

## **Explanatory notes to the chapters**

The chapter for each of the thirty-four votes contain information under the following headings:

### **Vote name and number**

Votes are sequenced according to the functional groupings:

- Central government administration
- Financial and administrative services
- Social services
- Justice and protection services
- Economic services and infrastructure development

This facilitates analysis of interdepartmental initiatives and service delivery. It should be noted that the functional groupings are informal and not consistent with the more rigorous functional classification of expenditure reported in the *Budget Review*.

### **To be appropriated by vote**

The amount to be appropriated by a vote reflects the expenditure allocation for the 2005/06 financial year. This amount is disaggregated into current payments, transfers and capital expenditure, and corresponds with the 2005 Appropriation Bill. Estimates for the two outer-years of the expenditure framework are also included.

### **Accountability information**

Information on the responsible minister, accounting officer and administering department is provided here to enhance accountability.

### **Aim**

The aim of the vote reflects the social and economic outcomes that the department wishes to achieve.

### **Programme purpose and measurable objectives**

The identification of the programme purpose together with measurable objectives strengthens accountability for service delivery. Measurable objectives are defined as quantifiable results that can be achieved within a foreseeable time period. For the majority of departments the administration programme will not have a measurable objective or outputs table.

### **Strategic overview and key policy developments: 2001/02 – 2007/08**

This section describes the strategic direction of the department over the period under review. It includes policy development and legislative changes that frame departmental spending plans over the seven-year period.

### **Expenditure estimates**

The first table sets out expenditure by programme and economic classification. The table shows audited outcomes for 2001/02 and 2002/03 and the preliminary outcome for 2003/04, the adjustments appropriation and the revised estimate for 2004/05 and the medium-term expenditure estimates for 2005/06 to 2007/08. The revised estimate for 2004/05 represents National Treasury's estimate of actual spending on each programme, in consultation with departments. This does not imply a change in the amount voted to the department in the 2004/05 appropriations.

The spending figures for 2005/06 are those to be voted by Parliament together with statutory amounts. The medium-term expenditure estimates for 2006/07 and 2007/08 will form the basis for planning the 2006 Budget. Changes to the 2004 Budget are reflected.

To ensure comparability, where programme structures have been changed in recent years, expenditure has, where possible, been reallocated according to the new programme structure for all years.

The second part of the table sets out departmental expenditure according to the economic classification.

### **Expenditure trends**

The main expenditure trends and programme structure changes in the vote over the seven-year period are described, giving effect to policy development and departmental priorities. Where appropriate, annual average growth rates are calculated. Unless indicated otherwise, these reflect nominal growth rates rather than real growth. The additional allocations set out in the 2005 Budget are also covered. Where real growth estimates are provided, expenditure estimates are deflated by CPIX.

### **Departmental receipts**

Where available, departmental receipts are estimated for 2004/05 and for the medium-term period.

### **Programme number and name**

Each programme is reviewed in turn. The Programme name and number is followed by a brief description of the programme and subprogrammes, which serves to delineate, for the purpose of the Public Finance Management Act, the activities and functions that may be accommodated within the approved programme structure.

Programme 1 is always Administration, which includes spending on the Ministry, the Director-General's office and central corporate services.

### **Programme expenditure estimates**

Programme-specific tables set out expenditure by subprogramme and economic classification. The table shows audited outcomes for 2001/02 and 2002/03, the preliminary outcome for 2003/04, the adjusted appropriation for 2004/05 and the medium-term expenditure estimates for 2005/06 to 2007/08. Changes to the 2004 Budget are reflected.

### **Expenditure trends**

Important expenditure trends for each programme are identified, as are policies and their financial implications over various periods of the seven-year framework. Reprioritisation, reflected in changes in the division of expenditure between programmes' is sometimes highlighted. Reasons for any changes to the expenditure estimates for 2005/06 and 2006/07 relative to those announced in the 2004 Budget are also given. Additional allocations for new priorities are identified.

### **Service delivery objectives and indicators**

Information about service delivery outputs and targets are presented in two parts:

- Recent outputs - which details the outputs that have been achieved by the programme in the previous financial year, in relation to the service delivery targets specified by the department in 2003 and 2004.
- Medium-term output targets - refers to the key service delivery outputs, measures and indicators, and targets for each subprogramme over the medium term.

### **Public entities reporting to the Minister**

Information on public entities reporting to the responsible Minister for the Vote is provided.

The information presented on such bodies varies with the nature, financial structure and service delivery responsibilities of the body. In general, more emphasis is given to entities that are primarily funded by taxation, whether transferred from the National Revenue Fund (for example, the Electoral Commission) or transferred directly to the body itself (the Unemployment Insurance Fund). The aim is to provide key financial and service delivery information, accounting for the spending of public money.

Summary expenditure and income tables are provided for a select set of public entities, which will be expanded in future years along with information on their outputs and medium-term plans.

### **Annexure tables to each vote**

Standard detailed tables are included in the annexure to each vote. These include:

- Expenditure trends and estimates per programme
- Expenditure trends and estimates per economic classification
- Transfers and subsidies per programme
- Personnel numbers and costs.
- Expenditure on training
- Information and communications technology expenditure
- Conditional grants to provinces
- Conditional grants to municipalities
- Indirect grants to provinces / municipalities
- Expenditure on infrastructure
- Official development assistance support
- Public-private partnerships

