

Vote 11

Public Enterprises

Adjusted budget summary

2013/14				
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	236 889	294 139	–	57 250
of which:				
Current payments	234 505	234 450	(55)	–
Transfers and subsidies	100	57 405	–	57 305
Payments for capital assets	2 284	2 284	–	–
Executive authority	Minister of Public Enterprises			
Accounting officer	Director-General of Public Enterprises			
Website address	www.dpe.gov.za			

Aim

Drive investment, productivity and transformation in the department's portfolio of state owned companies, to unlock growth, drive industrialisation, create jobs and develop skills.

Mid-year performance status

Indicator	Programme	Outcome	Annual performance		
			Projected for 2013/14 as published in the 2013 ENE	Achieved in the first six months of 2013/14 (April to September)	Changed target for 2013/14
Number of shareholder compacts signed per year	Portfolio Management and Strategic Partnerships	Outcome 6: An efficient, competitive and responsive economic infrastructure network	8	6	–
Number of new corporate plans reviewed per year	Portfolio Management and Strategic Partnerships		8	6	–
Number of quarterly financial reviews per year	Portfolio Management and Strategic Partnerships		32	15	–

Mid-year progress

The shareholder compact for South African Airways will be signed at the next annual general meeting, as it is awaiting the finalisation of the government guarantee. Broadband Infraco's shareholder compact has also not been completed as the company is to resubmit its corporate plan to the department. The quarterly financial reviews of the eight state owned companies are being submitted on time. However, the second-quarter assessment of South African Airways is still to be completed as the department is awaiting the resubmission of the annual financial statements based on the approval of the government guarantee.

Adjusted Estimates of National Expenditure 2013

Programme		2013/14						
		Adjustments appropriation					Total Adjustments appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Administration	127 132	–	–	3 900	–	–	3 900	131 032
Legal and Governance	23 838	–	–	(1 500)	–	–	(1 500)	22 338
Portfolio Management and Strategic Partnerships	85 919	–	57 250	(2 400)	–	–	54 850	140 769
Total	236 889	–	57 250	–	–	–	57 250	294 139

		2013/14						
		Adjustments appropriation					Total	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	adjustments appropriation	
Economic classification								
Current payments	234 505	-	-	(55)	-	-	(55)	234 450
Compensation of employees	130 714	-	-	1 173	-	-	1 173	131 887
Goods and services	103 791	-	-	(1 228)	-	-	(1 228)	102 563
Transfers and subsidies	100	-	57 250	55	-	-	57 305	57 405
Public corporations and private enterprises	-	-	57 250	-	-	-	57 250	57 250
Households	100	-	-	55	-	-	55	155
Payments for capital assets	2 284	-	-	-	-	-	-	2 284
Machinery and equipment	2 284	-	-	-	-	-	-	2 284
Total	236 889	-	57 250	-	-	-	57 250	294 139

Programme 1: Administration

		2013/14						
		Adjustments appropriation					Total	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other Adjustments	adjustments appropriation	
Subprogramme								
Ministry	32 624	-	-	(1 249)	-	-	(1 249)	31 375
Management	10 496	-	-	(150)	-	-	(150)	10 346
Corporate Services	25 381	-	-	1 164	-	-	1 164	26 545
Chief Financial Officer	9 004	-	-	830	-	-	830	9 834
Human Resources	16 984	-	-	1 205	-	-	1 205	18 189
Communications	10 467	-	-	260	-	-	260	10 727
Strategic Planning, Monitoring and Evaluation	2 904	-	-	1 946	-	-	1 946	4 850
Intergovernmental Relations	7 498	-	-	(340)	-	-	(340)	7 158
Internal Audit	4 016	-	-	234	-	-	234	4 250
Office Accommodation	7 758	-	-	-	-	-	-	7 758
Total	127 132	-	-	3 900	-	-	3 900	131 032
Economic classification								
Current payments	124 748	-	-	3 845	-	-	3 845	128 593
Compensation of employees	62 336	-	-	4 036	-	-	4 036	66 372
Goods and services	62 412	-	-	(191)	-	-	(191)	62 221
Transfers and subsidies	100	-	-	55	-	-	55	155
Households	100	-	-	55	-	-	55	155
Payments for capital assets	2 284	-	-	-	-	-	-	2 284
Machinery and equipment	2 284	-	-	-	-	-	-	2 284
Total	127 132	-	-	3 900	-	-	3 900	131 032

Programme 2: Legal and Governance

Subprogramme		2013/14						
R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Management	2 358	-	-	(269)	-	-	(269)	2 089
Legal	12 389	-	-	(600)	-	-	(600)	11 789
Governance	9 091	-	-	(631)	-	-	(631)	8 460
Total	23 838	-	-	(1 500)	-	-	(1 500)	22 338
Economic classification								
Current payments	23 838	-	-	(1 500)	-	-	(1 500)	22 338
Compensation of employees	16 713	-	-	(1 284)	-	-	(1 284)	15 429
Goods and services	7 125	-	-	(216)	-	-	(216)	6 909
Total	23 838	-	-	(1 500)	-	-	(1 500)	22 338

Programme 3: Portfolio Management and Strategic Partnerships

Subprogramme		2013/14						
R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Energy and Broadband Enterprises	18 493	-	-	(762)	-	-	(762)	17 731
Manufacturing Enterprises	15 606	-	57 250	40	-	-	57 290	72 896
Transport Enterprises	25 439	-	-	(5 350)	-	-	(5 350)	20 089
Economic Impact and Policy Alignment	17 596	-	-	1 543	-	-	1 543	19 139
Strategic Partnerships	8 785	-	-	2 129	-	-	2 129	10 914
Total	85 919	-	57 250	(2 400)	-	-	54 850	140 769
Economic classification								
Current payments	85 919	-	-	(2 400)	-	-	(2 400)	83 519
Compensation of employees	51 665	-	-	(1 579)	-	-	(1 579)	50 086
Goods and services	34 254	-	-	(821)	-	-	(821)	33 433
Transfers and subsidies	-	-	57 250	-	-	-	57 250	57 250
Public corporations and private enterprises	-	-	57 250	-	-	-	57 250	57 250
Total	85 919	-	57 250	(2 400)	-	-	54 850	140 769

Details of adjustments to the Estimates of National Expenditure 2013**Unforeseeable and unavoidable expenditure – R57.250 million**

Programme 3: Portfolio Management and Strategic Partnerships

An additional R57.250 million has been allocated to Denel for the eighth indemnity claim by Denel Aerostructures under the 2007 indemnity agreement with government for the A400M contract.

Virements and shifts

Programmes

1. Administration
2. Legal and Governance
3. Portfolio Management and Strategic Partnerships

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 1		(246)	Programme 1		246
Compensation of employees	Reallocation of funds from leave payouts	(55)	Households	Re-alignment and movement of posts	55
Goods and services	Reclassification due to funds incorrectly classified in the 2013 ENE	(191)	Compensation of employees	Reclassification due to funds incorrectly classified in the 2013 ENE ¹	191
Shifts within the programme as a percentage of the programme budget		0.2%			
Virements to other programmes as a percentage of programme budget		0.0%			
Programme 2		(1 716)	Programme 1		1 500
Compensation of employees	Re-alignment and movement of posts	(1 500)	Compensation of employees	Re-alignment and movement of posts	1 500
Goods and services	Reclassification due to funds incorrectly classified in the 2013 ENE	(216)	Programme 2		216
			Compensation of employees	Reclassification due to funds incorrectly classified in the 2013 ENE ¹	216
Shifts within the programme as a percentage of the programme budget		0.9%			
Virements to other programmes as a percentage of programme budget		6.3%			
Programme 3		(3 221)	Programme 1		2 400
Compensation of employees	Re-alignment and movement of posts	(2 400)	Compensation of employees	Re-alignment and movement of posts	2 400
Goods and services	Reclassification due to funds incorrectly classified in the 2013 ENE	(821)	Programme 3		821
			Compensation of employees	Reclassification due to funds incorrectly classified in the 2013 ENE ¹	821
Shifts within the programme as a percentage of the programme budget		1.0%			
Virements to other programmes as a percentage of the programme budget		2.8%			
Total		(5 183)			5 183

¹ National Treasury approval has been obtained.

Expenditure for 2012/13 and preliminary expenditure for 2013/14

Programme	2012/13					2013/14			
	Adjusted appropriation	Expenditure outcome			Adjusted appropriation	Preliminary expenditure			
Apr 12 - Sep 12		adjusted % of appropriation	Apr 12 - Mar 13	adjusted % of appropriation		Adjusted appropriation	Adjusted appropriation/total (%)	Apr 13 - Sep 13	adjusted % of appropriation
R thousand									
Administration	108 546	52 053	48.0	115 367	106.3	131 032	44.5	52 146	39.8
Legal and Governance	26 237	9 131	34.8	23 477	89.5	22 338	7.6	9 667	43.3
Portfolio Management and Strategic Partnerships	1 241 975	22 438	1.8	1 228 205	98.9	140 769	47.9	23 394	16.6
Total	1 376 758	83 622	6.1	1 367 049	99.3	294 139	100.0	85 207	29.0
Economic classification									
Current payments	206 176	82 395	40.0	195 661	94.9	234 450	79.7	84 270	35.9
Compensation of employees	111 475	46 603	41.8	105 327	94.5	131 887	44.8	56 210	42.6
Goods and services	94 701	35 792	37.8	90 334	95.4	102 563	34.9	28 060	27.4
Transfers and subsidies	118 489	74	0.1	118 638	100.1	57 405	19.5	102	0.2
Public corporations and private enterprises	118 313	-	0.0	118 313	100.0	57 250	19.5	-	0.0
Households	176	74	42.0	325	184.7	155	0.1	102	65.8

R thousand	2012/13					2013/14			
	Expenditure outcome					Preliminary expenditure			
	Adjusted appropriation	Apr 12 - Sep 12	Apr 12 - Sep 12 % of adjusted appropriation	Apr 12 - Mar 13	Apr 12 - Mar 13 % of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/total (%)	Apr 13 - Sep 13	Apr 13 - Sep 13 % of adjusted appropriation
Payments for capital assets	2 093	1 153	55.1	2 742	131.0	2 284	0.8	835	36.6
Machinery and equipment	2 061	1 123	54.5	2 649	128.5	2 284	0.8	835	36.6
Software and other intangible assets	32	30	93.8	93	290.6	–	0.0	–	0.0
Payments for financial assets	1 050 000	–	–	1 050 008	100	–	0.0	–	0.0
Total	1 376 758	83 622	6.1	1 367 049	99.3	294 139	100.0	85 207	29.0

Expenditure trends for the first half of 2013/14

Total expenditure in 2012/13 was 99.3 per cent of the 2012/13 adjusted appropriation. Expenditure in the first six months of 2013/14 was R85.207 million, or 29 per cent of the adjusted appropriation of R294.139 million for the year. In comparison, mid-year expenditure in 2012/13 was R83.622 million, or 6.1 per cent of the 2012/13 adjusted appropriation. Compared to the first six months of 2012/13, expenditure over the same period in 2013/14 increased by R1.585 million, or 1.9 per cent. This was mainly due to increased expenditure in compensation of employees.

Departmental receipts

R thousand	2012/13					2013/14				
	Adjusted estimate	Audited outcome				Budget estimate	Actual receipts			
		Apr 12 - Sep 12	Apr 12 - Sep 12 % of adjusted estimate	Apr 12 - Mar 13	Apr 12 - Mar 13 % of adjusted estimate		Adjusted estimate	Adjusted receipts estimate/total (%)	Apr 13 - Sep 13	Apr 13 - Sep 13 % of adjusted estimate
Departmental receipts	576	498	86.5	537	93.2	97	174	100.0	106	60.9
Sales of goods and services produced by department	54	28	51.9	58	107.4	48	52	29.9	28	53.8
Sales of scrap, waste, arms and other used current goods	2	–	–	–	–	3	3	1.7	–	–
Interest, dividends and rent on land	18	5	27.8	12	66.7	19	19	10.9	1	5.3
Transactions in financial assets and liabilities	502	465	92.6	467	93.0	27	100	57.5	77	77.0
Total	576	498	86.5	537	93.2	97	174	100.0	106	60.9

Revenue trends for the first half of 2013/14

Revenue in the first six months of 2013/14 was R106 000, or 60.9 per cent of the adjusted revenue estimate of R174 000 for the year. In comparison, mid-year revenue in 2012/13 was R498 000, or 86.5 per cent of the 2012/13 adjusted estimate. Compared to the first six months of 2012/13, revenue over the same period in 2013/14 decreased by R392 000, or 78.7 per cent. This was mainly due to transactions in financial assets and liabilities.

Changes to transfers and subsidies, including conditional grants

Summary of changes to transfers and subsidies per programme

		2013/14						
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
	Administration							
	Households							
	Other transfers to households							
	Current	-	-	55	-	-	55	55
	Employee social benefits	-	-	55	-	-	55	55
	Portfolio Management and Strategic Partnerships							
	Public corporations and private enterprises							
	Public corporations							
	Other transfers							
	Current	-	-	57 250	-	-	57 250	57 250
	Denel (Pty) Ltd	-	-	57 250	-	-	57 250	57 250