

# Information contained in each chapter

The votes are arranged according to the functional groupings:

- central government administration
- financial and administrative services
- social services
- justice, crime prevention and security services
- economic services and infrastructure development.

This facilitates the analysis of interdepartmental initiatives and service delivery. The functional groupings in the ENE are informal and not consistent with the more rigorous functional classification of expenditure reported in the *Budget Review*.

The chapters for each of the 34 votes contain the following information:

## Accountability information

| R thousand                                       | 2007/08<br>To be appropriated | 2008/09 | 2009/10 |
|--|-------------------------------|---------|---------|
| <b>MTEF allocations per program</b>              |                               |         |         |
| <b>Total</b>                                     |                               |         |         |
| Direct charges against the National Revenue Fund |                               |         |         |
| <b>Total expenditure estimates</b>               |                               |         |         |
| <b>Economic classification</b>                   |                               |         |         |
| Current payments                                 |                               |         |         |
| Transfers and subsidies                          |                               |         |         |
| Payments for capital assets                      |                               |         |         |
| <b>Total expenditure estimates</b>               |                               |         |         |
| Executive authority                              | Minister                      |         |         |
| Accounting officer                               | Chief Operating Officer       |         |         |

The amount **to be appropriated** reflects the expenditure allocation for 2007/08, consisting of the allocation to the main programmes and the **total** that corresponds with the 2007 Appropriation Bill, and the **direct charges against the National Revenue Fund**. Estimates for the two outer years of the expenditure framework, **2008/09** and **2009/10**, are also included. The appropriated and estimated totals are disaggregated into **current payments, transfers and subsidies, and payments for capital assets**.

The **executive authority** and **accounting officer** are specified to improve accountability.

## Aim

The aim paragraph captures the social and economic outcomes that the department wishes to achieve, and corresponds with the Appropriation Bill.

## Programme purposes

Each programme is listed individually together with its purpose, as stated in the Appropriation Bill.

## Strategic overview and key policy developments: 2003/04 – 2009/10

This section describes the department's strategic direction over the period under review. It includes outcomes that are framed within legislative and policy developments; service delivery improvement plans, and also reveals ways in which outputs are leading to the desired outcomes. The discussion on outcomes is then followed by a more descriptive discussion on policy developments and legislative changes that frame departmental spending plans.

### Expenditure estimates

The first table sets out expenditure first by **programme** and then by **economic classification**, showing:

- **audited outcomes** for 2003/04 to 2005/06
- the adjusted appropriation and the revised estimate for 2006/07
- the medium-term expenditure estimates for 2007/08 to 2009/10.

**Audited outcomes** are presented as in the annual financial statements, with adjustments for structural changes and the devolution of the costs for leases and accommodation charges from the Department of Public Works.

**Adjusted appropriation** as presented to Parliament, shows the amendments made to the appropriation voted in the main budget for the year, with adjustments for structural changes and the devolution of the costs for leases and accommodation charges from the Department of Public Works.

The **revised estimate** for 2006/07 represents National Treasury's estimate, in consultation with departments, of estimated expenditure outcomes. This does not imply a change in the amount voted to the department in the 2006/07 adjusted appropriations.

The spending figures for **2007/08** make up the proposed appropriation that will form the basis for the 2007 Appropriation Bill that has to be approved by Parliament to fund from the National Revenue Fund. The direct charge against the National Revenue Fund are amounts appropriated to be spent in terms of statutes and not requiring appropriation by vote.

The **medium-term expenditure estimates** for 2008/09 and 2009/10 will form the basis for planning the 2007 Budget.

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

### 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 service delivery objectives.

Where appropriate, average annual growth rates are calculated. Unless indicated otherwise, these reflect nominal growth rates rather than real growth. Where real growth estimates are provided, expenditure estimates are deflated by CPIX.

A short description is provided on science and technology activities, historical expenditure trends and the departmental capacity to implement science and technology activities and funding of sector-specific research and development strategies.

A concise summary of the new allocations to the programme's baseline, as approved by Cabinet, is also provided.

Unless otherwise stated, the change in expenditure for a department over the MTEF period refers to the average annual growth rate between 2006/07 and 2009/10.

## Infrastructure spending

This section includes spending on fixed assets and a discussion on the mechanisms used to acquire fixed assets. Departments disclose expenditure on the acquisition of buildings and other fixed structures as well as the procurement mechanisms used, such as resources, public-private partnership agreements or by making use of an implementing agent.

## Departmental receipts

All departmental receipts for 2006/07 are described, as well as the anticipated revenue for the new MTEF period.

## Information on each programme

Each programme section opens with a brief description of the programme and subprogrammes, which delineates, 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.

## Expenditure estimates (per programme)

Tables for each programme set out expenditure by **subprogramme** and **economic classification**. The table shows:

- **audited outcomes** for 2003/04 to 2005/06,
- the adjusted appropriation and revised estimates for 2006/07
- the medium-term expenditure estimates for 2007/08 to 2009/10.

## Expenditure trends (per programme)

Important expenditure trends for each programme are explained over the seven-year framework. Reprioritisation, reflected in changes in the division of expenditure between programmes, is highlighted where significant. A detailed summary of the changes to the programme's baseline, as approved by Cabinet, is also provided.

Unless otherwise stated, the change in expenditure for a programme or subprogramme over the MTEF period, refers to the average annual growth rate between 2006/07 and 2009/10.

## Service delivery objectives and indicators

Measurable objectives are defined as quantifiable results that can be achieved within a foreseeable time.

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

- **Recent outputs** highlight the recent outputs for 2005/06 and outputs achieved to date for 2006/07.
- **Selected medium-term output targets** is aligned with the strategic plan and covers the first year of the 2007 MTEF.

## Public entities and other agencies

Information on each of the public entities consists of the following:

- the key legislative mandates in terms of which the entity was established and within which it operates

- the financial data being presented for the entity, focusing on the sources of funding for the entity, key spending areas and expenditure trends, and an analysis of some of the more important items contained on the entity's balance sheet
- the key outputs produced in the previous reporting periods and the strategic focus and planned outputs for the next MTEF period.

## **Additional tables**

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

- Summary of expenditure trends and estimates per programme and economic classification
- Summary of personnel numbers and compensation of employees
- Summary of expenditure on training
- Summary of conditional grants to provinces and municipalities
- Summary of expenditure on infrastructure
- Summary of departmental public-private partnerships projects