

Vote 9

Public Enterprises

Adjusted budget summary

R thousand	2016/17			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	273 976	267 976	(6 000)	–
of which:				
Current payments	270 147	263 935	(6 212)	–
Transfers and subsidies	111	323	–	212
Payments for capital assets	3 718	3 718	–	–
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 2016/17 as published in the 2016 ENE	Achieved in the first six months of 2016/17 (April to September)	Changed target for 2016/17
Number of shareholder compacts signed per year	Portfolio Management and Strategic Partnerships	Outcome 6: An efficient, competitive and responsive economic infrastructure network	6	5	–
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	11	–

Mid-year progress

In the first six months of 2016/17, the department signed 5 shareholder compacts and reviewed 6 corporate plans of the state owned companies. These targets are achieved in the first half of the financial year, with increased monitoring of the implementation of these plans taking place in the second half.

Adjusted Estimates of National Expenditure 2016

Programme	2016/17							
	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
R thousand								
Administration	157 992	–	–	–	(1 000)	(1 200)	(2 200)	155 792
Legal and Governance	26 007	–	–	–	(1 000)	899	(101)	25 906
Portfolio Management and Strategic Partnerships	89 977	–	–	–	(4 000)	301	(3 699)	86 278
Total	273 976	–	–	–	(6 000)	–	(6 000)	267 976
Economic classification								
Current payments	270 147	–	–	(212)	(6 000)	–	(6 212)	263 935
Compensation of employees	168 361	–	–	(211)	(6 000)	–	(6 211)	162 150
Goods and services	101 786	–	–	(1)	–	–	(1)	101 785
Transfers and subsidies	111	–	–	212	–	–	212	323
Provinces and municipalities	–	–	–	1	–	–	1	1
Households	111	–	–	211	–	–	211	322
Payments for capital assets	3 718	–	–	–	–	–	–	3 718
Machinery and equipment	3 614	–	–	(10)	–	–	(10)	3 604
Software and other intangible assets	104	–	–	10	–	–	10	114
Total	273 976	–	–	–	(6 000)	–	(6 000)	267 976

Programme 1: Administration

Subprogramme	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Ministry	34 478	-	-	(6 700)	-	-	(6 700)	27 778
Management	12 867	-	-	(737)	(500)	(301)	(1 538)	11 329
Corporate Services	31 509	-	-	4 001	(500)	-	3 501	35 010
Chief Financial Officer	13 363	-	-	3 602	-	-	3 602	16 965
Human Resources	23 854	-	-	-	-	-	-	23 854
Communications	13 946	-	-	2 058	-	-	2 058	16 004
Strategic Planning, Monitoring and Evaluation	6 638	-	-	(1 038)	-	(899)	(1 937)	4 701
Intergovernmental Relations	6 975	-	-	(1 856)	-	-	(1 856)	5 119
Internal Audit	5 392	-	-	670	-	-	670	6 062
Office Accommodation	8 970	-	-	-	-	-	-	8 970
Total	157 992	-	-	-	(1 000)	(1 200)	(2 200)	155 792
Economic classification								
Current payments	154 163	-	-	(123)	(1 000)	(1 200)	(2 323)	151 840
Compensation of employees	82 151	-	-	(122)	(1 000)	(1 200)	(2 322)	79 829
Goods and services	72 012	-	-	(1)	-	-	(1)	72 011
Transfers and subsidies	111	-	-	123	-	-	123	234
Provinces and municipalities	-	-	-	1	-	-	1	1
Households	111	-	-	122	-	-	122	233
Payments for capital assets	3 718	-	-	-	-	-	-	3 718
Machinery and equipment	3 614	-	-	(10)	-	-	(10)	3 604
Software and other intangible assets	104	-	-	10	-	-	10	114
Total	157 992	-	-	-	(1 000)	(1 200)	(2 200)	155 792

Programme 2: Legal and Governance

Subprogramme	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Management	3 157	-	-	10	-	-	10	3 167
Legal	14 222	-	-	(131)	(1 000)	-	(1 131)	13 091
Governance	8 628	-	-	121	-	899	1 020	9 648
Total	26 007	-	-	-	(1 000)	899	(101)	25 906
Economic classification								
Current payments	26 007	-	-	(62)	(1 000)	899	(163)	25 844
Compensation of employees	20 258	-	-	(62)	(1 000)	899	(163)	20 095
Goods and services	5 749	-	-	-	-	-	-	5 749
Transfers and subsidies	-	-	-	62	-	-	62	62
Households	-	-	-	62	-	-	62	62
Total	26 007	-	-	-	(1 000)	899	(101)	25 906

Programme 3: Portfolio Management and Strategic Partnerships

Subprogramme	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Energy Enterprises	18 016	-	-	-	(1 000)	-	(1 000)	17 016
Manufacturing Enterprises	20 682	-	-	-	(1 000)	-	(1 000)	19 682
Transport Enterprises	25 018	-	-	-	(2 000)	-	(2 000)	23 018
Economic Impact and Policy Alignment	13 580	-	-	-	-	-	-	13 580
Strategic Partnerships	12 681	-	-	-	-	301	301	12 982
Total	89 977	-	-	-	(4 000)	301	(3 699)	86 278
Economic classification								
Current payments	89 977	-	-	(27)	(4 000)	301	(3 726)	86 251
Compensation of employees	65 952	-	-	(27)	(4 000)	301	(3 726)	62 226
Goods and services	24 025	-	-	-	-	-	-	24 025
Transfers and subsidies	-	-	-	27	-	-	27	27
Households	-	-	-	27	-	-	27	27
Total	89 977	-	-	-	(4 000)	301	(3 699)	86 278

Details of adjustments to the Estimates of National Expenditure 2016

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		(133)	Programme 1		133
Compensation of employees	Leave gratuities ¹	(122)	Households	Leave gratuities	122
Machinery and equipment	Cost containment measures effected on vehicle purchases	(10)	Software and other intangible assets	IT software	10
Goods and services	Cost containment measures effected on travel and subsistence	(1)	Provinces and municipalities	Traffic fine	1
Shifts within the programme as a percentage of the programme budget		0.1%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 2		(62)	Programme 2		62
Compensation of employees	Leave gratuities ¹	(62)	Households	Leave gratuities	62
Shifts within the programme as a percentage of the programme budget		0.2%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 3		(27)	Programme 3		27
Compensation of employees	Leave gratuities ¹	(27)	Households	Leave gratuities	27
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Total		(222)			222

1. National Treasury approval has been obtained.

Declared unspent funds – R6 million

R6 million in unspent funds has been declared on compensation of employees due to vacancies that cannot be filled, in order to achieve the approved compensation of employees spending ceilings.

Programme 1: Administration

R1 million

Programme 2: Legal and Governance

R1 million

Programme 3: Portfolio Management and Strategic Partnerships

R4 million

Expenditure outcome for 2015/16 and actual expenditure for 2016/17

Programme	2015/16 Audited outcome					2016/17 Actual expenditure				
	Adjusted appropriation	Apr 15 - Sep 15	adjusted % of appropriation	Apr 15 - Mar 16	adjusted % of appropriation	Adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 16 - Sep 16	adjusted % of appropriation	
R thousand										
Administration	161 874	62 470	38.6	145 760	90.0	156 792	57.2	72 535	46.3	
Legal and Governance	23 509	9 355	39.8	19 730	83.9	26 906	9.8	9 888	36.8	
Portfolio Management and Strategic Partnerships	23 117 211	10 028 359	43.4	23 094 185	99.9	90 278	33.0	35 403	39.2	
Total	23 302 594	10 100 184	43.3	23 259 675	99.8	273 976	100.0	117 826	43.0	
Economic classification										
Current payments	259 814	97 258	37.4	217 838	83.8	269 935	98.5	115 142	42.7	
Compensation of employees	152 020	68 490	45.1	139 977	92.1	168 150	61.4	74 212	44.1	
Goods and services	107 794	28 768	26.7	77 861	72.2	101 785	37.2	40 930	40.2	

2016 Adjusted Estimates of National Expenditure

Economic classification	2015/16 Audited outcome					2016/17 Actual expenditure			
	Adjusted appropriation	Apr 15 - Sep 15	Apr 15 - Sep 15 % of adjusted appropriation	Apr 15 - Mar 16	Apr 15 - Mar 16 % of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted appropriation
R thousand									
Transfers and subsidies	35 486	1 811	5.1	35 476	100.0	323	0.1	318	98.5
Provinces and municipalities	–	–	–	–	–	1	–	4	400.0
Public corporations and private enterprises	33 106	–	–	33 106	100.0	–	–	–	–
Households	2 380	1 811	76.1	2 370	99.6	322	0.1	314	97.5
Payments for capital assets	7 274	1 115	15.3	6 341	87.2	3 718	1.4	2 366	63.6
Machinery and equipment	6 662	1 115	16.7	5 731	86.0	3 604	1.3	2 256	62.6
Software and other intangible assets	612	–	–	610	99.7	114	–	110	96.5
Payments for financial assets	23 000 020	10 000 000	43.5	23 000 020	100.0	–	–	–	–
Total	23 302 594	10 100 184	43.3	23 259 675	99.8	273 976	100.0	117 826	43.0

Expenditure trends for the first six months of 2016/17

Total expenditure in 2015/16 was 99.8 per cent of the 2015/16 adjusted appropriation. Expenditure in the first six months of 2016/17 was R117.8 million, or 43 per cent of the adjusted appropriation of R274 million for the year. In comparison, mid-year expenditure in 2015/16 was R10.1 billion, or 43.3 per cent of the 2015/16 adjusted appropriation. Compared to the first six months of 2015/16, expenditure over the same period in 2016/17 decreased by R10 billion, or 98.8 per cent. This was mainly due to the provision of R10 billion as part of the Eskom special appropriation for the enhancement of electricity generation capacity and security of supply.

Departmental receipts

	2015/16 Audited outcome					2016/17 Actual receipts				
	Adjusted estimate	Apr 15 - Sep 15	Apr 15 - Sep 15 % of adjusted estimate	Apr 15 - Mar 16	Apr 15 - Mar 16 % of adjusted estimate	Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted estimate
R thousand										
Departmental receipts	1 161	167	14.4	3 377	290.9	109	1 083	100.0	40	3.7
Sales of goods and services produced by department	366	36	9.8	72	19.7	54	288	26.6	37	12.8
Sales of scrap, waste, arms and other used current goods	–	–	–	–	–	5	–	–	–	–
Transfers received	244	–	–	–	–	–	244	22.5	–	–
Interest, dividends and rent on land	11	5	45.5	7	63.6	21	11	1.0	1	9.1
Sales of capital assets	300	98	32.7	187	62.3	–	300	27.7	–	–
Transactions in financial assets and liabilities	240	28	11.7	3 111	1 296.3	29	240	22.2	2	0.8
Total	1 161	167	14.4	3 377	290.9	109	1 083	100.0	40	3.7

Revenue trends for the first six months of 2016/17

Revenue in the first six months of 2016/17 was R40 000, or 3.7 per cent of the adjusted revenue estimate of R1.1 million for the year. In comparison, mid-year revenue in 2015/16 was R167 000, or 14.4 per cent of the 2015/16 adjusted estimate. Compared to the first six months of 2015/16, revenue over the same period in 2016/17 decreased by R127 000, or 76 per cent. This was mainly due to the non-sale of capital assets and transactions in financial assets and liabilities.

Changes to transfers and subsidies

Summary of changes to transfers and subsidies per programme

R thousand	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Administration								
Provinces and municipalities								
Municipalities								
Municipal bank accounts								
Current	-	-	-	1	-	-	1	1
Municipality bank account: fines and penalties	-	-	-	1	-	-	1	1
Households								
Social benefits								
Current	-	-	-	122	-	-	122	122
Employee social benefits	-	-	-	122	-	-	122	122
Legal and Governance								
Households								
Social benefits								
Current	-	-	-	62	-	-	62	62
Employee social benefits	-	-	-	62	-	-	62	62
Portfolio Management and Strategic Partnerships								
Households								
Social benefits								
Current	-	-	-	27	-	-	27	27
Employee social benefits	-	-	-	27	-	-	27	27

