5	1 005.7	1 193.4	1 229.3	1 226.5	1 230.3	1 223.9	1 217.8	98.9%	98.1%
Total	1 103.2	1 127.5	1 098.9	1 325.4	1 318.4	1 197.0	1 449.8	1 475.7	1 459.5	1 488.5	1 488.5	1 488.5	97.7%	96.9%
Change to 2018 Budget estimate														

Table 31.2 Vote expenditure trends by programme and economic classification

Economic classification	Annual budget			Average: 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	2015/16			2016/17			2017/18			2018/19			2015/16 - 2018/19	
Current payments	166.2	166.5	137.5	215.5	208.5	178.7	217.0	204.0	207.1	221.1	222.4	222.4	91.0%	93.0%
Compensation of employees	109.7	111.5	93.1	136.7	129.7	114.0	137.5	132.5	129.0	140.8	140.6	140.6	90.9%	92.7%
Goods and services	56.5	55.0	44.3	78.8	78.8	64.6	79.5	71.5	78.1	80.3	81.8	81.8	91.1%	93.6%
Transfers and subsidies	935.8	958.4	958.2	1 105.8	1 105.8	1 015.4	1 230.3	1 266.1	1 245.9	1 261.6	1 262.1	1 262.1	98.9%	97.6%
Departmental agencies and accounts	610.4	610.4	622.8	633.8	633.8	652.9	735.7	767.3	811.3	769.5	840.1	840.1	106.5%	102.7%
Higher education institutions	–	12.5	–	–	–	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	308.8	318.8	318.6	472.0	472.0	362.3	494.6	498.8	434.5	492.1	421.5	421.5	87.0%	89.8%
Non-profit institutions	16.7	16.7	16.7	–	–	0.1	–	–	–	–	–	–	100.6%	100.6%
Households	–	0.1	0.1	–	–	0.1	–	–	0.2	–	0.5	0.5	–	148.2%
Payments for capital assets	1.1	2.6	3.2	4.2	4.2	3.0	2.6	5.6	6.5	5.8	4.0	4.0	121.6%	101.5%
Machinery and equipment	1.1	2.6	3.2	4.2	4.2	3.0	2.6	5.6	5.0	5.8	4.0	4.0	110.4%	92.2%
Software and other intangible assets	–	–	0.0	–	–	–	–	–	1.5	–	0.0	0.0	–	10 921.4%
Total	1 103.2	1 127.5	1 098.9	1 325.4	1 318.4	1 197.0	1 449.8	1 475.7	1 459.5	1 488.5	1 488.5	1 488.5	97.7%	96.9%

Expenditure estimates

Table 31.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Sector Policy and Research								
3. Integrated Cooperative Development								
4. Enterprise Development and Entrepreneurship								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2018/19	2019/20	2020/21		
R million	2018/19	2015/16	2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	
Programme 1	121.9	14.4%	7.7%	124.4	131.5	139.6	4.6%	5.4%
Programme 2	29.9	34.6%	1.4%	35.6	39.4	42.3	12.3%	1.5%
Programme 3	118.8	8.9%	7.4%	127.6	135.1	142.3	6.2%	5.4%
Programme 4	1 217.8	8.9%	83.5%	2 280.9	2 407.3	2 539.1	27.8%	87.7%
Total	1 488.5	9.7%	100.0%	2 568.6	2 713.3	2 863.3	24.4%	100.0%
Change to 2018 Budget estimate				(5.9)	(6.2)	(7.3)		
Economic classification								
Current payments	222.4	10.1%	14.2%	237.9	254.2	269.9	6.7%	10.2%
Compensation of employees	140.6	8.0%	9.1%	151.8	163.3	173.9	7.3%	6.5%
Goods and services	81.8	14.1%	5.1%	86.1	90.9	95.9	5.5%	3.7%
Transfers and subsidies	1 262.1	9.6%	85.5%	2 326.3	2 454.7	2 588.9	27.1%	89.6%
Departmental agencies and accounts	840.1	11.2%	55.8%	867.8	909.0	958.2	4.5%	37.1%
Public corporations and private enterprises	421.5	9.8%	29.3%	1 458.6	1 545.7	1 630.7	57.0%	52.5%
Households	0.5	98.5%	0.0%	–	–	–	-100.0%	0.0%
Payments for capital assets	4.0	15.1%	0.3%	4.3	4.4	4.6	4.5%	0.2%
Machinery and equipment	4.0	15.0%	0.3%	4.3	4.4	4.6	4.6%	0.2%
Software and other intangible assets	0.0	–	0.0%	–	–	–	-100.0%	0.0%
Total	1 488.5	9.7%	100.0%	2 568.6	2 713.3	2 863.3	24.4%	100.0%

Expenditure trends and estimates for significant spending items

Table 31.4 Expenditure trends and estimates for significant spending items

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	Average: Expenditure/ Total vote (%)
Small Enterprise Development Agency	622 835	652 914	811 301	840 089	10.5%	55.8%	867 763	908 960	958 160	4.5%	37.1%
Black business supplier development programme	224 874	268 009	256 743	270 953	6.4%	19.5%	286 126	301 863	318 465	5.5%	12.2%
Cooperatives incentive scheme	74 998	63 879	70 695	83 318	3.6%	5.6%	87 984	92 823	97 928	5.5%	3.8%
National informal business upliftment scheme	–	–	26 422	57 238	–	1.6%	73 914	84 904	89 574	16.1%	3.2%
Enterprise incubation programme	–	20 400	70 600	–	–	1.7%	–	–	–	–	–
Total	922 707	1 005 202	1 235 761	1 251 598	10.7%	84.2%	1 315 787	1 388 550	1 464 127	5.4%	56.3%

Goods and services expenditure trends and estimates

Table 31.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	Average: Expenditure/ Total (%)
Administrative fees	509	1 009	1 251	1 095	29.1%	1.4%	1 157	1 221	1 285	5.5%	1.3%
Advertising	1 946	2 072	1 412	1 733	-3.8%	2.7%	982	1 004	1 056	-15.2%	1.3%
Minor assets	40	279	159	357	107.4%	0.3%	69	73	77	-40.0%	0.2%
Audit costs: External	1 072	3 189	3 289	5 143	68.7%	4.7%	5 665	5 949	6 253	6.7%	6.5%
Bursaries: Employees	7	172	186	313	254.9%	0.3%	340	357	375	6.2%	0.4%
Catering: Departmental activities	956	3 507	3 711	1 216	8.4%	3.5%	2 250	2 368	2 492	27.0%	2.3%
Communication	1 481	1 001	780	702	-22.0%	1.5%	594	640	678	-1.2%	0.7%
Computer services	3 897	2 949	4 965	8 236	28.3%	7.5%	8 490	8 915	9 362	4.4%	9.9%
Consultants: Business and advisory services	745	5 066	13 524	11 687	150.3%	11.5%	14 719	15 043	16 362	11.9%	16.3%
Legal services	–	–	55	900	–	0.4%	320	336	353	-26.8%	0.5%
Science and technological services	–	142	–	–	–	0.1%	–	–	–	–	–
Contractors	673	1 352	2 980	671	-0.1%	2.1%	919	850	894	10.0%	0.9%
Agency and support/outsourced services	–	10	170	500	–	0.3%	510	536	563	4.0%	0.6%
Entertainment	–	–	–	26	–	–	10	11	12	-22.7%	–
Fleet services (including government motor transport)	278	947	1 071	956	51.0%	1.2%	870	905	814	-5.2%	1.0%
Inventory: Clothing material and accessories	–	–	–	71	–	–	–	–	–	-100.0%	–
Consumable supplies	355	170	486	356	0.1%	0.5%	313	333	353	-0.3%	0.4%
Consumables: Stationery, printing and office supplies	907	2 083	966	1 166	8.7%	1.9%	869	1 028	1 086	-2.3%	1.2%
Operating leases	6 839	16 014	18 928	20 238	43.6%	23.1%	21 913	23 010	24 161	6.1%	25.2%
Rental and hiring	4	62	260	–	-100.0%	0.1%	130	137	144	–	0.1%
Travel and subsistence	19 309	18 229	20 672	20 200	1.5%	29.2%	20 620	23 105	24 262	6.3%	24.9%
Training and development	3 738	501	2 141	1 100	-33.5%	2.8%	1 178	1 237	1 299	5.7%	1.4%
Operating payments	335	978	708	1 358	59.4%	1.3%	1 625	1 134	1 210	-3.8%	1.5%
Venues and facilities	1 234	4 906	387	3 728	44.6%	3.8%	2 580	2 721	2 858	-8.5%	3.4%
Total	44 324	64 638	78 101	81 752	22.6%	100.0%	86 123	90 913	95 949	5.5%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 31.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	Average: Expenditure/ Total (%)
Households											
Social benefits											
Current	63	93	163	469	95.3%	–	–	–	–	-100.0%	–
Households	–	25	50	135	–	–	–	–	–	-100.0%	–
Employee social benefits	63	68	113	334	74.4%	–	–	–	–	-100.0%	–

Table 31.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18				2018/19	2015/16 - 2018/19	2019/20		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	622 835	652 914	811 301	840 089	10.5%	65.3%	1 867 763	1 963 960	2 071 185	35.1%	78.1%
Small Enterprise Development Agency	478 183	496 495	619 766	580 241	6.7%	48.5%	665 076	702 446	740 288	8.5%	31.1%
Small Enterprise Development Agency: Technology programme	132 181	139 187	146 146	199 359	14.7%	13.8%	152 281	160 261	169 075	-5.3%	7.9%
Small Enterprise Development Agency: National gazelles programme	-	-	15 000	30 000	-	1.0%	35 000	30 000	31 650	1.8%	1.5%
Small Enterprise Development Agency: Capacity-building programme	12 471	17 232	30 389	30 489	34.7%	2.0%	15 406	16 253	17 147	-17.5%	0.9%
Small Enterprise Finance Agency: Small business and innovation fund	-	-	-	-	-	-	1 000 000	1 055 000	1 113 025	-	36.7%
Public corporations and private enterprises											
Other transfers to private enterprises											
Current	309 872	362 288	434 460	421 509	10.8%	34.1%	458 584	490 731	517 721	7.1%	21.9%
Various institutions: Cooperatives incentive scheme	74 998	63 879	70 695	83 318	3.6%	6.5%	87 984	92 823	97 928	5.5%	4.2%
Various institutions: Black business supplier development programme	224 874	268 009	256 743	270 953	6.4%	22.8%	286 126	301 863	318 465	5.5%	13.6%
Various institutions: National informal business upliftment scheme	-	-	26 422	57 238	-	1.9%	73 914	84 904	89 574	16.1%	3.5%
Various institutions: Enterprise incubation programme	-	20 400	70 600	-	-	2.0%	-	-	-	-	-
Various institutions: Craft customised sector programme	10 000	10 000	10 000	10 000	-	0.9%	10 560	11 141	11 754	5.5%	0.5%
Non-profit institutions											
Current	16 726	100	-	-	-100.0%	0.4%	-	-	-	-	-
South African Women Entrepreneurs Network	16 726	-	-	-	-100.0%	0.4%	-	-	-	-	-
Primesters Marketing	-	100	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises											
Other transfers to public corporations											
Current	8 753	-	-	-	-100.0%	0.2%	-	-	-	-	-
Gifts and donations	2	-	-	-	-100.0%	-	-	-	-	-	-
Industrial Development Corporation: Isivande women's fund	8 751	-	-	-	-100.0%	0.2%	-	-	-	-	-
Total	958 249	1 015 395	1 245 924	1 262 067	9.6%	100.0%	2 326 347	2 454 691	2 588 906	27.1%	100.0%

Personnel information

Table 31.7 Vote personnel numbers and cost by salary level and programme¹

Programme																			
s																			
1. Administration																			
2. Sector Policy and Research																			
3. Integrated Cooperative Development																			
4. Enterprise Development and Entrepreneurship																			
Number of funded posts	Number of posts estimated for 31 March 2019		Number and cost ² of personnel posts filled/planned for on funded establishment									Number							
	Number of posts additional to the establishment	Unit cost	Actual			Revised estimate			Medium-term expenditure estimate			Average growth rate (%)	Average: Salary level/Total (%)						
			2017/18	2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22											
	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost							
Small Business Development	226	19	213	129.0	0.6	211	140.6	0.7	215	151.8	0.7	215	163.3	0.8	213	173.9	0.8	0.3%	100.0%
Salary level	226	19	213	129.0	0.6	211	140.6	0.7	215	151.8	0.7	215	163.3	0.8	213	173.9	0.8	0.3%	100.0%
1 – 6	42	13	51	11.2	0.2	46	11.1	0.2	46	12.0	0.3	45	12.8	0.3	44	13.5	0.3	-1.5%	21.2%
7 – 10	91	4	72	22.4	0.3	68	31.6	0.5	72	36.0	0.5	73	39.2	0.5	72	41.4	0.6	1.9%	33.4%
11 – 12	48	-	50	46.0	0.9	52	44.4	0.9	54	49.1	0.9	54	52.6	1.0	54	56.3	1.0	1.3%	25.1%
13 – 16	45	2	40	49.5	1.2	45	53.6	1.2	43	54.8	1.3	43	58.7	1.4	43	62.7	1.5	-1.5%	20.4%
Programme	226	19	213	129.0	0.6	211	140.6	0.7	215	151.8	0.7	215	163.3	0.8	213	173.9	0.8	0.3%	100.0%
Programme 1	105	6	97	62.5	0.6	103	62.3	0.6	99	64.2	0.6	98	68.8	0.7	98	73.7	0.8	-1.6%	46.6%
Programme 2	24	2	18	10.2	0.6	24	18.2	0.8	25	19.8	0.8	26	21.8	0.8	26	23.3	0.9	2.7%	11.8%
Programme 3	41	2	19	20.2	1.1	39	30.1	0.8	41	33.2	0.8	41	35.6	0.9	40	37.3	0.9	0.8%	18.9%
Programme 4	56	9	79	36.0	0.5	45	30.0	0.7	50	34.6	0.7	50	37.1	0.7	49	39.5	0.8	2.9%	22.7%

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

2. Rand million.

Departmental receipts

Table 31.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2015/16	2016/17	2017/18					2018/19	2019/20	2020/21		
Departmental receipts	121	88	551	112	1 167	112.9%	100.0%	70	80	90	-57.4%	100.0%
Sales of goods and services produced by department	121	88	52	60	60	-20.8%	16.7%	70	80	90	14.5%	21.3%
Sales by market establishments of which:												
Packing	121	88	52	60	60	-20.8%	16.7%	70	80	90	14.5%	21.3%
Interest, dividends and rent on land	-	-	2	2	3	-	0.3%	-	-	-	-100.0%	0.2%
Interest	-	-	2	2	3	-	0.3%	-	-	-	-100.0%	0.2%
Transactions in financial assets and liabilities	-	-	497	50	1 104	-	83.1%	-	-	-	-100.0%	78.5%
Total	121	88	551	112	1 167	112.9%	100.0%	70	80	90	-57.4%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 31.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R thousand											
Ministry	29 897	29 692	30 909	29 335	-0.6%	29.3%	26 472	29 012	30 068	0.8%	22.0%
Departmental Management	15 232	14 514	16 895	20 607	10.6%	16.4%	18 500	18 615	20 733	0.2%	15.0%
Corporate Services	21 318	33 455	45 161	52 544	35.1%	37.2%	54 128	57 490	60 492	4.8%	43.0%
Financial Management	-	14 929	16 280	19 259	-	12.3%	20 324	21 038	22 625	5.5%	15.9%
Communications	-	6 335	7 754	5 376	-	4.8%	4 964	5 341	5 712	2.0%	4.1%
Total	66 447	98 925	116 999	127 121	24.1%	100.0%	124 388	131 496	139 630	3.2%	100.0%
Change to 2018 Budget estimate				5 184			(2 006)	(2 724)	(1 000)		
Economic classification	63 480	96 022	110 786	123 486	24.8%	96.2%	120 566	127 481	135 385	3.1%	97.0%
Current payments											
Compensation of employees	34 591	52 230	62 504	67 534	25.0%	53.0%	64 211	68 778	73 718	3.0%	52.5%
Goods and services ¹	28 889	43 792	48 282	55 952	24.7%	43.2%	56 355	58 703	61 667	3.3%	44.5%
of which:											
Audit costs: External	1 072	3 189	3 289	5 143	68.7%	3.1%	5 665	5 949	6 253	6.7%	4.4%
Computer services	3 897	2 949	4 965	8 226	28.3%	4.9%	8 490	8 915	9 362	4.4%	6.7%
Consultants: Business and advisory services	745	1 344	1 228	1 487	25.9%	1.2%	1 946	1 544	1 622	2.9%	1.3%
Operating leases	6 839	15 956	18 928	20 238	43.6%	15.1%	21 913	23 010	24 161	6.1%	17.1%
Travel and subsistence	10 610	10 085	10 780	10 804	0.6%	10.3%	10 379	10 906	11 453	2.0%	8.3%
Training and development	39	397	1 519	1 100	204.4%	0.7%	1 178	1 237	1 299	5.7%	0.9%
Transfers and subsidies¹	-	25	50	135	-	0.1%	-	-	-	-100.0%	-
Households	-	25	50	135	-	0.1%	-	-	-	-100.0%	-
Payments for capital assets	2 967	2 850	6 163	3 500	5.7%	3.8%	3 822	4 015	4 245	6.6%	3.0%
Machinery and equipment	2 950	2 850	4 665	3 486	5.7%	3.4%	3 822	4 015	4 245	6.8%	3.0%
Software and other intangible assets	17	-	1 498	14	-6.3%	0.4%	-	-	-	-100.0%	-
Payments for financial assets	-	28	-	-	-	-	-	-	-	-	-
Total	66 447	98 925	116 999	127 121	24.1%	100.0%	124 388	131 496	139 630	3.2%	100.0%
Proportion of total programme expenditure to vote expenditure	6.0%	8.3%	8.0%	8.5%	-	-	4.8%	4.8%	4.9%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	-	25	50	135	-	0.1%	-	-	-	-100.0%	-
Households	-	25	50	135	-	0.1%	-	-	-	-100.0%	-

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

Personnel information

Table 31.10 Administration personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2019		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 (%)	
		2017/18			2018/19			2019/20			2020/21			2021/22					
Administration		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2018/19 - 2021/22		
	105	6	97	62.5	0.6	103	62.3	0.6	99	64.2	0.6	98	68.8	0.7	98	73.7	0.8	-1.6%	100.0%
Salary level																			
1-6	27	3	24	5.9	0.2	30	7.3	0.2	28	7.3	0.3	27	7.7	0.3	27	8.3	0.3	-3.5%	28.1%
7-10	32	1	30	12.5	0.4	28	11.0	0.4	27	11.5	0.4	27	12.4	0.5	27	13.3	0.5	-1.2%	27.4%
11-12	24	-	20	15.5	0.8	24	18.9	0.8	25	21.0	0.8	25	22.5	0.9	25	24.1	1.0	1.4%	24.9%
13-16	22	2	23	28.6	1.2	21	25.1	1.2	19	24.4	1.3	19	26.1	1.4	19	27.9	1.5	-3.3%	19.6%

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

2. Rand million.

Programme 2: Sector Policy And Research

Programme purpose

Develop and review policies and legislation, conduct research, promote sound intergovernmental relations, and monitor and evaluate programmes to ensure the development and growth of sustainable small, medium and micro enterprises and cooperatives that contribute to the creation of employment and economic growth.

Objectives

- Create or promote an environment conducive to the establishment, development and growth of SMMEs and cooperatives on an ongoing basis by:
 - developing relevant legislative and policy frameworks, and enforcing their implementation
 - conducting comprehensive research on key areas of support for SMMEs and cooperatives
 - aligning and coordinating intergovernmental policy on SMMEs and cooperatives
 - negotiating and lobbying at regional and international SMME and cooperative forums
 - monitoring and reviewing programmes for SMMEs and cooperatives.

Subprogrammes

- *Research* provides knowledge management services to direct thought leadership in the sector, and guides evidence-based policy-making and programme design.
- *Policy and Legislation* develops and reviews policies and legislation to create and promote sustainable growth for small businesses and cooperatives, and advances coordination and cooperation among the different spheres of government.
- *International Relations* promotes sector interests in the global marketplace through negotiations and lobbying at different regional and international forums, and the development of strategies and position papers.
- *Monitoring and Evaluation* provides monitoring and evaluation services to evaluate performance and identify factors that improve service delivery outcomes.

Expenditure trends and estimates

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

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R thousand											
Research	11 692	13 645	10 823	9 310	-7.3%	70.2%	17 330	18 169	19 091	27.0%	45.7%
Policy and Legislation	-	-	-	6 543	-	10.1%	5 706	7 848	8 277	8.2%	20.3%
International Relations	-	-	3 846	3 951	-	12.0%	6 026	6 380	6 745	19.5%	16.5%
Monitoring and Evaluation	-	204	2 079	2 643	-	7.6%	6 553	7 019	8 197	45.8%	17.5%
Total	11 692	13 849	16 748	22 447	24.3%	100.0%	35 615	39 416	42 310	23.5%	100.0%
Change to 2018 Budget estimate				(7 405)			(524)	(66)	14		
Economic classification	11 676	13 814	16 713	22 250	24.0%	99.6%	35 520	39 319	42 250	23.8%	99.7%
Current payments											
Compensation of employees	9 908	10 252	10 244	10 779	2.8%	63.6%	19 830	21 756	23 301	29.3%	54.1%
Goods and services ¹	1 768	3 562	6 469	11 471	86.5%	35.9%	15 690	17 563	18 949	18.2%	45.5%
of which:											
Administrative fees	-	86	88	94	-	0.4%	98	104	110	5.4%	0.3%
Catering: Departmental activities	9	217	154	144	152.0%	0.8%	296	312	328	31.6%	0.8%
Consultants: Business and advisory services	-	1 687	4 809	7 685	-	21.9%	11 188	11 834	12 966	19.0%	31.2%
Consumables: Stationery, printing and office supplies	239	77	22	112	-22.3%	0.7%	131	249	260	32.4%	0.5%
Travel and subsistence	1 166	1 120	1 367	2 806	34.0%	10.0%	3 109	4 707	4 908	20.5%	11.1%
Operating payments	-	-	3	430	-	0.7%	809	273	288	-12.5%	1.3%
Transfers and subsidies ¹	-	-	-	107	-	0.2%	-	-	-	-100.0%	0.1%
Households	-	-	-	107	-	0.2%	-	-	-	-100.0%	0.1%
Payments for capital assets	16	35	35	90	77.8%	0.3%	95	97	60	-12.6%	0.2%
Machinery and equipment	16	35	35	90	77.8%	0.3%	95	97	60	-12.6%	0.2%
Total	11 692	13 849	16 748	22 447	24.3%	100.0%	35 615	39 416	42 310	23.5%	100.0%
Proportion of total programme expenditure to vote expenditure	1.1%	1.2%	1.1%	1.5%	-	-	1.4%	1.5%	1.5%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	-	-	-	107	-	0.2%	-	-	-	-100.0%	0.1%
Employee social benefits	-	-	-	107	-	0.2%	-	-	-	-100.0%	0.1%

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

Personnel information

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

Number of posts estimated for 31 March 2019		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 (%)				
		2017/18	Unit cost		2018/19	Unit cost		2019/20		2020/21		2021/22							
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2018/19 - 2021/22					
Sector Policy and Research																			
Salary level	24	2	18	10.2	0.6	24	18.2	0.8	25	19.8	0.8	26	21.8	0.8	26	23.3	0.9	2.7%	100.0%
1-6	3	2	5	1.4	0.3	5	1.5	0.3	5	1.6	0.3	5	1.7	0.3	5	1.9	0.4	-	19.8%
7-10	6	-	6	3.0	0.5	6	3.0	0.5	7	3.6	0.5	8	4.4	0.5	8	4.7	0.6	10.1%	28.7%
11-12	7	-	7	5.9	0.8	7	6.5	0.9	7	7.0	1.0	7	7.4	1.1	7	8.0	1.1	-	27.7%
13-16	8	-	-	-	-	6	7.2	1.2	6	7.7	1.3	6	8.2	1.4	6	8.8	1.5	-	23.8%

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

2. Rand million.

Programme 3: Integrated Cooperative Development

Programme purpose

Create and maintain a sound ecosystem that enhances the establishment, growth and sustainability of cooperatives that create jobs and contribute to economic growth.

Objectives

- Establish an environment that promotes the establishment, growth and sustainability of cooperatives on an ongoing basis by:
 - undertaking an integrated approach to the planning, monitoring and evaluation of the cooperatives sector to inform policy decision-making
 - overseeing and coordinating the design and implementation of targeted financial and non-financial support programmes for new and existing cooperatives
 - facilitating partnerships with the private sector, state-owned entities and the public sector to support cooperatives.

Subprogrammes

- *Cooperatives Development* manages and facilitates the creation of new cooperatives and the growth of existing cooperatives in order to improve their competitiveness.
- *Cooperatives Programme Design and Support* reviews existing programmes, and designs new ones based on the review outcomes and changes in the cooperatives development landscape and economic conditions.
- *Supplier Development and Market Access Support* manages strategic partnerships with the private sector, state-owned entities and public sector with the aim of developing cooperatives to become suppliers of goods and services, and facilitates their readiness to access market opportunities.

Expenditure trends and estimates

Table 31.13 Integrated Cooperative Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R thousand											
Cooperatives Development	3 949	5 447	9 754	8 294	28.1%	7.2%	9 038	9 672	10 268	7.4%	7.2%
Cooperatives Programme Design and Support	85 777	72 563	82 710	93 889	3.1%	87.6%	105 511	111 722	117 515	7.8%	82.4%
Supplier Development and Market Access Support	–	540	6 740	12 834	–	5.3%	13 079	13 686	14 486	4.1%	10.4%
Total	89 726	78 550	99 204	115 017	8.6%	100.0%	127 628	135 080	142 269	7.3%	100.0%
Change to 2018 Budget estimate				(3 823)			394	456	(1 246)		
Economic classification											
Current payments	14 696	14 664	28 402	31 494	28.9%	23.3%	39 505	42 113	44 191	12.0%	30.3%
Compensation of employees	13 374	10 695	20 218	26 280	25.3%	18.4%	33 209	35 647	37 343	12.4%	25.5%
Goods and services ¹	1 322	3 969	8 184	5 214	58.0%	4.9%	6 296	6 466	6 848	9.5%	4.8%
of which:											
Administrative fees	–	142	235	173	–	0.1%	198	209	220	8.3%	0.2%
Catering: Departmental activities	25	951	1 843	293	127.1%	0.8%	370	390	411	11.9%	0.3%
Communication	55	38	39	51	-2.5%	–	61	66	71	11.7%	–
Consultants: Business and advisory services	–	79	59	100	–	0.1%	485	510	536	75.0%	0.3%
Travel and subsistence	1 188	2 326	3 530	3 313	40.8%	2.7%	4 361	4 580	4 842	13.5%	3.3%
Venues and facilities	–	16	–	846	–	0.2%	570	599	629	-9.4%	0.5%
Transfers and subsidies¹	75 019	63 880	70 698	83 318	3.6%	76.6%	87 984	92 823	97 928	5.5%	69.6%
Public corporations and private enterprises	75 000	63 879	70 695	83 318	3.6%	76.6%	87 984	92 823	97 928	5.5%	69.6%
Households	19	1	3	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	11	6	104	205	165.1%	0.1%	139	144	150	-9.9%	0.1%
Machinery and equipment	11	6	104	205	165.1%	0.1%	139	144	150	-9.9%	0.1%
Total	89 726	78 550	99 204	115 017	8.6%	100.0%	127 628	135 080	142 269	7.3%	100.0%
Proportion of total programme expenditure to vote expenditure	8.2%	6.6%	6.8%	7.7%	–	–	5.0%	5.0%	5.0%	–	–

Table 31.13 Integrated Cooperative Development expenditure trends and estimates by subprogramme and economic classification

Details of transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21			2021/22
	2015/16 - 2018/19		2018/19 - 2021/22									
R thousand												
Households												
Social benefits												
Current	19	-	8	-	-	-	-	-	-	-	-	
Employee social benefits	19	-	8	-	-	-	-	-	-	-	-	
Public corporations and private enterprises												
Public corporations												
Other transfers to public corporations												
Current	2	-	-	-	100.0%	-	-	-	-	-	-	
Gifts and donations	2	-	-	-	-100.0%	-	-	-	-	-	-	
Public corporations and private enterprises												
Private enterprises												
Other transfers to private enterprises												
Current	74 998	63 879	70 695	83 318	3.6%	76.6%	87 984	92 823	97 928	5.5%	69.6%	
Various institutions:	74 998	63 879	70 695	83 318	3.6%	76.6%	87 984	92 823	97 928	5.5%	69.6%	
Cooperatives incentive scheme												

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

Personnel information

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

Number of posts estimated for 31 March 2019			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 (%)			
			2017/18		2018/19		2019/20		2020/21		2021/22								
				Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				
Integrated Cooperative Development																			
Salary level	41	2	19	20.2	1.1	39	30.1	0.8	41	33.2	0.8	41	35.6	0.9	40	37.3	0.9	0.8%	100.0%
1 – 6	5	2	2	0.3	0.1	3	0.9	0.3	3	1.0	0.3	3	1.1	0.4	3	1.2	0.4	-	7.5%
7 – 10	17	-	5	3.1	0.6	14	7.0	0.5	16	8.5	0.5	16	9.2	0.6	15	9.0	0.6	2.3%	37.9%
11 – 12	11	-	7	9.5	1.4	15	13.9	0.9	15	14.8	1.0	15	15.9	1.1	15	17.0	1.1	-	37.3%
13 – 16	8	-	5	7.3	1.5	7	8.3	1.2	7	8.9	1.3	7	9.5	1.4	7	10.2	1.5	-	17.4%

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

2. Rand million.

Programme 4: Enterprise Development and Entrepreneurship

Programme purpose

Create an enabling ecosystem that enhances entrepreneurship and the establishment, growth and sustainability of small, medium and micro enterprises.

Objectives

- Create an environment that promotes the establishment, growth and sustainability of SMMEs by:
 - undertaking an integrated approach to the planning, monitoring and evaluation of the SMME development sector to inform policy decision-making on an ongoing basis
 - overseeing and coordinating the design and implementation of targeted financial and non-financial support programmes to support new and existing SMMEs on an ongoing basis
 - coordinating and facilitating sustainable partnerships with the private sector, state-owned entities and the public sector to support SMME development on an ongoing basis
 - implementing institutional governance systems and overseeing entities in the department's portfolio on an ongoing basis.

Subprogrammes

- *Enterprise and Supplier Development* manages and facilitates the establishment of new and productive enterprises, and the sustainability and growth of existing enterprises.
- *SMMEs Programme Design and Support* reviews existing programmes, and designs new programmes based on review outcomes and changes in economic conditions and the SMME development environment.
- *SMME Competitiveness* manages and facilitates strategic partnerships that seek to enhance the work of the department in the provision of market access for SMMEs in the supply value chains of corporations, state-owned enterprises and government departments. The subprogramme also works with municipalities to develop, enhance and implement the enterprise development programmes towards improved local economic development.
- *Entrepreneurship* provides leadership and oversight on the conceptualisation, design and implementation of the entrepreneurship development framework, and instruments and programmes in support of enterprise development.

Expenditure trends and estimates

Table 31.15 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 (%)	
	2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	2018/19 - 2021/22
R thousand											
Enterprise and Supplier Development	652 836	689 920	845 037	861 328	9.7%	69.5%	889 000	930 890	981 403	4.4%	43.3%
SMMEs Programme Design and Support	235 635	283 406	270 700	297 781	8.1%	24.8%	1 384 885	1 468 891	1 549 790	73.3%	55.6%
SMME Competitiveness	42 555	11 991	40 196	57 320	10.4%	3.5%	–	–	–	-100.0%	0.7%
Entrepreneurship	–	20 400	70 600	7 439	–	2.2%	7 036	7 490	7 931	2.2%	0.4%
Total	931 026	1 005 717	1 226 533	1 223 868	9.5%	100.0%	2 280 921	2 407 271	2 539 124	27.5%	100.0%
Change to 2018 Budget estimate				6 044			(3 764)	(3 854)	(5 089)		
Economic classification											
Current payments	47 604	54 160	51 206	45 154	-1.7%	4.5%	42 340	45 297	48 034	2.1%	2.1%
Compensation of employees	35 259	40 845	36 040	36 039	0.7%	3.4%	34 558	37 116	39 549	3.1%	1.7%
Goods and services ¹	12 345	13 315	15 166	9 115	-9.6%	1.1%	7 782	8 181	8 485	-2.4%	0.4%
of which:											
Administrative fees	82	267	368	238	42.6%	–	295	311	327	11.2%	–
Catering: Departmental activities	652	1 111	646	435	-12.6%	0.1%	781	821	863	25.7%	–
Consultants: Business and advisory services	–	1 956	7 428	2 415	–	0.3%	1 100	1 155	1 238	-20.0%	0.1%
Contractors	268	168	413	–	-100.0%	–	500	525	551	–	–
Travel and subsistence	6 345	4 698	4 995	3 277	-19.8%	0.4%	2 771	2 912	3 059	-2.3%	0.1%
Venues and facilities	760	4 552	387	2 406	46.8%	0.2%	2 000	2 100	2 205	-2.9%	0.1%
Transfers and subsidies¹	883 230	951 491	1 175 171	1 178 507	10.1%	95.5%	2 238 363	2 361 868	2 490 978	28.3%	97.9%
Departmental agencies and accounts	622 835	652 914	811 301	840 089	10.5%	66.7%	1 867 763	1 963 960	2 071 185	35.1%	79.8%
Public corporations and private enterprises	243 625	298 409	363 765	338 191	11.6%	28.4%	370 600	397 908	419 793	7.5%	18.1%
Non-profit institutions	16 726	100	–	–	-100.0%	0.4%	–	–	–	–	–
Households	44	68	105	227	72.8%	–	–	–	–	-100.0%	–
Payments for capital assets	192	66	156	207	2.5%	–	218	106	112	-18.5%	–
Machinery and equipment	192	66	156	207	2.5%	–	218	106	112	-18.5%	–
Total	931 026	1 005 717	1 226 533	1 223 868	9.5%	100.0%	2 280 921	2 407 271	2 539 124	27.5%	100.0%
Proportion of total programme expenditure to vote expenditure	84.7%	84.0%	84.0%	82.2%	–	–	88.8%	88.7%	88.7%	–	–

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

Details of transfers and subsidies											
R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18				2018/19	2015/16 - 2018/19	2019/20		
Households											
Social benefits											
Current											
Employee social benefits	44	68	105	227	72.8%	–	–	–	–	35.1%	–
	44	68	105	227	72.8%	–	–	–	–	35.1%	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current											
Small Enterprise Development Agency	478 183	496 495	619 766	580 241	6.7%	49.6%	665 076	702 446	740 288	8.5%	31.8%
Small Enterprise Development Agency: Technology programme	132 181	139 187	146 146	199 359	14.7%	14.1%	152 281	160 261	169 075	-5.3%	8.1%
Small Enterprise Development Agency: National gazelles programme	–	–	15 000	30 000	–	1.0%	35 000	30 000	31 650	1.8%	1.3%
Small Enterprise Development Agency: Capacity-building programme	12 471	17 232	30 389	30 489	34.7%	2.1%	15 406	16 253	17 147	-17.5%	-0.9%
Small Enterprise Finance Agency: Small business and innovation fund	–	–	–	–	–	–	1 000 000	1 055 000	1 113 025	–	37.5%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current											
Industrial Development Corporation: Isivande women's fund	8 751	–	–	–	-100.0%	0.2%	–	–	–	–	–
	8 751	–	–	–	-100.0%	0.2%	–	–	–	–	–
Private enterprises											
Other transfers to private enterprises											
Current											
Various institutions: Black business supplier development programme	224 874	268 009	256 743	270 953	6.4%	23.3%	286 126	301 863	318 465	5.5%	13.9%
Various institutions: National informal business upliftment scheme	–	–	26 422	57 238	–	1.9%	73 914	84 904	89 574	16.1%	3.6%
Various institutions: Enterprise incubation programme	–	20 400	70 600	–	–	2.1%	–	–	–	–	–
Various institutions: Craft customised sector programme	10 000	10 000	10 000	10 000	–	0.9%	10 560	11 141	11 754	5.5%	0.5%
Non-profit institutions											
Current											
South African Women Entrepreneurs Network	16 726	–	–	–	-100.0%	0.4%	–	–	–	–	–
Primesters Marketing	–	100	–	–	–	–	–	–	–	–	–

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

Personnel information

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

Number of posts estimated for 31 March 2019		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 (%)	
		2017/18		2018/19		2019/20		2020/21		2021/22		2018/19 - 2021/22				
		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																
56	9	79	36.0	0.5	45	30.0	0.7	50	34.6	0.7	50	37.1	0.7	49	39.5	0.8
1 – 6	7	20	3.6	0.2	8	1.4	0.2	10	2.0	0.2	10	2.2	0.2	9	2.1	0.2
7 – 10	36	31	3.7	0.1	20	10.6	0.5	22	12.4	0.6	22	13.3	0.6	22	14.3	0.7
11 – 12	6	16	15.1	0.9	6	5.1	0.9	7	6.3	0.9	7	6.8	1.0	7	7.2	1.0
13 – 16	7	12	13.6	1.1	11	12.9	1.2	11	13.8	1.3	11	14.8	1.3	11	15.8	1.4

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

2. Rand million.

Entity

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 spheres of government.

Selected performance indicators

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

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Number of new jobs created by supported clients per year	Administration	Outcome 4: Decent employment through inclusive growth	-1	-1	-1	3 000	3 250	3 500	3 750
Number of diagnostic assessments conducted on client businesses per year	Enterprise development		10 679	12 215	12 827	10 679	11 212	11 746	12 280
Number of enterprises trained in business management per year	Enterprise development		-1	-1	-1	5 000	5 500	6 000	6 500
Number of interventions implemented on adopted cooperatives accumulated per year	Enterprise development		-1	-1	-1	100	150	200	250
Number of clients supported through the national gazelles programme per year	Enterprise development		-1	-1	40	40	40	60	80
Number of informal businesses supported through the basic entrepreneurial skills development project per year	Enterprise development		521	1 747	1 633	350	350	350	350
Number of clients incubated per year	Seda technology programme		2 492	2 663	3 605	2 210	2 683	2 939	3 085

1. No historical data available.

Expenditure analysis

Over the medium term, the Small Enterprise Development Agency aims to support and promote small business enterprises and cooperatives by providing non-financial support services such as business advice, training, mentorship and product testing. This is expected to be achieved through the agency's business incubation initiatives and centres for entrepreneurship, the technology transfer programme, the supplier development programme and the national gazelles programme, in line with government's small business strategy. In 2018/19, the enterprise incubation programme migrated from the Department of Small Business Development to the agency and was integrated into business incubation initiatives in the agency's technology programme.

The agency will receive transfers from the department amounting to R2.7 billion over the MTEF period to fund its operations and activities. Expenditure is expected to increase at an average annual rate of 4.3 per cent, from R858.5 million in 2018/19 to R975.2 million in 2020/21.

Programmes/objectives/activities

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

	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R thousand											
Administration	111 643	147 766	155 650	171 125	15.3%	18.6%	177 362	187 832	198 117	5.0%	20.2%
Enterprise development	461 725	440 410	426 229	521 703	4.2%	58.8%	481 912	499 633	529 874	0.5%	55.9%
Seda technology programme	169 295	184 075	187 980	165 667	-0.7%	22.6%	225 489	237 495	247 169	14.3%	24.0%
Total	742 663	772 251	769 859	858 495	4.9%	100.0%	884 763	924 960	975 160	4.3%	100.0%

Statements of historical financial performance and position

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

Statement of financial performance									Average: Outcome/ Budget (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
R thousand	2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19
Revenue									
Non-tax revenue	158 702	85 359	135 836	102 832	68 005	(10 796)	5 000	25 834	55.3%
Other non-tax revenue	158 702	85 359	135 836	102 832	68 005	(10 796)	5 000	25 834	55.3%
Transfers received	610 364	610 364	633 814	652 914	752 301	811 301	769 452	840 089	105.4%
Total revenue	769 066	695 723	769 650	755 746	820 306	800 505	774 452	865 923	99.5%
Expenses									
Current expenses	769 066	742 663	752 166	772 251	820 306	769 859	774 452	858 495	100.9%
Compensation of employees	272 240	263 393	292 551	300 160	330 310	326 303	352 606	355 156	99.8%
Goods and services	483 443	463 809	449 862	453 609	471 980	430 462	403 020	485 980	101.4%
Depreciation	13 383	15 093	9 753	18 368	18 010	12 715	18 820	17 359	106.0%
Interest, dividends and rent on land	–	368	–	113	5	379	6	–	7 813.3%
Total expenses	769 066	742 663	752 166	772 251	820 306	769 859	774 452	858 495	100.9%
Surplus/(Deficit)	–	(46 940)	17 484	(16 505)	–	30 646	–	7 428	
Statement of financial position									
Carrying value of assets	59 442	56 287	54 000	54 640	56 700	49 759	62 500	54 000	92.3%
<i>of which:</i>									
Acquisition of assets	(35 582)	(35 554)	(6 817)	(17 432)	(12 151)	(8 154)	(9 500)	(7 428)	107.1%
Inventory	380	520	572	578	600	480	800	600	92.6%
Receivables and prepayments	10 000	7 776	11 000	10 090	10 700	9 490	10 000	10 000	89.6%
Cash and cash equivalents	185 355	177 993	159 571	87 632	144 400	194 225	109 300	118 970	96.7%
Total assets	255 177	242 576	225 143	152 940	212 400	253 954	182 600	183 570	95.2%
Accumulated surplus/(deficit)	56 863	64 473	50 000	47 968	40 000	78 614	15 000	14 450	127.0%
Trade and other payables	176 272	152 497	148 257	79 735	145 000	140 427	137 400	140 865	84.6%
Provisions	22 042	24 875	26 119	25 237	27 400	34 913	30 200	28 255	107.1%
Derivatives financial instruments	–	731	768	–	–	–	–	–	95.2%
Total equity and liabilities	255 177	242 576	225 143	152 940	212 400	253 954	182 600	183 570	95.2%

Statements of estimates of financial performance and position

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

Statement of financial performance								
	Revised estimate	Average growth rate (%)	Average: Expen- diture/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expen- diture/ Total (%)
R thousand	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22	
Revenue								
Non-tax revenue	25 834	-32.9%	6.9%	17 000	17 000	17 000	-13.0%	2.1%
Other non-tax revenue	25 834	-32.9%	6.9%	17 000	17 000	17 000	-13.0%	2.1%
Transfers received	840 089	11.2%	93.1%	867 763	908 960	958 160	4.5%	97.9%
Total revenue	865 923	7.6%	100.0%	884 763	925 960	975 160	4.0%	100.0%
Expenses								
Current expenses	858 495	4.9%	100.0%	884 763	924 960	975 160	4.3%	100.0%
Compensation of employees	355 156	10.5%	39.5%	379 216	404 812	432 138	6.8%	43.1%
Goods and services	485 980	1.6%	58.4%	487 141	500 917	522 925	2.5%	54.9%
Depreciation	17 359	4.8%	2.0%	18 406	19 231	20 097	5.0%	2.1%
Total expenses	858 495	4.9%	100.0%	884 763	924 960	975 160	4.3%	100.0%
Surplus/(Deficit)	7 428			–	1 000	–		
Statement of financial position								
Carrying value of assets	54 000	-1.4%	27.0%	58 575	60 600	62 610	5.1%	32.7%
<i>of which:</i>								
Acquisition of assets	(7 428)	-40.7%	-8.3%	(10 490)	(11 050)	(11 100)	14.3%	-5.6%
Inventory	600	4.9%	0.3%	620	640	660	3.2%	0.3%
Receivables and prepayments	10 000	8.7%	4.7%	9 800	9 500	9 000	-3.5%	5.3%
Cash and cash equivalents	118 970	-12.6%	68.0%	113 230	107 450	105 905	-3.8%	61.7%
Total assets	183 570	-8.9%	100.0%	182 225	178 190	178 175	-1.0%	100.0%
Accumulated surplus/(deficit)	14 450	-39.3%	24.2%	15 000	15 000	15 000	1.3%	8.2%
Trade and other payables	140 865	-2.6%	61.8%	137 275	131 440	129 525	-2.8%	74.6%
Provisions	28 255	4.3%	14.0%	29 950	31 750	33 650	6.0%	17.1%
Total equity and liabilities	183 570	-8.9%	100.0%	182 225	178 190	178 175	-1.0%	100.0%

Personnel information

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

Number of posts estimated for 31 March 2019		Number and cost ¹ of personnel posts filled/planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Average: Salary level/Total (%)	
		2017/18			2018/19			2019/20			2020/21			2021/22					2018/19 - 2021/22
Small Enterprise Development Agency		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	729	729	733	326.3	0.4	729	355.2	0.5	729	379.2	0.5	729	404.8	0.6	729	432.1	0.6	6.8%	100.0%
1 – 6	189	189	229	34.6	0.2	189	37.6	0.2	189	40.2	0.2	189	42.9	0.2	189	45.8	0.2	6.8%	25.9%
7 – 10	455	455	421	206.5	0.5	455	224.7	0.5	455	239.9	0.5	455	256.1	0.6	455	273.4	0.6	6.8%	62.4%
11 – 12	59	59	57	51.0	0.9	59	55.5	0.9	59	59.2	1.0	59	63.2	1.1	59	67.5	1.1	6.8%	8.1%
13 – 16	24	24	24	30.3	1.3	24	33.0	1.4	24	35.2	1.5	24	37.6	1.6	24	40.2	1.7	6.8%	3.3%
17 – 22	2	2	2	3.9	2.0	2	4.4	2.2	2	4.7	2.3	2	5.0	2.5	2	5.3	2.7	6.8%	0.3%

1. Rand million.

Additional table: Summary of donor funding

Donor	Project	Programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
							2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
R thousand													
Foreign In cash													
African Development Bank	Enterprise Development Support	Enterprise Development and Entrepreneurship	2 years	412	Goods and services	Support local economic development	-	200	212	-	-	-	-
European Union	Enterprise Development Support	Enterprise Development and Entrepreneurship	7 years	212 517	Goods and services	Employment promotion through Small, Micro and Medium Enterprises support programme	-	-	-	-	100 000	50 000	62 517
Total				212 929			-	200	212	-	100 000	50 000	62 517



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