

Vote 9

Public Enterprises

Amount to be appropriated	Main appropriation R91 983 000	Adjusted appropriation R92 653 000	Decrease	Increase R670 000
Responsible minister	Minister of Public Enterprises			
Administering department	Department of Public Enterprises			
Accounting officer	Director-General of Public Enterprises			

Aim

The aim of the Department of Public Enterprises is to enhance state-owned enterprises' shareholder management, including restructuring to support promoting economic efficiency for a better life for South Africans.

Changes to programme purposes and measurable objectives

No changes were made to programme purposes and measurable objectives.

Adjusted Estimates of National Expenditure 2005

Table 9.1: Public Enterprises

Programme	2005/06						
	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
R thousand							
1.Administration	36 679	900	–	3 807	–	4 707	41 386
2.Analysis and Risk Management	8 063	–	–	139	(230)	(91)	7 972
3.Governance and Policy	11 771	–	–	1 543	–	1 543	13 314
4.Corporate Strategy and Structure	11 064	–	–	(1 772)	–	(1 772)	9 292
5.Corporate Finance and Transactions	24 406	–	–	(3 717)	–	(3 717)	20 689
Total	91 983	900	–	–	(230)	670	92 653
Economic classification							
Current payments	72 698	900	–	2 218	(230)	2 888	75 586
Compensation of employees	52 845	–	–	(4 762)	–	(4 762)	48 083
Goods and services	19 853	900	–	6 980	(230)	7 650	27 503
Transfers and subsidies to:	18 758	–	–	(2 218)	–	(2 218)	16 540
Provinces and municipalities	132	–	–	1	–	1	133
Departmental agencies and accounts	5 626	–	–	(2 000)	–	(2 000)	3 626
Public corporations and private enterprises	13 000	–	–	(219)	–	(219)	12 781
Payments for capital assets	527	–	–	–	–	–	527
Machinery and equipment	527	–	–	–	–	–	527
Total	91 983	900	–	–	(230)	670	92 653

Details of adjustments to Estimates of National Expenditure 2005

Roll-overs – R900 000

Programme 1: Administration

R900 000 has been rolled over for renovations to the department's Cape Town offices, which were delayed by the tendering process.

Virements

Table 9.2: Public Enterprises (Net effect of all virements)

From	R thousand	To	R thousand
Programme			
4 Corporate Strategy and Structure	1 772	1 Administration	3 807
5 Corporate Finance and Transactions	3 717	2 Analysis and Risk Management	139
		3 Governance and Policy	1 543
Economic classification item			
Compensation of employees	4 762	Goods and services	6980
Transfer and subsidies	2 218		

Details of savings

Programme 4: Corporate Strategy and Structure

Savings of R1,772 million are due to vacancies not filled within the first six months of the financial year.

Programme 5: Corporate Finance and Transactions

Savings of R3,717 million are due to: vacancies not filled within the first six months of the financial year (R1,499 million); a saving on the transfer to the Khulisa Trust due to the winding down of its activities (R2 million); and a saving on transfers and subsidies to Alexkor (R218 000) due to a lower than budgeted transfer.

Utilisation of savings

Programme 1: Administration

R3,807 million has been used to provide and improve security services in the department's new offices and to relocate the department to new accommodation. It has also been used for additional travelling for the African Strategy and increased international ministerial activities.

Programme 2: Analysis and Risk Management

R139 000 has been used for additional travelling for research programmes.

Programme 3: Governance and Policy

R1,543 million has been used for the African Strategy and increased international ministerial activities, as well as for publications and legal fees involved in the land claim for the land that government has transferred to Alexkor.

Virements within a programme

Programme 1: Administration

Savings on compensation of employees of R1,23 million, due to unfilled posts in the Corporate Services subprogramme, have been used for compensation of employees in Management.

Programme 2: Analysis and Risk Management

Savings on compensation of employees of R526 000, due to unfilled posts in the Risk Management subprogramme, have been used for compensation of employees in the Management and Analysis subprogrammes.

Programme 3: Governance and Policy

Savings on compensations of employees of R2,447 million are due to unfilled posts in the Policy subprogramme, and will be used to fund compensation of employees in Governance. A legal component has been created after the function was shifted from *Programme 5: Corporate Finance and Transactions*.

Other adjustments – R230 000

Shifting of funds between votes

R230 000 will be shifted from *Programme 2: Analysis and Risk Management* to the Department of Public Works for additional accommodation.

Expenditure 2004/05 and preliminary expenditure 2005/06

Table 9.3: Public Enterprises

Programme	2004/05				2005/06		
	Expenditure outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	Apr 2004 - Sep 2004	Apr 2004 - Mar 2005	Apr 04 - Mar 05 % of adjusted appropriation	Adjusted appropriation	Apr 2005 - Sep 2005	% change 04/05 - 05/06 Apr - Sep
1.Administration	35 049	16 570	35 683	101,8	41 386	19 097	15,3
2.Analysis and Risk Management	10 365	4 004	6 816	65,8	7 972	3 758	(6,1)
3.Governance and Policy	10 333	3 334	11 475	111,1	13 314	3 955	18,6
4.Corporate Strategy and Structure	6 578	3 302	8 145	123,8	9 292	3 829	16,0
5.Corporate Finance and Transactions	15 052	9 790	13 550	90,0	20 689	14 660	49,7
Total	77 377	37 000	75 669	97,8	92 653	45 299	22,4
Current payments	66 065	28 652	64 208	97,2	75 586	32 281	12,7
Compensation of employees	37 835	16 751	34 970	92,4	48 083	22 392	33,7
Goods and services	28 230	11 901	29 238	103,6	27 503	9 889	(16,9)
Transfers and subsidies to:	9 065	6 976	9 032	99,6	16 540	12 848	84,2
Provinces and municipalities	143	54	110	76,9	133	67	24,1
Departmental agencies and accounts	6 922	6 922	6 922	100,0	3 626	-	-
Public corporations and private enterprises	2 000	-	2 000	100,0	12 781	12 781	-
Payments for capital assets	2 247	1 372	2 429	108,1	527	170	(87,6)
Machinery and equipment	2 247	1 372	2 429	108,1	527	158	(88,5)
Software and other intangible assets	-	-	-	-	-	12	-
Total	77 377	37 000	75 669	97,8	92 653	45 299	22,4

Selected expenditure trends for first half of 2005/06 financial year

Expenditure in the first six months of 2005/06 has increased by 22,4 per cent compared to the same period of the previous financial year.

The main increases are in *Programme 5: Corporate Finance and Transactions*, which has spent 70,9 per cent of its allocated budget as at the end of September 2005 because of a once-off payment to Alexkor of R12,782 million.

Summary of transfers and subsidies

Table 9.4: Summary of transfers and subsidies per programme

R thousand	2005/06						Adjusted appropriation
	Main appropriation	Additional appropriation				Total additional appropriation	
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
1. Administration	46	-	-	27	-	27	73
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	46	-	-	27	-	27	73
Regional Services Council levies	46	-	-	27	-	27	73
2. Analysis and Risk Management	28	-	-	(10)	-	(10)	18
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	28	-	-	(10)	-	(10)	18
Regional Services Council levies	28	-	-	(10)	-	(10)	18
3. Governance and Policy	27	-	-	(16)	-	(16)	11
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	27	-	-	(16)	-	(16)	11
Regional Services Council levies	27	-	-	(16)	-	(16)	11
4. Corporate Strategy and Structure	20	-	-	-	-	-	20
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	20	-	-	-	-	-	20
Regional Services Council levies	20	-	-	-	-	-	20
5. Corporate Finance and Transactions	18 637	-	-	(2 219)	-	(2 219)	16 418
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	11	-	-	-	-	-	11
Regional Services Council levies	11	-	-	-	-	-	11
Departmental agencies and accounts							
Public entities							
Current	5 626	-	-	(2 000)	-	(2 000)	3 626
Diabo Trust	3 152	-	-	-	-	-	3 152
Khulisa Trust	2 474	-	-	(2 000)	-	(2 000)	474
Public corporations and private enterprises							
Public corporations							
Other transfers							
Current	13 000	-	-	(219)	-	(219)	12 781
Alexkor	13 000	-	-	(219)	-	(219)	12 781
Total	18 758	-	-	(2 218)	-	(2 218)	16 540