

Vote 10

Public Enterprises

Adjusted budget summary

R thousand	2023/24			
	Appropriation	Adjustments appropriation		Adjusted appropriation
		Decrease	Increase	
Amount to be appropriated	302 912	(28 323)	688	275 277
<i>of which:</i>				
Current payments	298 845	(27 823)	–	271 022
Transfers and subsidies	20	–	688	708
Payments for capital assets	4 047	(500)	–	3 547
Payments for financial assets	–	–	–	–
Direct charge against the National Revenue Fund	–	–	–	–
Executive authority	Minister of Public Enterprises			
Accounting officer	Director-General of Public Enterprises			
Website	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.

Performance

Indicator	Programme	MTSF priority	Annual performance		
			Projected for 2023/24	Achieved in the first half of 2023/24 (April to September)	Changed target for 2023/24
Number of shareholder compacts signed per year	Business Enhancement, Transformation and Industrialisation	Priority 2: Economic transformation and job creation	5	0	6 ¹
Percentage of corporate plans reviewed per year	Business Enhancement, Transformation and Industrialisation		100%	100% (6)	–
Percentage of quarterly financial reviews conducted per year	Business Enhancement, Transformation and Industrialisation		100%	50% (12/24)	–

1. Target revised to align with the number of state-owned companies reporting to the department.

Progress

Although all corporate plans were received and reviewed as planned by mid-year, no shareholder compacts had been signed as they are due only in the third quarter. As such, the department expects all compacts to be signed by December 2023.

Adjusted estimates

Programme		2023/24							Adjusted appropriation
R thousand	Appropriation	Adjustments appropriation					Total adjustments appropriation		
		Amounts announced in the Budget	Unforeseeable /Unavoidable	Virements and shifts	Shifting of funds between votes	Significant and unforeseeable economic and financial events		Other adjustments ¹	
Administration	165 389	–	–	–	–	(15 453)	–	(15 453)	149 936
State-owned Companies	65 577	–	–	1 500	–	(3 979)	–	(2 479)	63 098
Governance Assurance and Performance Business	71 946	–	–	(1 500)	–	(8 203)	–	(9 703)	62 243
Enhancement, Transformation and Industrialisation									
Total	302 912	–	–	–	–	(27 635)	–	(27 635)	275 277
Economic classification									
Current payments	298 845	–	–	(688)	–	(27 135)	–	(27 823)	271 022
Compensation of employees	185 333	–	–	(688)	–	(17 334)	–	(18 022)	167 311
Goods and services	113 512	–	–	–	–	(9 801)	–	(9 801)	103 711
Transfers and subsidies	20	–	–	688	–	–	–	688	708
Provinces and municipalities	20	–	–	–	–	–	–	–	20
Households	–	–	–	688	–	–	–	688	688
Payments for capital assets	4 047	–	–	–	–	(500)	–	(500)	3 547
Machinery and equipment	4 047	–	–	–	–	(500)	–	(500)	3 547
Total	302 912	–	–	–	–	(27 635)	–	(27 635)	275 277

1. Other adjustments include rollovers, the shifting of funds following a function shift within a vote, self-financing expenditure, declared unspent funds and expenditure in terms of section 16 of the Public Finance Management Act (1999).

Programme 1: Administration

Subprogramme		2023/24							Adjusted appropriation
R thousand	Appropriation	Adjustments appropriation					Total adjustments appropriation		
		Amounts announced in the Budget	Unforeseeable /Unavoidable	Virements and shifts	Shifting of funds between votes	Significant and unforeseeable economic and financial events		Other adjustments	
Ministry	34 879	–	–	–	–	–	–	–	34 879
Management	9 200	–	–	–	–	(3 621)	–	(3 621)	5 579
Communications	37 493	–	–	(98)	–	(2 219)	–	(2 317)	35 176
Chief Financial Officer	20 824	–	–	–	–	(1 437)	–	(1 437)	19 387
Human Resources	35 834	–	–	(922)	–	(7 234)	–	(8 156)	27 678
Internal Audit	6 087	–	–	–	–	(595)	–	(595)	5 492
Corporate Services	5 045	–	–	–	–	(347)	–	(347)	4 698
Office Accommodation	16 027	–	–	1 020	–	–	–	1 020	17 047
Total	165 389	–	–	–	–	(15 453)	–	(15 453)	149 936

Programme 1: Administration (continued)

Economic classification		2023/24							
		Adjustments appropriation							Total adjustments appropriation
R thousand	Appropriation	Amounts announced in the Budget	Unforeseeable /Unavoidable	Virements and shifts	Shifting of funds between votes	Significant and unforeseeable economic and financial events	Other adjustments		
Current payments	161 322	–	–	(616)	–	(14 953)	–	(15 569)	145 753
Compensation of employees	93 940	–	–	(616)	–	(8 810)	–	(9 426)	84 514
Goods and services	67 382	–	–	–	–	(6 143)	–	(6 143)	61 239
Transfers and subsidies	20	–	–	616	–	–	–	616	636
Provinces and municipalities	20	–	–	–	–	–	–	–	20
Households	–	–	–	616	–	–	–	616	616
Payments for capital assets	4 047	–	–	–	–	(500)	–	(500)	3 547
Machinery and equipment	4 047	–	–	–	–	(500)	–	(500)	3 547
Total	165 389	–	–	–	–	(15 453)	–	(15 453)	149 936

Programme 2: State-owned Companies Governance Assurance and Performance

Subprogramme		2023/24							
		Adjustments appropriation							Total adjustments appropriation
R thousand	Appropriation	Amounts announced in the Budget	Unforeseeable /Unavoidable	Virements and shifts	Shifting of funds between votes	Significant and unforeseeable economic and financial events	Other adjustments		
Management	2 850	–	–	–	–	–	–	–	2 850
Legal	23 243	–	–	5 500	–	(581)	–	4 919	28 162
Governance	25 179	–	–	(4 000)	–	(1 460)	–	(5 460)	19 719
Financial	14 305	–	–	–	–	(1 938)	–	(1 938)	12 367
Assessment and Investment Support	–	–	–	–	–	–	–	–	–
Total	65 577	–	–	1 500	–	(3 979)	–	(2 479)	63 098
Economic classification									
Current payments	65 577	–	–	1 447	–	(3 979)	–	(2 532)	63 045
Compensation of employees	37 003	–	–	(53)	–	(3 979)	–	(4 032)	32 971
Goods and services	28 574	–	–	1 500	–	–	–	1 500	30 074
Transfers and subsidies	–	–	–	53	–	–	–	53	53
Households	–	–	–	53	–	–	–	53	53
Total	65 577	–	–	1 500	–	(3 979)	–	(2 479)	63 098

Programme 3: Business Enhancement, Transformation and Industrialisation

Subprogramme		2023/24							Adjusted appropriation
		Adjustments appropriation					Total adjustments appropriation		
R thousand	Appropriation	Amounts announced in the Budget	Unforeseeable /Unavoidable	Virements and shifts	Shifting of funds between votes	Significant and unforeseeable economic and financial events		Other adjustments	
Energy Resources	19 342	-	-	-	-	(4 357)	-	(4 357)	14 985
Research and Economic Modelling	6 783	-	-	(750)	-	-	-	(750)	6 033
Transport and Defence	18 635	-	-	750	-	(1 688)	-	(938)	17 697
Business Enhancement Services	27 186	-	-	(1 500)	-	(2 158)	-	(3 658)	23 528
Total	71 946	-	-	(1 500)	-	(8 203)	-	(9 703)	62 243
Economic classification									
Current payments	71 946	-	-	(1 519)	-	(8 203)	-	(9 722)	62 224
Compensation of employees	54 390	-	-	(19)	-	(4 545)	-	(4 564)	49 826
Goods and services	17 556	-	-	(1 500)	-	(3 658)	-	(5 158)	12 398
Transfers and subsidies	-	-	-	19	-	-	-	19	19
Households	-	-	-	19	-	-	-	19	19
Total	71 946	-	-	(1 500)	-	(8 203)	-	(9 703)	62 243

Details of adjustments to the 2023 Estimates of National Expenditure

Virements and shifts within the vote

Programmes					
1. Administration					
2. State-owned Companies Governance Assurance and Performance					
3. Business Enhancement, Transformation and Industrialisation					
From:			To:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 1		(616)	Programme 1		616
Compensation of employees	Vacant posts	(616)	Households	Leave gratuities	616
Shifts within the programme as a percentage of the programme budget		0.4%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 2		(53)	Programme 2		53
Compensation of employees	Vacant posts	(53)	Households	Leave gratuities	53
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 3		(1 519)	Programme 2		1 500
Goods and services	Consultants	(1 500)	Goods and services	Consultants	1 500
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		2.1%			
Total		(2 188)			2 188

Adjustments due to significant and unforeseeable economic and financial events

Cabinet has approved reductions of R27.635 million to the department's baseline, of which:

- R15.5 million is in Programme 1: Administration
- R4 million is in Programme 2: State-owned Companies Governance Assurance and Performance
- R8.2 million is in Programme 3: Business Enhancement, Transformation and Industrialisation.

Expenditure outcome for 2022/23 and actual expenditure for 2023/24

Programme	2022/23					2023/24			
	Adjusted appropriation	Outcome			Adjusted appropriation/ Total (%)	Actual expenditure			
		Apr 22 - Sep 22 % of adjusted appropriation	Apr 22 - Mar 23 adjusted appropriation	Apr 22 - Sep 22 % of adjusted appropriation		Apr 23 - Sep 23 adjusted appropriation			
R thousand									
Administration	168 010	64 742	38.5	129 505	77.1	149 936	54.5	73 043	48.7
State-owned Companies Governance Assurance and Performance	60 591	17 179	28.4	42 048	69.4	63 098	22.9	28 117	44.6
Business Enhancement, Transformation and Industrialisation	33 916 797	5 602 061	16.5	33 716 904	99.4	62 243	22.6	25 307	40.7
Subtotal	34 145 398	5 683 982	16.6	33 888 457	99.2	275 277	100.0	126 467	45.9
Direct charge against the National Revenue Fund	204 700	200 659	98.0	204 700	100.0	-	-	-	-
Section 70 of the Public Finance Management Act (1999) payment: South African Express Airways SOC Ltd	-	-	-	-	-	-	-	-	-
Section 70 of the Public Finance Management Act (1999) payment: South African Airways SOC Ltd	-	-	-	-	-	-	-	-	-
Section 70 of the Public Finance Management Act (1999) payment: Denel SOC Ltd	204 700	200 659	98.0	204 700	100.0	-	-	-	-
Total	34 350 098	5 884 641	17.1	34 093 157	99.3	275 277	100.0	126 467	45.9

Expenditure outcome for 2022/23 and actual expenditure for 2023/24 (continued)

Economic classification	2022/23					2023/24			
	Adjusted appropriation	Outcome			Adjusted appropriation/ Total (%)	Actual expenditure			
		Apr 22 - Sep 22	adjusted appropriation	% of		Apr 23 - Sep 23	adjusted appropriation	% of	
R thousand	Apr 22 - Sep 22	Apr 22 - Mar 23	adjusted appropriation	% of	Adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 23 - Sep 23	adjusted appropriation	% of
Current payments	291 825	98 419	33.7	214 467	73.5	271 022	98.5	125 701	46.4
Compensation of employees	178 741	68 427	38.3	142 026	79.5	167 311	60.8	77 342	46.2
Goods and services	113 084	29 992	26.5	72 441	64.1	103 711	37.7	48 359	46.6
Interest and rent on land	–	–	–	–	–	–	–	–	–
Transfers and subsidies	211	328	155.5	468	221.8	708	0.3	600	84.7
Provinces and municipalities	19	2	10.5	3	15.8	20	0.0	–	–
Departmental agencies and accounts	–	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	–	–	–	–	–	–	–	–	–
Households	192	326	169.8	465	242.2	688	0.2	600	87.2
Payments for capital assets	3 876	2 707	69.8	3 503	90.4	3 547	1.3	166	4.7
Machinery and equipment	3 876	2 707	69.8	3 503	90.4	3 547	1.3	166	4.7
Software and other intangible assets	–	–	–	–	–	–	–	–	–
Payments for financial assets	34 054 186	5 783 187	17.0	33 874 719	99.5	–	–	–	–
Total	34 350 098	5 884 641	17.1	34 093 157	99.3	275 277	100.0	126 467	45.9

Expenditure trends

Total expenditure in 2022/23 was R34.1 billion, 99.3 per cent of the adjusted appropriation for the year. Mid-year expenditure in 2022/23 was R5.9 billion, 17.1 per cent of the adjusted appropriation, whereas expenditure in the first half of 2023/24 was R126.5 million, 45.9 per cent of the adjusted appropriation of R275.3 million. Compared to the first half of 2022/23, expenditure over the same period in 2023/24 decreased by R5.8 billion, 97.9 per cent. This was mainly due to no funds being allocated to state-owned companies in 2023/24.

Departmental receipts

Departmental receipts

Economic classification	2022/23					2023/24				
	Adjusted estimate	Outcome			Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Actual receipts		
		Apr 22 - Sep 22	adjusted estimate	% of				Apr 23 - Sep 23	adjusted estimate	% of
R thousand	Apr 22 - Sep 22	Apr 22 - Mar 23	adjusted estimate	% of	Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Apr 23 - Sep 23	adjusted estimate	% of
Departmental receipts	315	39	12.4	1 514	480.6	315	246	100.0	160	65.0
Sales of goods and services produced by the department:	101	34	33.7	67	66.3	101	101	41.1	35	34.7
Interest, dividends and rent on land	4	–	–	801	20 025.0	4	–	–	–	–
Sales of capital assets	65	–	–	487	749.2	65	–	–	–	–
Transactions in financial assets and liabilities	145	5	3.4	159	109.7	145	145	58.9	125	86.2
Total	315	39	12.4	1 514	480.6	315	246	100.0	160	65.0

Revenue trends

Mid-year revenue in 2022/23 was R39 000, 12.4 per cent of the adjusted estimate, whereas revenue for the first half of 2023/24 was R160 000, 65 per cent of the adjusted estimate of R246 000. Compared to the first half of 2022/23, revenue over the same period in 2023/24 increased by R121 000, 310.3 per cent. This was mainly due to an increase in financial asset and liability transactions related to funds recovered from former employees.

Changes to transfers and subsidies

Summary of changes to transfers and subsidies per programme

		2023/24								
		Adjustments appropriation						Total adjustments appropriation	Adjusted appropriation	
R thousand	Appropriation	Amounts announced in the Budget	Unforeseeable /Unavoidable	Virements and shifts	Shifting of funds between votes	Significant and unforeseeable economic and financial events	Other adjustments			
	Administration									
	Households									
	Social benefits									
	Current	-	-	-	616	-	-	-	616	616
	Employee social benefits	-	-	-	616	-	-	-	616	616
	State-owned									
	Companies									
	Governance									
	Assurance and Performance									
	Households									
	Social benefits									
	Current	-	-	-	53	-	-	-	53	53
	Employee social benefits	-	-	-	53	-	-	-	53	53
	Business									
	Enhancement, Transformation and Industrialisation									
	Households									
	Social benefits									
	Current	-	-	-	19	-	-	-	19	19
	Employee social benefits	-	-	-	19	-	-	-	19	19

