

Vote 9

Public Enterprises

Adjusted budget summary

2017/18				
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	266 696	266 696	(320)	320
of which:				
Current payments	263 822	263 502	(320)	–
Transfers and subsidies	10	330	–	320
Payments for capital assets	2 864	2 864	–	–
Executive authority	Minister of Public Enterprises			
Accounting officer	Director-General of Public Enterprises			
Website address	www.dpe.gov.za			

Vote purpose

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 2017/18 as published in the 2017 ENE	Achieved in the first six months of 2017/18 (April to September)	Changed target for 2017/18
Number of shareholder compacts signed per year	Portfolio Management and Strategic Partnerships	Outcome 6: An efficient, competitive and responsive economic infrastructure network	6	6	–
Number of corporate plans reviewed per year	Portfolio Management and Strategic Partnerships		6	6	–
Number of quarterly financial reviews per year	Portfolio Management and Strategic Partnerships		24	12	–

Mid-year progress

In the first half of the financial year, the department met its targets of signing 6 shareholder compacts and reviewing 6 corporate plans. These have to be done in the first half of the year. In the second half of 2017/18, the department will focus on monitoring the implementation of these plans.

Adjusted Estimates of National Expenditure 2017

Programme	2017/18							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
R thousand		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Administration	155 468	–	–	3 000	–	–	3 000	158 468
Legal and Governance	25 243	–	–	(1 000)	–	–	(1 000)	24 243
Portfolio Management and Strategic Partnerships	85 985	–	–	(2 000)	–	–	(2 000)	83 985
Total	266 696	–	–	–	–	–	–	266 696
Economic classification								
Current payments	263 822	–	–	(320)	–	–	(320)	263 502
Compensation of employees	166 906	–	–	(10 000)	–	–	(10 000)	156 906
Goods and services	96 916	–	–	9 680	–	–	9 680	106 596
Transfers and subsidies	10	–	–	320	–	–	320	330
Provinces and municipalities	10	–	–	–	–	–	–	10
Households	–	–	–	320	–	–	320	320
Payments for capital assets	2 864	–	–	–	–	–	–	2 864
Machinery and equipment	2 758	–	–	–	–	–	–	2 758
Software and other intangible assets	106	–	–	–	–	–	–	106
Total	266 696	–	–	–	–	–	–	266 696

Programme 1: Administration

Subprogramme	2017/18							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Ministry	28 605	-	-	(2 000)	-	-	(2 000)	26 605
Management	9 827	-	-	20 300	-	-	20 300	30 127
Corporate Services	36 769	-	-	(6 300)	-	-	(6 300)	30 469
Chief Financial Officer	16 398	-	-	(1 000)	-	-	(1 000)	15 398
Human Resources	20 999	-	-	(4 500)	-	-	(4 500)	16 499
Communications	15 047	-	-	-	-	-	-	15 047
Strategic Planning, Monitoring and Evaluation	7 096	-	-	(2 300)	-	-	(2 300)	4 796
Intergovernmental Relations	4 607	-	-	800	-	-	800	5 407
Internal Audit	6 701	-	-	(2 000)	-	-	(2 000)	4 701
Office Accommodation	9 419	-	-	-	-	-	-	9 419
Total	155 468	-	-	3 000	-	-	3 000	158 468
Economic classification								
Current payments	152 594	-	-	2 680	-	-	2 680	155 274
Compensation of employees	87 553	-	-	(7 000)	-	-	(7 000)	80 553
Goods and services	65 041	-	-	9 680	-	-	9 680	74 721
Transfers and subsidies	10	-	-	320	-	-	320	330
Provinces and municipalities	10	-	-	-	-	-	-	10
Households	-	-	-	320	-	-	320	320
Payments for capital assets	2 864	-	-	-	-	-	-	2 864
Machinery and equipment	2 758	-	-	-	-	-	-	2 758
Software and other intangible assets	106	-	-	-	-	-	-	106
Total	155 468	-	-	3 000	-	-	3 000	158 468

Programme 2: Legal and Governance

Subprogramme	2017/18							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Management	3 043	-	-	-	-	-	-	3 043
Legal	13 385	-	-	(1 000)	-	-	(1 000)	12 385
Governance	8 815	-	-	-	-	-	-	8 815
Total	25 243	-	-	(1 000)	-	-	(1 000)	24 243
Economic classification								
Current payments	25 243	-	-	(1 000)	-	-	(1 000)	24 243
Compensation of employees	19 953	-	-	(1 000)	-	-	(1 000)	18 953
Goods and services	5 290	-	-	-	-	-	-	5 290
Total	25 243	-	-	(1 000)	-	-	(1 000)	24 243

Programme 3: Portfolio Management and Strategic Partnerships

Subprogramme	2017/18							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Energy Enterprises	17 569	-	-	(1 000)	-	-	(1 000)	16 569
Manufacturing Enterprises	19 886	-	-	(1 400)	-	-	(1 400)	18 486
Transport Enterprises	19 624	-	-	(1 000)	-	-	(1 000)	18 624
Economic Impact and Policy Alignment	16 782	-	-	2 400	-	-	2 400	19 182
Strategic Partnerships	12 124	-	-	(1 000)	-	-	(1 000)	11 124
Total	85 985	-	-	(2 000)	-	-	(2 000)	83 985
Economic classification								
Current payments	85 985	-	-	(2 000)	-	-	(2 000)	83 985
Compensation of employees	59 400	-	-	(2 000)	-	-	(2 000)	57 400
Goods and services	26 585	-	-	-	-	-	-	26 585
Total	85 985	-	-	(2 000)	-	-	(2 000)	83 985

Virements and shifts within votes

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		(7 320)	Programme 1		7 320
Compensation of employees	Vacant posts ¹	(7 000)	Goods and services	Relocation costs	7 000
Goods and services	Computers, and cost containment measures effected on travel and subsistence	(320)	Households	Employee social benefits	320
Shifts within the programme as a percentage of the programme budget		12.5%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 2		(1 000)	Programme 1		1 000
Compensation of employees	Vacant posts ¹	(1 000)	Goods and services	Relocation costs	1 000
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		4.0%			
Programme 3		(2 000)	Programme 1		2 000
Compensation of employees	Vacant posts ¹	(2 000)	Goods and services	Relocation costs	2 000
Shifts within the programme as a percentage of the programme budget		2.8%			
Virements to other programmes as a percentage of the programme budget		2.3%			
Total		(10 320)			10 320

1. Only the legislature may approve this virement.

Expenditure outcome for 2016/17 and actual expenditure for 2017/18

Programme	2016/17					2017/18				
	Audited outcome					Actual expenditure				
R thousand	Adjusted appropriation	Apr 16 - Sep 16	% of adjusted appropriation	Apr 16 - Mar 17	% of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 17 - Sep 17	% of adjusted appropriation	
Administration	155 792	72 535	46.6	153 788	98.7	158 468	59.4	74 119	46.8	
Legal and Governance	25 906	9 888	38.2	23 303	90.0	24 243	9.1	9 207	38.0	
Portfolio Management and Strategic Partnerships	86 278	35 403	41.0	76 688	88.9	83 985	31.5	31 480	37.5	
Total	267 976	117 826	44.0	253 779	94.7	266 696	100.0	114 806	43.0	
Economic classification										
Current payments	263 935	115 143	43.6	249 480	94.5	263 502	98.8	114 058	43.3	
Compensation of employees	153 926	74 211	48.2	148 321	96.4	156 906	58.8	69 705	44.4	
Goods and services	110 009	40 932	37.2	101 159	92.0	106 596	40.0	44 353	41.6	
Transfers and subsidies	323	318	98.5	434	134.4	330	0.1	419	127.0	
Provinces and municipalities	–	–	–	–	–	10	0.0	3	30.0	
Households	323	318	98.5	434	134.4	320	0.1	416	130.0	
Payments for capital assets	3 718	2 365	63.6	3 865	104.0	2 864	1.1	329	11.5	
Machinery and equipment	3 718	2 365	63.6	3 865	104.0	2 758	1.0	329	11.9	
Software and other intangible assets	–	–	–	–	–	106	0.0	–	0.0	
Total	267 976	117 826	44.0	253 779	94.7	266 696	100.0	114 806	43.0	

Expenditure trends for the first six months of 2017/18

Total expenditure in 2016/17 was R253.8 million, or 94.7 per cent of the 2016/17 adjusted appropriation. Expenditure in the first six months of 2017/18 was R114.8 million, or 43 per cent of the adjusted appropriation of R266.7 million for the year. In comparison, mid-year expenditure in 2016/17 was R117.8 million, or 44 per cent of the 2016/17 adjusted appropriation. Compared to the first six months of 2016/17, expenditure over the same period in 2017/18 decreased by R3 million, or 2.6 per cent. This is mainly due to a hold on the filling of vacant posts, and delays in the commencement of projects including the development of a shareholder risk management framework and proposals on the diversification of the energy market.

Departmental receipts

R thousand	2016/17					2017/18				
	Adjusted estimate	Audited outcome				Budget estimate	Actual receipts			
		Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted estimate	Apr 16 - Mar 17	Apr 16 - Mar 17 % of adjusted estimate		Adjusted estimate	Adjusted receipts estimate/ Total (%)	Apr 17 - Sep 17	Apr 17 - Sep 17 % of adjusted estimate
Departmental receipts	1 083	40	3.7	5 213	481.3	105	1 161	100.0	101	8.7
Sales of goods and services produced by department	288	37	12.8	75	26.0	85	366	31.5	32	8.7
Sales of scrap, waste, arms and other used current goods	-	-	-	-	-	6	-	-	-	-
Transfers received	244	-	-	-	-	-	244	21.0	-	-
Interest, dividends and rent on land	11	1	9.1	1	9.1	5	11	0.9	-	-
Sales of capital assets	300	-	-	-	-	-	300	25.8	58	19.3
Transactions in financial assets and liabilities	240	2	0.8	5 137	2 140.4	9	240	20.7	11	4.6
Total	1 083	40	3.7	5 213	481.3	105	1 161	100.0	101	8.7

Revenue trends for the first six months of 2017/18

Revenue in the first six months of 2017/18 was R101 000, or 8.7 per cent of the adjusted revenue estimate of R1.2 million for the year. In comparison, mid-year revenue in 2016/17 was R40 000, or 3.7 per cent of the 2016/17 adjusted estimate. Compared to the first six months of 2016/17, revenue over the same period in 2017/18 increased by R61 000, or 152.5 per cent. This is mainly due to the sale of capital assets, such as vehicles.

Changes to transfers and subsidies

Summary of changes to transfers and subsidies per programme

R thousand	2017/18							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Administration								
Households								
Social benefits								
Current	-	-	-	320	-	-	320	320
Employee social benefits	-	-	-	320	-	-	320	320