

# Vote 9

## Public Enterprises

Amount to be appropriated	Main appropriation R75 988 000	Adjusted appropriation R77 377 000	Decrease	Increase R1 389 000
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 excellence in the management of state-owned enterprises to maximise shareholder value.*

### Changes to programme purposes and measurable objectives

No changes were made to programme purposes and measurable objectives.

### Adjusted 2004 Estimates of National Expenditure

**Table 9.1: Public Enterprises**

Programme	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
R thousand							
1 Administration	30 048	645	–	4 356	–	5 001	35 049
2 Restructuring of State-Owned Enterprises	25 446	–	–	(3 363)	(453)	(3 816)	21 630
3 Performance Monitoring and Benchmarking	16 359	775	–	(2 045)	(4 724)	(5 994)	10 365
4 Policy Development and Business Planning	4 135	422	–	1 052	4 724	6 198	10 333
<b>Total</b>	<b>75 988</b>	<b>1 842</b>	<b>–</b>	<b>–</b>	<b>(453)</b>	<b>1 389</b>	<b>77 377</b>

#### Economic classification

	Main appropriation	Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	Adjusted appropriation
<b>Current payments</b>	<b>67 885</b>	<b>1 197</b>	<b>–</b>	<b>(564)</b>	<b>(453)</b>	<b>180</b>	<b>68 065</b>
Compensation of employees	42 825	–	–	(4 990)	–	(4 990)	37 835
Goods and services	25 060	1 197	–	4 426	(453)	5 170	30 230
Interest and rent on land	–	–	–	–	–	–	–
Financial transactions in assets and liabilities	–	–	–	–	–	–	–
Unauthorised expenditure	–	–	–	–	–	–	–
<b>Transfers and subsidies</b>	<b>7 051</b>	<b>–</b>	<b>–</b>	<b>14</b>	<b>–</b>	<b>14</b>	<b>7 065</b>
Provinces and municipalities	129	–	–	14	–	14	143
Departmental agencies and accounts	6 922	–	–	–	–	–	6 922
Universities and technikons	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–
Public corporations and private enterprises	–	–	–	–	–	–	–
Non-profit institutions	–	–	–	–	–	–	–
Households	–	–	–	–	–	–	–

R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
<b>Payments for capital assets</b>	<b>1 052</b>	<b>645</b>	<b>–</b>	<b>550</b>	<b>–</b>	<b>1 195</b>	<b>2 247</b>
Buildings and other fixed structures	–	–	–	–	–	–	–
Machinery and equipment	1 052	645	–	550	–	1 195	2 247
Cultivated assets	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–
Land and subsoil assets	–	–	–	–	–	–	–
<b>Total</b>	<b>75 988</b>	<b>1 842</b>	<b>–</b>	<b>–</b>	<b>(453)</b>	<b>1 389</b>	<b>77 377</b>

## Details of adjustments to 2004 Estimates of National Expenditure

### Roll-overs – R1,842 million

#### Programme 1: Administration

Roll-overs will be used to fund renovations to accommodation (R280 000), to purchase an Intenda procurement system (R190 000) and for the installation of a security system (R175 000).

#### Programme 3: Performance Monitoring and Benchmarking

Roll-overs will be used to fund the finance and economic framework targets project (R340 000), the benchmarking and performance evaluation system (R135 000) and the second phase of the investment map project (R300 000).

#### Programme 4: Policy Development and Business Planning

Roll-overs will be used to fund consultants and the printing of the initial public offering (IPO) reference manual (R422 000).

### Virement

**Table 9.2: Public Enterprises**

From programme	Amount	To programme	Amount
R thousand			
2 Restructuring of State-Owned Enterprises	3 363	1 Administration	4 356
3 Performance Monitoring and Benchmarking	2 045	4 Policy Development and Business Planning	1 052

### Details of savings realised on the above programmes

#### Programme 2: Restructuring of State-Owned Enterprises

Savings of R3,363 million are mainly due to vacancies not filled (R1,850 million) as a result of the restructuring of the department, and to less than expected consultancy fees on the Light and Low Density Project (R1,513 million).

#### Programme 3: Performance Monitoring and Benchmarking

Savings of R2,045 million are mainly due to vacancies not filled.

### **Utilisation of savings to augment the above programmes**

#### Programme 1: Administration

R4,356 million will be used to purchase vehicles for the minister, for the branding and corporate identity of the department, and for the launch of the IPO reference manual. The remaining R2,206 million will be used to augment a general shortfall in administration expenditure in the programme.

#### Programme 4: Policy Development and Business Planning:

R1,052 million will be used for the following projects: a review of phase 2 of the shareholder management model; a review of the state-owned enterprises (SOE) performance bonus incentive scheme; the alignment of SOE financial year ends; and the verification of the remuneration policy for boards of SOEs.

### **Funds shifted within a programme**

#### Programme 1: Administration

Savings of R1,010 million will be shifted from the Corporate Services subprogramme to compensation of employees and payments for capital assets under the Management subprogramme for the creation of new units for security services and for the Office of the Chief Operating Officer.

#### Programme 2: Restructuring of State-Owned Enterprises

Savings of R1,010 million in the Management and Restructuring subprogrammes will be shifted to compensation of employees in the Specialist Services subprogramme to fund the filling of additional vacancies.

#### Programme 4: Policy Development and Business Planning

R2,160 million under compensation of employees in the Management subprogramme, which has not been used due to unfilled vacancies, will be shifted to goods and services in the Shareholder Management subprogramme for a valuation of Alexkor's assets in order to resolve the Richtersveld land claim and for a shortfall for travel and accommodation.

### **Other adjustments – (R453 000)**

#### **Shifting of funds between votes**

R453 000 will be shifted from *Programme 2: Restructuring of State-owned Enterprises* to the Department of Public Works for additional accommodation.

#### **Shifting of funds within votes**

Due to the restructuring of the department, certain functions were shifted from *Programme 3: Performance Monitoring and Benchmarking* to *Programme 4: Policy Development and Business Planning*, namely a deputy director-general post in the Management subprogramme and the subprogrammes Shareholder Management and Regulatory and Ethics.

## Actual expenditure and revised spending projections for the remainder of the financial year

Table 9.3: Public Enterprises

Programme	Adjusted appropriation	Preliminary expenditure outcome		Projected expenditure	
		April 2004 to September 2004	Percentage of adjusted appropriation	October 2004 to March 2005	Percentage of adjusted appropriation
R thousand					
1 Administration	35 049	18 962	54,1	16 087	45,9
2 Restructuring of State-Owned Enterprises	21 630	12 150	56,2	9 480	43,8
3 Performance Monitoring and Benchmarking	10 365	3 493	33,7	6 872	66,3
4 Policy Development and Business Planning	10 333	2 395	23,2	7 938	76,8
<b>Total</b>	<b>77 377</b>	<b>37 000</b>	<b>47,8</b>	<b>40 377</b>	<b>52,2</b>
<b>Economic classification</b>					
<b>Current payments</b>	<b>68 065</b>	<b>28 652</b>	<b>42,1</b>	<b>39 413</b>	<b>57,9</b>
Compensation of employees	37 835	16 751	44,3	21 084	55,7
Goods and services	30 230	11 901	39,4	18 329	60,6
Interest and rent on land	–	–	–	–	–
Financial transactions in assets and liabilities	–	–	–	–	–
Unauthorised expenditure	–	–	–	–	–
<b>Transfers and subsidies to:</b>	<b>7 065</b>	<b>6 976</b>	<b>98,7</b>	<b>89</b>	<b>1,3</b>
Provinces and municipalities	143	54	37,8	89	62,2
Departmental agencies and accounts	6 922	6 922	100,0	–	–
Universities and technikons	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–
Public corporations and private enterprises	–	–	–	–	–
Non-profit institutions	–	–	–	–	–
Households	–	–	–	–	–
<b>Payments for capital assets</b>	<b>2 247</b>	<b>1 372</b>	<b>61,1</b>	<b>875</b>	<b>38,9</b>
Buildings and other fixed structures	–	–	–	–	–
Machinery and equipment	2 247	1 372	61,1	875	38,9
Cultivated assets	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–
Land and subsoil assets	–	–	–	–	–
<b>Total</b>	<b>77 377</b>	<b>37 000</b>	<b>47,8</b>	<b>40 377</b>	<b>52,2</b>

**Table 9.4: Summary of transfers and subsidies per programme**

R thousand	Main appropriation	Additional appropriation						Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation		
<b>1 Administration</b>	<b>52</b>	-	-	-	-	-	<b>52</b>	
Provinces and municipalities								
Municipalities								
Current	<b>52</b>	-	-	-	-	-	<b>52</b>	
Regional Services Council levies	52	-	-	-	-	-	52	
<b>2 Restructuring of State-Owned Enterprises</b>	<b>6 958</b>	-	-	<b>6</b>	-	<b>6</b>	<b>6 964</b>	
Provinces and municipalities								
Municipalities								
Current	<b>36</b>	-	-	<b>6</b>	-	<b>6</b>	<b>42</b>	
Regional Services Council levies	36	-	-	6	-	6	42	
<b>Departmental agencies and accounts</b>								
<b>Entities</b>								
Current	<b>6 922</b>	-	-	-	-	-	<b>6 922</b>	
Diabo Trust	3 119	-	-	-	-	-	3 119	
Khulisa Trust	3 803	-	-	-	-	-	3 803	
<b>3 Performance Monitoring and Benchmarking</b>	<b>36</b>	-	-	<b>(4)</b>	<b>(6)</b>	<b>(10)</b>	<b>26</b>	
Provinces and municipalities								
Municipalities								
Current	<b>36</b>	-	-	<b>(4)</b>	<b>(6)</b>	<b>(10)</b>	<b>26</b>	
Regional Services Council levies	36	-	-	(4)	(6)	(10)	26	

	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	
R thousand							
<b>4 Policy Development and Business Planning</b>	5	-	-	12	6	18	23
Provinces and municipalities							
Municipalities							
Current	5	-	-	12	6	18	23
Regional Services Council levies	5	-	-	12	6	18	23
<b>Total</b>	<b>7 051</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>-</b>	<b>14</b>	<b>7 065</b>